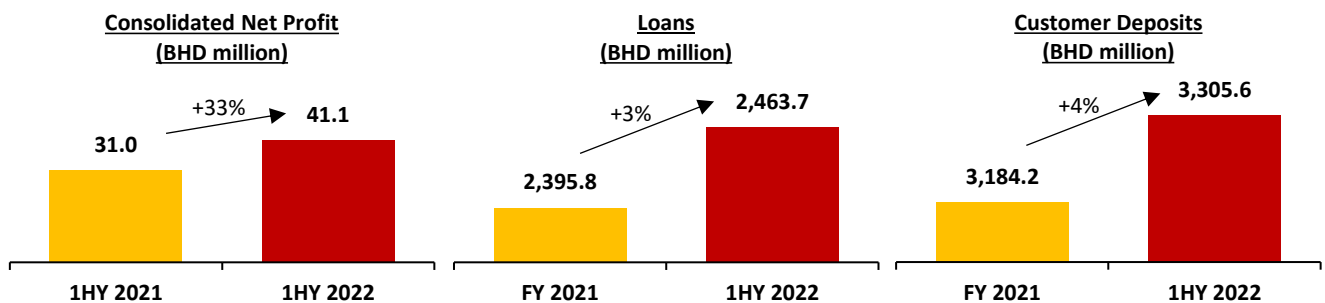




NATIONAL BANK OF BAHRAIN B.S.C. REPORTS A 29% INCREASE IN NET PROFIT ATTRIBUTABLE TO THE OWNERS OF THE BANK FOR THE SIX MONTHS ENDED 30 JUNE 2022 TO BHD 39.4 MILLION (USD 104.5 MILLION)



Manama – 2 August 2022:

Second quarter only

National Bank of Bahrain B.S.C. (NBB) has reported a 34% increase in its net profit attributable to equity shareholders to BHD 20.0 million (USD 53.1 million) for the second quarter ended 30 June 2022, compared to BHD 14.9 million (USD 39.5 million) in the same period of 2021. The increase in net profit is mainly due to strong business fundamentals reflected through higher net interest income attributable to higher loan volumes across all the Group’s key segments and higher other income from the Treasury and capital markets activities. The 2022 results have also benefitted from lower provisioning requirements than in the previous period.

Basic and diluted earnings per share increased to 10 fils (USD 3 cents) for the second quarter of 2022 compared with 7 fils (USD 2 cents) in the same period of 2021.

Total comprehensive income attributable to NBB’s equity shareholders for the quarter decreased to a loss of BHD 1.4 million (USD 3.7 million) compared with a gain of BHD 11.0 million (USD 29.2 million) in the same period of 2021. The decrease is

predominantly attributable to the temporary mark-to-market movements of the Bahrain Sovereign bond portfolio and the equity investment book.

Operating income increased by 18% in the second quarter of 2022 to BHD 44.2 million (USD 117.2 million) compared with BHD 37.6 million (USD 99.7 million) in the prior year period. The increase is largely due to higher net interest income resulting from higher loan volumes, and higher income from the Treasury and capital markets activities.

Year-to-date

NBB has reported an increase of 29% in its net profit attributable to equity shareholders to BHD 39.4 million (USD 104.5 million) for the six months ended 30 June 2022, compared to BHD 30.5 million (USD 80.9 million) in the same period of 2021. The increase in net profit is mainly due to strong business fundamentals reflected through higher net interest income attributable to higher loan volumes across all the Group's key segments and higher other income from the Treasury and capital markets activities, and lower provisioning requirements in 2022 due to the significant precautionary buffers created in the previous years

Basic and diluted earnings per share for the period increased to 19 fils (USD 5 cents) compared with 15 fils (USD 4 cents) in the same period of 2021.

Total comprehensive income attributable to NBB's equity shareholders for the period increased by 46% to BHD 39.5 million (USD 104.8 million) compared with BHD 27.1 million (USD 71.9 million) in 2021. The increase is due to higher profitability reported in 2022 compared to the same period in 2021.

