

BBK discloses its financial results for the period ended 30th September 2022

BBK (trading code BBKB.BH) announce its financial results for the nine months ended 30th September 2022, including the third quarter of 2022.

For the third quarter of 2022:

The Bank achieved a net profit attributable to the owners of the Bank of BD 14.0 million compared to BD 12.4 million in the same period of last year, an increase of 12.9%. The basic and diluted earnings per share amounted to 9 fils compared to 8 fils during the corresponding period of last year.

Total comprehensive income attributable to the owners of the Bank amounted to BD 12.3 million during the third quarter of 2022, compared to BD 7.0 million during the same period of last year, representing an increase of 75.7%. The increase in total comprehensive income was mainly due to the positive movement in the valuation of investment securities, and also to higher net profit.

The growth in net profit is attributable to robust increase in income from core activities. The net interest income increased by 23.6% to BD 26.2 million (BD 21.2 million in the corresponding period of last year) due to enhanced margin and dynamic balance sheet management. Moreover, net fees and commission income increased by 29.4% to BD 4.4 million (BD 3.4 million during the corresponding period of last year) mainly due to the release of regulatory caps on fees and charges that were in place during 2020 and 2021 to ease the impact of COVID-19 on local businesses. On the other hand, total operating expenses increased by 13.1% to BD 16.4 million (BD 14.5 million during the same period of last year) due to continuous investment in human capital, and implementation of new strategic and business initiatives. In addition, the net provision requirements amounted to BD 3.4 million, compared to BD 1.7 million for the same period of last year representing a 100.0% increase. The increase in net provision requirements is due to the Bank's proactive and prudent risk management approach to enhance its financial resilience. The Bank's share of profit from associated companies and joint ventures during the quarter has declined to BD 0.4 million (BD 1.0 million in the corresponding period of last year) representing a decline of 60.0%.

For the nine months ended 30th September 2022:

The Bank achieved a net profit attributable to the owners of the Bank of BD 44.5 million, compared to BD 40.5 million in the same period of the previous year, an increase of 9.9%. The basic and diluted earnings per share amounted to 27 fils for the period, compared to 25 fils during the corresponding period of last year.

Total comprehensive income attributable to the owners of the Bank amounted to BD 29.8 million, compared to BD 47.6 million during the same period of last year, a decrease of 37.4%. The drop is related to unrealized negative valuation on investment securities due to general financial markets volatility.

The robust increase in net profit was supported by a 10.1% increase in net interest income to reach BD 68.8 million (BD 62.5 million reported during the same period of last year), and 23.9% increase in net fees and commission income to stand at BD 13.5 million (BD 10.9 million reported last year). Moreover, the Bank's share of profit from associated companies and joint ventures has seen a prominent growth, increasing to BD 3.2 million (BD 0.3 million in the corresponding period of last year) representing an increase of 966.7%. On the other hand, the vigorous efforts of the Bank towards implementation of new strategic and business initiatives, investing in our employees and in enhancing our distribution channels and offerings, and increase in the value-added tax (VAT) rate have resulted in 8.3% increase in total operating expenses to BD 47.2 million (BD 43.6 million during the same period of last year). Moreover, in light of the current uncertainties surrounding the health of the global economy and the challenging economic environment, the net provisions increased by 138.1% to BD 5.0 million (BD 2.1 million during last year) despite significant improvement in the Bank's asset quality indicators.

The total shareholders' equity attributable to the owners of the Bank stood at BD 541.5 million as of end of September 2022, largely in line with the previous year-end of BD 542.8 million (representing a decline of 0.2%). In addition, total assets increased year-to-date by 3.1% reaching BD 3,786.3 million (31 December 2021: BD 3,672.7 million) mainly due to increase in cash and balances with central banks by 38.4% to stand at BD 394.3 million (31 December 2021: BD 284.8 million) and increase in loans and advances to customers by 4.4% to BD 1,678.7 million (31 December 2021: BD 1,607.2 million). The growth in balance sheet was mainly funded by growth in core customer deposits which increased by 3.4% to BD 2,198.9 million (31 December 2021: BD 2,125.6 million).

The Board of Directors expressed their satisfaction with the financial results, stating that: “the solid performance and steady improvements in the Bank’s operations are testimonies of our clear vision, robust business model, and effective and adaptive strategies that are being implemented with the highest standards of operational excellence. We would like to thank our customers for their loyalty, our shareholders for their support, and the management team and employees for their continuous dedication”.

Dr. AbdulRahman Saif, BBK’s Group Chief Executive commented “the steady improvement in our performance and the higher net profit are results of our sustained culture of superior performance and balanced growth. We continued to invest in various new business and strategic initiatives aimed at inclusive growth and benefiting all our stakeholders. Also, adopting a sustainable approach in all our operations, and supporting environment issues are top priorities. We launched our first sustainability report recently and offered attractive sustainability financing solutions for our retail and corporate customers. Moreover, we continued supporting various housing initiatives in the Kingdom by expanding our retail mortgage financing and collaborating with multiple development projects to offer various financing options. I am delighted that our endeavor to provide our customers with outstanding banking experience has resulted in BBK earning several prestigious awards such as the Outstanding Digital Customer Experience Strategy award from The Digital Banker, the Best Bank in Terms of Digital Services in Bahrain for the Year 2022 from the World Union of Arab Banks, and Compliance and Banking Management Ethics award from International Excellence Foundation”.

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