

BBK discloses its financial results for the half year ended 30th June 2023

BBK (trading code BBKB.BH) announces its financial results for the half year ended 30th June 2023, including the second quarter of 2023.

For the second quarter of 2023:

The Bank achieved a net profit attributable to the owners of the Bank of BD 16.9 million compared to BD 15.5 million in the same period of last year, representing an increase of 9.0%. The basic and diluted earnings per share amounted to 10 fils compared to 9 fils achieved during the corresponding period of last year.

The total comprehensive income attributable to the owners of the Bank grew from a loss of BD 10.9 million achieved during the second quarter of last year to a profit of BD 29.2 million during the current period, mainly due to the positive movement in the valuation of investment securities.

The increase in net profit was mainly attributable to higher net interest income which increased by 48.9% from BD 22.3 million during the second quarter of year 2022 to BD 33.2 million due to dynamic balance sheet management and high interest rates. On the other hand, net fees and commission income decreased by 68.8% from BD 4.8 million to BD 1.5 million. In addition, total operating expenses increased by 9.9% from BD 15.2 million to BD 16.7 million due to continuous investment in human capital, as well as various strategic initiatives and enhancement of current distribution channels and services.

For the half year ended 30th June 2023:

The Bank achieved a net profit attributable to the owners of the Bank of BD 37.0 million compared to BD 30.6 million in the same period of last year, an increase of 20.9%. The basic and diluted earnings per share amounted to 22 fils for the current period compared to 18 fils during the same period of last year.

Total comprehensive income attributable to the owners of the Bank for the half year ended 30th June 2023 amounted to BD 36.7 million compared to BD 17.6 million during the corresponding period of last year, representing growth of 108.5% which mainly reflects the positive shift in investment securities market valuations as well as higher net profits for the period.

The net profit was boosted by higher net interest income of 56.1% from BD 42.6 million to BD 66.5 million, due to active balance sheet optimization initiatives and benefiting from higher interest environment. On the other hand, net fees and commission income decreased by 38.5% from BD 9.1 million to BD 5.6 million, investment and other income decreased by 14.9% from BD 8.7 million to BD 7.4 million, while the bank's share of results from associated companies and joint ventures resulted in a loss of BD 3.1 million, compared to a profit of BD 2.8 million during the same period of last year. Total operating expenses increased by 7.5% from BD 30.7 million in 2022 to BD 33.0 million in 2023, while the net provision requirements increased by 300.0% from BD 1.5 million to BD 6.0 million during the first half of 2023.

Total shareholders' equity attributable to the owners of the Bank stood at BD 583.8 million as of end of June 2023, 2.1% lower compared to BD 596.3 million as of year-end 2022. The drop was mainly related to the declaration of the cash dividends to the shareholders during the first quarter of 2023.

Total assets as of end of June 2023 stood at BD 3,807.8 million (31st December 2022: BD 3,753.9 million), registering a slight increase of 1.4%. Net loans and advances marginally decreased by 0.6% to BD 1,604.5 million (31st December 2022: BD 1,614.0 million), while deposits and amounts due from banks and other financial institutions decreased by 13.2% to stand at BD 240.2 million (31st December 2022: BD 276.6 million). Moreover, investment securities portfolio dropped by 1.6% to BD 899.3 million (31st December 2022: BD 914.2 million). On the other hand, treasury bills increased by 19.3% to reach BD 331.5 million (31st December 2022: BD 277.9 million), customer deposits registered a marginal increase by 0.7% to stand at BD 2,132.0 million (31st December 2022: BD 2,116.6 million).

Based on the achieved interim results, the Board of Directors has decided to distribute an interim cash dividend representing 10% (10 fils per share) subject to obtaining the regulatory approvals.

Commenting on the Bank's results, the Board of Directors stated, "The Board of Directors praise BBK's strong performance and unwavering commitment to excellence. Our clear vision, robust business model, and adaptive strategies have propelled steady improvements and solid financial results. We express gratitude to our shareholders for their support, our customers for their loyalty, and our team for their dedication. With optimism and confidence, we look forward to further supporting our economy, stakeholders, and communities while providing attractive returns to our shareholders".

Dr. AbdulRahman Saif, BBK's Group Chief Executive added, "I am honored to share the robust performance and resilience shown through BBK. In addition to the steady growth in our net profit, the Bank fundamentals are sound. Moreover, we are excited to support Beyon's cable expansion plans financing USD 200 million to expedite digital transformation in Bahrain by developing undersea submarine cable systems. We also proudly celebrate the successfully graduated 24 women from the 'Women on Board' Programme; fostering gender equality and promoting women's advancement in the professional world. Additionally, we have kick-started our very own digital academy, DigiPro, which aims to enhance the efficiency, productivity and contribution of our human capital while focusing on the digital transformation of banking and financial services. These initiatives align with our dedication to excellence, innovation, and the well-being of our customers and stakeholders. All while continually adapting technology to improve banking for the nation".

The full set financial statements and the press release are available on Bahrain Bourse's website.