Operating income for the period increased by 14% to BHD 86.7 million (USD 230.0 million) compared with BHD 76.3 million (USD 202.4 million) for the same period in 2021. The increase was predominantly attributable to higher interest income from loans and higher income from the Treasury and capital markets activities.

Balance sheet

The Group's total equity attributable to owners as at 30 June 2022 at BHD 528.8 million (USD 1,402.7 million) remained at the same level as the BHD 527.8 million (USD 1,400.0 million) reported at 31 December 2021. The profits for the first half of 2022 were offset by a reduction in equity following the transfer of 20% cash dividends.

The Group's total assets increased during the first half of 2022 by 7% to BHD 4,833.2 million (USD 12,820.2 million) compared to BHD 4,535.6 million (USD 12,030.8 million) recorded on 31 December 2021. The increase was predominantly related to the higher level of liquidity held on the balance sheet.

Commentary

NBB's Chairman of the Board, Farouk Yousuf Khalil Almoayyed, stated: "We are proud of the overall growth the Bank has demonstrated during the first half of this year, which was reflected in both the balance sheet and profitability. The Bank has also achieved significant non-financial milestones during the second quarter. NBB is leading the banking industry in the Kingdom in environmental conservation, as it remains committed to integrating sustainability across its business operations through the implementation of its 3-year sustainability roadmap and sustainability practices. We were honoured to be recognised at this year's Euromoney Middle East Awards for Excellence as the "Middle East's Best Bank for Corporate Responsibility", "Best Bank for ESG in Bahrain", "Best Bank for SME Banking in Bahrain" and "Best Bank for CSR in Bahrain." To be acknowledged by this coveted award body is a testament to NBB's ongoing strides in those fields and the dedication of our team. NBB has also received the "Best Bank for Sustainability Finance in Bahrain" award from Global Finance's Sustainable Finance Awards 2022, a recognition of the Bank's ongoing efforts in integrating ESG practices across its operations. In addition to its first-place ranking in the Arab World's Banking Sector as per Refinitiv ESG Scores, NBB was awarded the "Best Retail Bank Award" at the MENA Banking Excellence Awards 2022 by MEED (Middle East Economic Digest). The Bank continues to cement itself as an innovative financial hub with the latest digital solutions keeping ESG methodologies at the core of our practices with the aim of becoming global leaders in the industry."

NBB's CEO, Jean-Christophe Durand, said: "We are pleased to announce a 33% growth in the total consolidated net profit during the first half of 2022 compared to the same period in 2021, along with a rise in the Group's balance sheet and loans against the year-end levels, which demonstrate continued demand for NBB's offerings in this competitive market. The Bank continued on its path of success through its various initiatives, partnerships and achievements over the course of the year and over this past quarter, and is committed to expanding its line-up of products and services as part of its brand promise to be closer to its customers. In line with those endeavours, we have recently launched our latest digital solution, Points; a loyalty rewards platform for our various customers. We have also partnered with Exotic Cars to provide auto finance solutions to help our customers purchase their new vehicles as part of our auto loan product. Additionally, with the support of the Economic Development Board (EDB), NBB has signed a strategic agreement with Bring Global to enhance the Bank's digital transformation by developing NBB's data, integration,

digital banking and customer experience. NBB has also made efforts towards obtaining the ISO 45001:2018 Occupational Health & Safety Management certification by partnering with HA Consultancies, as we strive to strengthen our pillar of 'Nurturing Our Workforce', which ensures that all our employees' safety needs are met. NBB is also committed towards its vision of enriching the lives of generations as we continuously launch a range of initiatives for the benefit of our community. We have recently launched our summer training programme 'EVOLVE', designed to support young Bahrainis by providing high school and university students with the opportunity to explore potential career opportunities in the industry. We are proud of the milestones achieved thus far in 2022, and we look forward to a continued successful year ahead."

We would like to inform our shareholders that the reviewed condensed consolidated interim financial statements and the press release are available on the Bahrain Bourse website.

National Bank of Bahrain B.S.C. shares are traded on Bahrain Bourse under the trading code: NBB.

Ends