

BBK discloses its financial results for the quarter ended 31st March 2023

BBK (trading code BBKB.BH) announces its financial results for the quarter ended 31st March 2023. The Bank achieved a net profit attributable to the owners of the bank of BD 20.1 million compared to BD 15.1 million achieved during the same period of last year, representing an increase of 33.1%. The basic and diluted earnings per share amounted to 12 fils compared to 9 fils for the same period last year.

Total comprehensive income attributable to the owners of the bank amounted to BD 7.4 million for the first quarter of 2023, compared to BD 28.7 million achieved during the same period of last year, representing a drop of 74.2%. Mainly due to the drop in the valuation of investment securities during the period which was driven by the increase in global interest rates, while it was partially offset by higher net profits.

Total operating income (including share of results from associated companies and joint ventures) for the quarter has increased by 28.6% from BD 31.5 million achieved during last year to BD 40.5 million achieved this year. This increase was driven by higher net interest and similar income of BD 33.3 million compared to BD 20.3 million in the same period last year, marking a rise of 64.0%. While investment and other income is on par with last year at BD 4.6 million. This was offset by reporting a share of loss from associated companies and joint ventures of BD 1.6 million, compared to a share of profit of BD 2.3 million during same period last year, while net fees and commission income stood at BD 4.2 million, compared to BD 4.3 million last year representing a decline of 2.3%. The Bank's continuous investment in its strategic initiatives and human capital led to an increase in total operating expenses to BD 16.3 million compared to BD 15.4 million during the same period of last year representing an increase of 5.8%. Net provision requirements for the first quarter of the current year amounted to BD 3.9 million, compared to BD 0.8 million during the same period of last year.

Total shareholders' equity attributable to the owners of the Bank as of end of March 2023 stood at BD 552.5 million (31st December 2022: BD 596.3 million), marking a reduction of 7.3% mainly related to the declaration of cash dividend of BD 49.1 million to shareholders during the first quarter of 2023 as well as the decrease in valuation of investment securities, partially offset by interim profit.

The total assets as of the end of March 2023 reached BD 3,863.6 million (31 December 2022: BD 3,753.9 million), registering an increase of 2.9%. Cash and balances with central banks increased by 30.1% to reach BD 542.3 million (31 December 2022: BD 416.9 million), treasury bills increased by 2.2% to stand at BD 284.0 million (31 December 2022: BD 277.9 million), and deposits and amounts due from banks and other financial institutions increased by 18.4% to BD 327.6 million (31 December 2022: BD 276.6 million). On the other hand, net loans and advances to customers decreased by 2.2% to BD 1,577.7 million (31 December 2022: BD 1,614.0 million), and Investment securities dropped by 1.6% to BD 900.0 million (31 December 2022: BD 914.2 million). Customer deposits increased by a healthy 4.2% to stand at BD 2,204.7 million (31 December 2022: BD 2,116.6 million) continuing to be the Bank's core source of stable funding.

Commenting on the Bank's results, the Board of Directors stated "We are proud of our strong financial performance and our ability to navigate through challenging economic cycles. Our robust business model, clear vision, and adaptive strategies; coupled with our commitment to delivering innovative services and contributing to the economic and social growth of the communities in which we operate; have enabled us to achieve steady improvements in our operations. As we continue to evolve towards achieving digital transformation and Environmental, Social & Governance (ESG) targets, we remain optimistic and confident in our ability to create value for our stakeholders while supporting the communities in which we operate. We would like to extend our sincere thanks and appreciation to our customers for their loyalty, our shareholders for their support, and our management team and employees for their unwavering dedication."

Also commenting on the results, Dr. AbdulRahman Saif, BBK's Group CE said "Our strong performance throughout 2022 and this first quarter of 2023 is a testament to our steadfast commitment to our strategic objectives, balanced growth, and sustainable practices. As we move into the future, we remain focused on digital transformation, innovation, and customer-centricity to continue to provide exceptional value to all our stakeholders. During 2022, we have made significant strides in our digital transformation journey, through the launch of new digital banking platforms and services that allowed us to build further trust and reliability with our valued customers. During 2023, we continue to expand through digital transformation with the launch of 'BBK virtual' metaverse – being the first bank in Bahrain to provide this new, creative way to interact with the bank, which we shall continue to improve the experience of our customers as the technology evolves. Recently, we have smoothly upgraded our core banking system to provide our customers with brighter and more stable banking services, and allow for greater efficiency. Moreover, we continue to provide exceptional investment opportunities for our customers through new partnerships with Amwaj Beachfront and Four Seasons Private Residences. We have additionally focused our efforts on providing consistent competitive advantages with our diversified insurance products - in terms of coverage and price. We remain optimistic about the future and are confident in our ability to continue to create value for our shareholders, customers, and all other stakeholders."

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