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Oasis Capital swings to profit in Q3

-Investment income recorded at \$2.4m-

Manama

Oasis Capital Bank said yesterday it swung to a profit in the third quarter boosted by robust growth in core investment income, despite being troubled by the persisting global economic turmoil. The bank's net profit for the quarter was \$67 thousand, compared to a net loss of \$2 million in the same quarter a year ago.

Investment income was recorded at \$2.4m for the quarter which also reflects on the successful management of the bank's investment portfolio and stabilisation of underlying revenues streams from assets under management. For the nine-month period, net profit was \$1.1m, compared to a loss of \$5.7m in the comparable period a year ago. Profit was supported by a 134 per cent jump in investment income to \$10.3m from \$4.4m recorded in the prior year period.

Net Interest Income was \$2.8m for the period, up 22pc from \$2.4m in the corresponding period a year ago. The increase was attributed to greater returns from investment done in highly rated and liquid financial assets. "The improvement in interest income was achieved even as surplus deployable funds continued to reduce (from \$172m last year to \$108m currently) as a result of investment portfolio built up," the bank said.

Operating expenses dropped to \$9.3m from \$10.2m in the prior year period. Commenting on the result, the bank said the reduction in the expenses reflects Bank's commitment to control cost and rationalise structure and processes.

During the nine-month period, OCB's Investments almost doubled to \$137.77m from \$69.15m in the year-earlier period. The bank also said that it continued to remain adequately liquid in form of interbank deposits and liquid medium term notes to take advantage of new and compelling investment opportunities which may come its way.

Looking forward, Chief Executive Officer Dr. Farid Al Mulla said, "Given the fact that global financial markets are in a state of uncertainty with Europe sitting on the edge of a possible crisis, the financial performance of the bank has been very satisfactory. The operating conditions, in general and more so in the region, have been quite difficult and have impacted some aspects of Bank's business strategy. However, the Bank continues to address specific issues by taking appropriate remedial actions."