

BBK discloses its financial results for the period ended 30th September 2021

BBK (trading code BBKB.BH) announces its financial results for the nine months ended 30th September 2021 with a net profit attributable to the owners of the Bank of BD 40.5 million representing an increase of 3.8%, including the third quarter of 2021 result with a net profit attributable to the owners of the Bank of BD 12.4 million representing an increase of 25.3%.

For the third quarter of 2021, the Bank achieved a net profit attributable to the owners of the Bank of BD 12.4 million compared to BD 9.9 million in the same period of last year, an increase of 25.3%. The basic and diluted earnings per share amounted to 8 fils compared to 7 fils during the corresponding period of last year. Total comprehensive income attributable to the owners of the Bank amounted to BD 7.0 million during the third quarter of 2021, compared to BD 19.9 million during the same period last year, representing a decrease of 64.8%.

The growth in net profit is attributable to the increase in net interest income by 8.2% to BD 21.2 million (BD 19.6 million in the corresponding period last year) due to dynamic balance sheet management, and an increase in investment and other income by 4.3% to BD 4.9 million (BD 4.7 million during the same period last year). Moreover, the Bank's share of profit from associated companies and joint ventures increased to BD 1.0 million compared to a loss of BD 0.3 million for the same period last year. In addition, active management of distressed exposures and increase in remedial efforts resulted in a drop in net provision requirements to BD 1.7 million from BD 2.5 million for the same period of last year, representing a decline of 32.0%. On the other hand, continuous investment in strategic initiatives resulted in an increase in operating expenses by 9.4% to reach BD 16.3 million (BD 14.9 million in the corresponding period last year).

The drop in total comprehensive income is attributable to the decrease in valuation of investment securities during the third quarter of the current year compared to the market rebound witnessed during the same period of last year as financial markets were recovering from the shocks caused by the COVID-19 pandemic.

For the nine months ended 30th September 2021, the Bank achieved a net profit attributable to the owners of the Bank of BD 40.5 million compared to BD 39.0 million in the same period of last year, registering an increase of 3.8%. The basic and diluted earnings per share amounted to 27 fils for the period compared to 26 fils during the corresponding period of last year. Total comprehensive income attributable to the owners of the Bank for the nine months ended 30th September 2021 amounted to BD 47.6 million compared to a total comprehensive loss of BD 27.7 million during the same period last year.

The growth in net profit for the nine months period was supported by a 3.6% increase in net interest income to reach BD 62.5 million compared to BD 60.3 million reported during last year. In addition, continuous investment in remedial management and active management of distressed exposures resulted in a significant reduction in net provision charges from BD 6.8 million for the nine months of 2020 to BD 2.1 million during the current reporting period representing a decrease of 69.1%. Furthermore, prudent management and active measures to rationalize operating costs resulted in a marginal decrease in operating costs by 0.4% from BD 45.6 million to BD 45.4 million. On the other hand, fees and commission income decreased by 18.7% from BD 13.4 million to BD 10.9 million, primarily due to the impact of concessionary regulatory measures taken in response to COVID-19 to support the domestic business community and the impact of new regulatory caps on fees and charges. Moreover, the Bank's share of profit from associated companies and joint ventures decreased from BD 2.2 million to BD 0.3 million, representing a decrease of 86.4%. In addition, Investment and other income dropped by 5.8% from BD 15.6 million to BD 14.7 million.

The significant increase in total comprehensive income attributable to the owners of the Bank is mainly attributable to the increase in valuation of investment securities as financial markets continued to recover from the drops resulted from the COVID19 outbreak last year.

The total shareholders' equity attributable to the owners of the Bank stood at BD 530.9 million as of end of September 2021, compared to BD 511.8 million as of year-end 2020. The increase of 3.7% is mainly related to the current period profit and improvement in valuation of investment securities.

The total assets by the end of September 2021 reached BD 3,662.5 million compared to BD 3,760.4 million as of the 2020 financial year-end, registering a decrease of 2.6%. This is mainly due to the decrease in treasury bills amounts by 40.7% to stand at BD 289.4 million (31st December 2020: BD 487.8 million). Moreover, deposits and amounts due from banks and other financial institutions decreased by 11.1% to stand at BD 283.5 million (31st December 2020: 318.9 million). On the other hand, investment securities increased by 3.7% to stand at BD 992.9 million (31st December 2020: BD 957.3 million) and net loans and advances increased by 1.4% to reach BD 1,577.5 million (31st December 2020: BD 1,555.8 million). Total customer deposits registered a decrease of 1.8% to stand at BD 2,127.4 million (31st December 2020: BD 2,167.4 million), while the loans to customer deposits ratio stood at a comfortable level of 74.2% (31st December 2020: 71.8%).

The Board of Directors expressed their satisfaction with the financial results stating, “We are pleased with the strong results achieved by the Bank despite the continuous challenges of the pandemic and the slow recovery. The results reflect the robustness and the flexibility of BBK’s business model, and its ability to continue delivering value to its shareholders and supporting its customers and the communities in which it operates even during the most challenging times. We would like to thank our customers for their loyalty, our shareholders for their support, and the management and employees for their continuous dedication”.

Also commenting on the results, Dr. AbdulRahman Saif, BBK’s Group Chief Executive said, “the solid results achieved during the current reporting period reflects our unwavering commitment to deliver superior banking experience and our continuous endeavor to strengthen our business model while remaining agile to adapt to the dynamic environment. Our balanced approach towards business growth, enhancing the resilience of our operations, along with our focus on the implementation of the targeted strategic objectives and achieving the Environmental, Social and Governance (ESG) goals are the main drivers of BBK’s sustainable performance. As we continue to work towards our digitalization strategic journey, the Bank announced the opening of its fourth BBKPLUS Digital Zone at the Budaiya financial mall and introduction of BBKPLUS assets onboarding application, which hosts an array of digital services where customers can perform their transactions easily and at their own convenience. Moreover, to enhance our customers banking experience, we launched several innovative services such as Apple Pay, Fitbit Pay and Garmin Pay which enables customers to complete their banking transactions conveniently and safely using their smart devices. We look forward to the future with optimism and we are confident that BBK’s solid business model will continue to provide our shareholders with attractive value and contribute to the betterment of the societies in which we operate”.

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