Press Release

KHALEEJI COMMERCIAL BANK | المصرف الخليجي التجاري

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The Bank Maintained its Positive Results for Four Years Running Despite Unfavourable Economic Circumstances

KHCB Nets 2 million Bahraini Dinars attributable to the shareholders of the Bank for the Year 2017

- Dr. Al-Mutawa: We are Reassured with the Bank's financial Performance after Maintaining four years of profitability.
- Bastaki: 2017 Witnessed the Implementation of Several Strategic Initiatives, on top of which the listing of KHCB's shares in DFM.

Manama, Kingdom of Bahrain: Khaleeji Commercial Bank (KHCB), one of the leading Islamic Banks in the Kingdom of Bahrain, has maintained profitability for the shareholders of the bank despite the ongoing exceptional economic circumstances in the region due to unstable oil prices compounded by the unfavourable economic climate in the region.

In this context, KHCB announced its financial results for the financial year that ended December 31st, 2017 reporting a net profit attributable to the shareholders of the bank of BD 2 million, compared to BD 5.3 million achieved at the end of 2016, representing a reduction of 62.9%. Furthermore, the Bank recorded a net loss attributable to the shareholders of the bank of BD 2.2 million during the last quarter of the year 2017, compared to BD 734 thousand net profit attributable to the shareholders of the bank in the last quarter of the previous year. On the other hand, the bank achieved profits for the year 2017 amounting to BD 818 thousand compared to the profits of 2016 which recorded BD 5.3 million, a decrease of 84.6%. This comes after the Bank has recorded a provision of BD 7.5 million for the 2017 in order to strengthen the Bank's financial position and support its growth in 2018.

On the other hand, the Bank's assets have recorded a growth of 2.6% to reach BD 785 million in 2017, compared to BD 765 million in 2016. In the same vein, the Bank's liquid assets and capital adequacy remained at a healthy level of 22.2% and 17% respectively. As a result, the Sukuk portfolio, which is considered a safe investment with high financial returns witnessed a remarkable increase of 52.9% to BD 113 million in 2017 compared to BD 74 million in 2016.

Meanwhile, the year 2017 will be marked as a cornerstone of the rich history of KHCB, which was established in 2004, as in this year the Bank's shares were listed in the Dubai Financial Market (DFM). Such a move will have a positive impact on the Bank's performance thanks to its openness to one of the leading markets in the region and the potential entry of new investors into trading its shares.

Commenting on the financial results achieved by the Bank in 2017, Dr. Ahmed Al-Mutawa, Chairman of KHCB said: “We are satisfied with the financial performance of the Bank as we have been able to maintain profitability for the fourth year in a row, despite the challenging environment of the economy in general, which resulted from the sharp decline in oil prices and turmoil in financial markets. The year 2017 has been another year of success and we have been able to achieve remarkable accomplishments in various fields, most notably listing on DFM, which will enhance the status of the Bank at local and regional levels.”

He further added: “Despite the unfavorable conditions that prevailed most of the year, we faced and overcame many challenges thanks to God and then our strategic approach, which enabled us to overcome these circumstances. We managed to continue providing innovative financial solutions and give added value to all stakeholders. KHCB will continue to pursue its expansion policy at all levels through the implementation of a set of measures and development plans to maximize its market position, increase its share and develop its competitiveness."

He continued: “During the past year, KHCB has invested its local and regional position, successfully developing its business and enhancing its activities by applying a business model based on market research, investment opportunities and offering products and services tailored to meet the aspirations of its clients. This has enabled the Bank to achieve good results in terms of business development and financial performance.”

Dr. Al-Mutawa concluded his statement by saying: “Today, KHCB is progressing steadily to strengthen its leadership position among Islamic banks in the Kingdom of Bahrain. This is confirmed by the significant increase in the number of customers of the Bank who benefit from the investment products, innovative financing solutions and excellent banking services provided by the Bank in 2017. This has led us to adopt significant expansionary initiatives that the Bank intends to implement during 2018 and the following years, including the Bank's plans to enhance its financing portfolio through innovative financing solutions for individuals and corporates. On the other hand, the upward trend of global and domestic earnings ratios has prompted us to put forward such ideas for the benefit of our shareholders and clients.”

From his part, Mr. Tawfeeq Mohamed Bastaki, Chief Risk Officer & Acting CEO expressed his pride at the results achieved by the Bank during 2017, pointing out that achieving them was made possible thanks to the expansion of all KHCB’s banking activities as well as the continuous work and dedicated efforts of its professional team.

“The year 2017 witnessed the implementation of several important strategic initiatives that reflected our determination to continue achieving our targets. The first of these initiatives were to list the Bank’s shares in DFM, to strengthen our banking network to be closer to our clients and to launch more innovative banking products, especially electronic ones.” he said.

Headquartered in the Kingdom of Bahrain, Khaleeji Commercial Bank is a leading Islamic bank that strives to achieve clients’ aspirations through an Islamic banking model that offers a comprehensive range of high quality Shari’a-complaint banking services and investment opportunities to individuals and companies, to become a leading domestic and regional Islamic bank.

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