

### **Bank ABC Islamic Announces 12% Increase in 2017 Year-End Net Profit to US\$25.6 Million**

**Manama, Bahrain:** Bank ABC Islamic today announced that its net profit for the year ending on 31 December 2017 was US\$25.6 million, 12% higher than last year's net profit of US\$22.9 million. Business performance in the fourth quarter was a net profit before provision of US\$6.6 million (US\$4.6 million after provision) compared to US\$6.1 million reported for the same period last year.

Total operating income rose to US\$35.9 million, with an increase of 17.6% over the previous year of US\$30.5 Million. Operating expenses recorded a measured increase of US\$0.7 million to US\$8.0 million, resulting in an improvement in cost to income ratio to 22.2% compared to 23.8% in 2016.

Cost of credit remained under control at 0.13%, allowing the bank to be extra prudent during the year by taking US\$2 million provision related to litigation on a credit matter.

Shareholders' equity at 31 December 2017 stood at US\$332.9 million, compared to US\$306.7 million at the 2016 year-end. The Bank's capital base remains extremely strong with a capital adequacy ratio of 31.2 %, well above the regulatory minimum of 12.5%.

ABC Islamic Bank's total assets stood at US\$1.559 billion, compared to US\$1.634 billion at the 2016 year-end.

Commenting on the results, Mr. Hammad Hassan, Managing Director of Bank ABC Islamic, said, "I am very pleased with the Bank's financial performance that reflects healthy growth on a year on year basis. During the year, our coverage and product teams were successful in winning key mandates and diligently serviced clients in our core markets resulting in healthy ancillary business and associated revenues. The focus remained on origination of creditworthy corporate names, trade finance, and treasury & capital market products.

"Our first line of defence and risk management remained proactive in portfolio management keeping credit costs in check. We enter 2018 cautiously optimistic and well prepared to optimise on the investments that were committed in recent years."