

The Business

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Ahli United Bank posts net profit of \$136.6m

MANAMA: Ahli United Bank (AUB) reported a net profit attributable to its equity shareholders of \$136.6 million for the first quarter of this year.

Last year's first quarter results of \$309.8m included an exceptional non-recurring gain of \$212.9m on the sale of its 29.4 per cent stake in its Qatari affiliate.

Excluding this item, the net profit reflected a surge of 41pc

in the first quarter compared with the \$96.9m in the first quarter last year.

This year's first quarter net profit also represents a 76.9pc improvement over the fourth quarter of last year trailing quarter reported profit of \$77.2m.

The basic earnings per share in the first quarter of this year was 2.3 US cents, compared to 1.7 cents, adjusted for the exceptional gain, in the same

period last year.

The operating results of AUB were driven primarily by growth in its core recurring earnings which was underpinned by the improvement in its net interest margins through selective deployment of funds in high yielding assets combined with effective



■ Mr Al Rajaa

cost management.

This resulted in a 13.2pc increase in net interest income from \$167.4m to \$189.5m.

Diversified business flows contributed to a 21.3pc growth in fee income from \$32.3m to \$39.2m.

With incremental operating revenues and continuing disciplined cost management, the cost income

ratio improved to a very satisfactory 26.5pc level (year-to-date first quarter of 2013: 29.9pc).

The group's total assets rose to \$33.6 billion (+3pc) since December 31, last year driven by a \$0.5bn (+2.9pc) increase in the loan portfolio reflecting improving operating conditions to reach \$17.8bn by March 31, this year.

Customers' deposits increased to \$22.8bn as at March 31, this year (December 31, last year: \$22bn).

Asset quality levels were sustained with the non-performing loans ratio at 2.5pc (December 31, last year: 2.6pc) while the specific provision coverage ratio improved to 89.7pc (December 31, last year: 87.6pc).

The total provision coverage ratio, inclusive of collective impairment provisions, rose to 152pc as at March 31, this year (December 31, last year: 149pc).

The group's Return on Average Equity (ROAE) for the first quarter of this year increased to 17.2pc, compared with the operating ROAE of 14.1pc achieved in the first quarter of last year, excluding the exceptional gain.

Return on average assets, on the same basis, was higher at 1.9pc for first quarter (first quarter of last year: 1.4pc).

"AUB continued its strong performance in the first quarter of this year through focused attention on developing and diversifying core operating income growth," AUB chairman Fahad Al Rajaa said.

"On an ongoing basis, the bank seeks to expand its banking franchise further through value accretive organic or inorganic means, where feasible, which underpins its business model.

"This entails continuous focus on the effective deployment of its capital resources across the group's operating and targeted markets" he added.

Alba's safety commitment highlighted

MANAMA: Alba's commitment to safety was highlighted during a visit by Electricity and Water Authority's (EWA) standard operating procedures committee (SOPC) to the firm's power department.

The SOPC visited Alba to gain more insight on the safety and security procedures of the company and Bahrain's high voltage electricity network.

The EWA team, led by operations and systems control chief Nasser Mahmood Nasser, was welcomed by the Alba's power station operating and maintenance team comprising manager power operations Graeme Legg and senior operations superintendents Sayed Ebrahim Alawi Hashim Hussain and Eskander A Nabi along with other senior personnel.

"Alba is privileged to welcome the delegation from the EWA and highlight our dedication to a safe and healthy working environment," Alba power and utilities director Amin Sultan said.

"We hope that such exchange of experience and expertise between the private and public sectors will benefit both parties, and further strengthen our relationship for a continued and successful partnership in the future," he said.

The EWA delegation was also given a brief tour of the Alba plant including its system control and 220 kV high voltage substation.

Car sales fall

FRANKFURT: Sales of new cars in Germany, Europe's biggest vehicle market, declined 3.6 per cent in April, the first drop for five months, in a sign that a recent recovery in demand remains fragile.

German passenger car registrations dipped to 274,097 in April, the Department of Motor Vehicles said yesterday.

KHCB signs key deal with firm



■ At the signing of the deal are, Mr Taqi, seated, second from left, and Mr Dadabhai, second from right, with other officials

MANAMA: Khaleeji Commercial Bank (KHCB) has signed a memorandum of understanding (MoU) with Dadabhai Development and Properties Company (DDPM) to provide finance for the purchase of properties at Juffair Heights residential project.

The MoU was signed by KHCB deputy general manager of commercial banking Fuad Taqi and DDPM director Ahmed Dadabhai and was attended by officials

from both the bank and the company.

Under this agreement, customers, both Bahrainis and expatriates, who wish to avail property finance from KHCB, will receive up to 80 per cent financing options for a period of up to 20 years, for purchasing property in the Juffair Heights freehold development.

"We are immensely pleased with our agreement with DDPM and we look forward to providing our services and prop-

erty finance facilities to the potential buyers of units in the Juffair Heights project," Mr Taqi said.

"DDPM is a reputed property development company in Bahrain and we are very pleased with the quality of work currently in progress on the Juffair Heights project," he added.

Construction of the Juffair Heights Towers has already begun and the apartments are due to be ready for occupation by the third quarter of 2016.

"We are proud to be associated with KHCB and we appreciate their firm belief in the project, in particular, and the real estate market in Bahrain in general," Mr Dadabhai said.

"We look forward to establish a strong relationship with the team at KHCB and guide interested home buyers at the project to utilise the Islamic finance facilities available through them.

"Juffair Heights is a complete and self-contained development for families, which will have a modern infrastructure in a friendly, safe and futuristic environment," he added.

which promises buyers an ideal lifestyle product at a prime location and where they are assured of their investment.

"The main reasons for such an overwhelming response is the perfect combination of location, quality of construction and pricing of the apartments, which has been kept affordable, starting at between BD50,000 for a one-bedroom (86.6 sqm) unit and BD65,000 (112.17 sqm) for a two-bedroom unit."

He said there is sufficient demand for such accommodation and they hoped to fulfil that for a large segment of the people.

Mr Mithaiwala said these pre-launch prices will still be available during the show.

"We are very enthusiastic about our participation since this event attracts visitors from all over the region and beyond," he added.

New project to be showcased

MANAMA: Buyers in Bahrain have shown keen interest in the country's newest residential project, just weeks after it was launched on April 1.

More than a third of the apartments at the prestigious Juffair Heights have already been bought, with scores of prospective buyers lining up to invest in the affordably positioned 28- and 29-storey twin towers development.

"This project has been very well-received in the market, especially among Bahrainis and expatriates staying in Bahrain," said project sales consultants Pegasus Real Estate managing director Aziz Mithaiwala.

Speaking on the eve of the landmark Gulf Property Show, which opens at the Bahrain International Exhibition and Convention Centre today, he said Gulf nationals from across the region had also shown interest in the property,

\$12bn investment talks

ANKARA: Turkey and China are in talks on a \$10-12 billion investment deal for the Afsin-Elbistan coalfield and power plant project in southern Turkey, Energy Minister Taner Yildiz said.

Turkey is keen to make the most of its coal resources to reduce its imports of natural gas and signed a deal with Abu Dhabi National Energy Company (TAQA) on the project in January 2013. However, TAQA said in August it was delaying investment and Turkey subsequently began talks with other companies.

"There will be an investment of \$10-12bn in the Afsin-Elbistan field. This will include use of the coalfields. We are in talks with China for a deal on this subject," Yildiz said.

It was not possible to say when any deal with China might be signed, he said.

The Afsin-Elbistan region holds up to 45 per cent of Turkey's lignite reserves and the project includes the construction of a 8,000 megawatt coal-fired plant.