

# AUB posts US\$452.2m profit

● Board recommends cash dividend of US cents 1.25 per share together with a bonus ordinary share issue of 5%

● Quarterly net profit attributable to equity shareholders was US\$ 42.9 million

● Net interest income was US\$ 799.4 m

TDT | Manama

**A**hli United Bank (AUB) yesterday reported a quarterly and full-year profit, notwithstanding the COVID-19 pandemic which impacted the global and regional economies strongly.

"The GCC economies were further hit by the continuing weak-

**Global and regional economies were strongly impacted by the Covid -19 out-break and the resultant extended lockdowns. The GCC economies were further hit by the continuing weakness in energy prices seriously limiting their budgetary spend and thereby affecting business confidence. AUB traversed these challenging market conditions in a balanced and structured manner and its results reflect its usual conservative stance in terms of risk assessment and management**

MESHAL AL OTHMAN, AUB CHAIRMAN



ness in energy prices seriously limiting their budgetary spend and thereby affecting business confidence," said Meshal Al Othman, AUB Chairman, announcing the results.

He, however, said, "AUB traversed these challenging market conditions in a balanced and structured manner, and its results reflect its usual conservative stance in terms of risk as-

essment and management."

Based on this, the AUB board recommended a distribution comprising of a cash dividend of US cents 1.25 per share (2019: US cents 5.0 per share) together with a bonus ordinary share issue of 5% (2019: 10%), subject to AUB Annual General Assembly approval.

Looking ahead, Al Othman said that the bank "will contin-

ue to prudently navigate these challenging and unprecedented times by providing a safe operating environment for all staff, clients and counterparties, building a seamless remote capability" considering the emergence of new more infectious strains of the virus.

#### Q4 Results

The quarterly net profit attrib-

utable to its equity shareholders was US\$ 42.9 million, compared to US\$ 172.1 m in Q4/2019, a decrease of 75.1%. This was primarily due to lower net interest income and higher precautionary provisioning attributable to the Covid-19. Earnings per share was US 0.2 cents in Q4/2020 versus US 1.6 cents in Q4/2019.

Q4 comprehensive income attributable to the owners of the bank was US\$ 47.9 m (Q4/2019: US\$ 194.5 m, -75.4%).

Net interest income was US\$ 199.4 m. (Q4/2019: US\$ 228.8 m, -12.8%). Total operating income was US\$ 289.0 m in Q4/2020 (Q4/2019: US\$ 316.2 m, -8.6%).

#### Full-year results

For the full-year 2020, AUB reported a net profit attributable to its equity shareholders of US\$ 452.2 m. (2019: US\$ 730.5 m, -38.1%). Earnings per Share in 2020 was US 4.3 cents, compared to US 7.2 cents in 2019.

Comprehensive income attributable to the owners of the bank for the full year 2020 was

US\$ 334.9 m (2019: US\$ 772.3 m, -56.6%). Net interest income for 2020 was US\$ 799.4 m (2019: US\$ 951.5 m, -16.0%). Total operating income for the full year was US\$ 1,111.9 m (2019: US\$ 1,235.5 m, -10.0%).

Net provision charges were increased to US\$ 254.9 m for 2020 (2019: US\$ 54.4 m). Non-performing loans ratio stood at 2.6% (31 December 2019: 1.9%) with specific provision coverage of 85.9% (31 December 2019: 85.9%). Provision coverage levels are calculated on a cash provision basis excluding the value of the additional significant non-cash (real estate and securities) collateral available against non-performing loans.

The cost to income ratio was sustained at 29.3% (2019: 28.6%) reflecting AUB's entrenched intelligent spend approach and the impact of the operational efficiencies achieved through streamlining of processes and leveraging from technology and digitization initiatives as part of the overall transformation plan.

## Saudi defence firm SAMI targets \$5 billion annual revenue by 2030

Reuters | Dubai

**S**tate-owned Saudi Arabian Military Industries (SAMI) aims to generate annual revenue of \$5 billion by 2030, its chief executive said yesterday, part of a drive to build more defence equipment inside the kingdom.

Saudi Arabia set up SAMI in 2017 to cut its reliance on imported weapons and military

systems. The government aims to spend 50% of its military budget by 2030 on equipment made at home.

Chief Executive Walid Abukhaled tsaid at Abu Dhabi's Idex defence exhibition that SAMI aimed to be among the world's top 25 defence firms by 2030. "Being in the top 25 companies by 2030, you're looking at \$5 billion a year" in revenue, he said. Abukhaled took over as

CEO in April.

Abukhaled said SAMI would sign a deal on Monday with NIMR, a company in neighbouring United Arab Emirates which builds military vehicles, to set up manufacturing in Saudi Arabia. SAMI on Sunday signed a joint venture agreement with US firm Lockheed Martin, which is involved in installing a \$15 billion missile defence system in Saudi Arabia.

## AIB reports Q4, full-year profit

● Full-year net profit attributable to the shareholders rose 14%

● Total assets grew by 20%

● Operating income has grown up by 15%

● Customer deposits increased by 28%

● Fourth-quarter net profit attributable to the shareholders was BD 1.23 million

TDT | Manama

**A**l Baraka Islamic Bank (AIB) yesterday announced an increase in its fourth quarter and full-year profit from a year ago, which the bank said, "was attributable to the successful implementation of the bank's strategy in building and strengthening its core assets."

"Simultaneously, the Bank incorporated provisions against identified and expected losses, aligned with our approved policies, and added BD 8 million (2019: BD 6.55 m) as an allowance for impairment during the financial year 2020," the bank said while announcing the results.

#### Financial Results

The fourth-quarter net profit attributable to the shareholders was BD 1.23 m compared to BD 196 thousand in the same quar-



Hamad Abdulla Al Oqab, Chief Executive Officer



Saleh Salman AlKawari, Chairman

ter a year ago.

Full-year net profit attributable to the shareholders rose 14% to BD 2.27 m from BD 2 m a year ago.

Total assets grew by 20% including the reclassification of Wakala assets on-balance sheet (11.6% excluding such reclassification) to reach BD 1 billion in 2020 compared to BD 835 m reported in 2019.

#### Assets rose by 12%

Financing assets rose by 12% to reach BD 403 m in 2020 compared to BD 361 m reported in 2019. Customer deposits have also increased by 28% to reach BD 826 m in 2020 compared to BD 646 m reported in 2019.

Operating income has grown up by 15%, i.e. from BD 33.5 m in 2019 to BD 38.6 m in 2020. Due to prevailing market conditions, AIB provided BD 8 m additional provisions during 2020.

Commenting, the Chair-

man of Al Baraka Islamic Bank Saleh Salman AlKawari, said: "Despite all the exceptional challenges witnessed during the past year, we were able to maintain stability in our financial performance. We worked closely with regulators towards establishing strong and solid foundations to help us manoeuvre through the consequences of the COVID-19 pandemic. We will continue to implement measures to maintain business continuity, and will move forward with our plans and strategies to achieve sustainable growth and excellence for all our stakeholders."

"Our financial results for the year 2020 demonstrated a level of steadiness in our position across the local market. Al Baraka Islamic Bank remained a pioneer in the Islamic banking field in the Kingdom of Bahrain," said Chief Executive Officer of Al Baraka Islamic Bank, Hamad Abdulla Al Oqab.

The management and staff of

THE DAILY **tribune**  
NEWS OF BAHRAIN

express their deepest condolences to the family, colleagues and friends of



**Edmond (Eddie) Ibrahim Moutran**  
on his sad demise.

May God rest his soul in peace.