



BBK reports BD 25.04 million net profits for the nine months ended 30th September 2009, up 25% from the same period of last year

The Board of Directors of BBK met last Thursday 29th October 2009 to review and approve the financial results for the third quarter 2009. Mr. Murad Ali Murad, Chairman of the Board of Directors announced that the Bank recorded BD25.04 million net profits for the nine months ended 30 September 2009 compared to BD 20.08 million for the same period of 2008, higher by 25%.

Commenting on the Bank performance, the Chairman said “Though we have prudently provided against some impaired assets during the quarter, we reported 25% growth compared to last year. The Bank’s long term strategy and business policies, coupled with prudent risk management, have helped to deliver the reported growth. The additional provisions made during this quarter, reflects the Bank’s conservative approach in providing for non performing assets promptly”

The growth in net profit is attributed to lower provisioning requirement by 58% compared to the same period last year. Core business of the Bank has consistently been growing reflected in growth of its net interest income by 13%, and growth of fees and commission income from BD 16.1 million to BD 16.4 million compared to the same period of last year.

“Despite the tough and unprecedented circumstances prevailing in the market, the Bank was able to maintain a good level of profits throughout the year, and we expect to end the year with much better performance as well” Mr. A.Karim Bucheery, Chief Executive, said.

Reported profits for the 3 months ended 30 September 2009 were BD 2.7 million, against a loss of BD 4.0 million in the same period of last year. The profit included BD 9.2 million (September 2008: BD 16.8 million) of provisions which were provided as a matter of prudence against certain impaired assets. Interest income also rose by 31% compared to the three months ending September 2008.

The Bank comprehensive income rose significantly from negative BD 0.7 million as of September 2008 to BD 27.1 million as of September 2009 mainly due, beside higher net profits, to upward movement in mark-to-market pricing for investment securities as the market showed a clear trend of stability and investment prices moved higher.

On the Bank balance sheet, the loans and advances portfolio declined by 4.3%, mainly due to orderly maturity of some commercial loans; particularly in the international portfolio. On the other hand and notwithstanding the general squeeze in the liquidity situation across all markets, the customer deposits portfolio has grown by 5% from BD 1,127 million to BD 1,179 million compared to the same period of last year. The Capital Adequacy ratio of the Bank continues to be higher than 18%, well above the regulatory requirements.