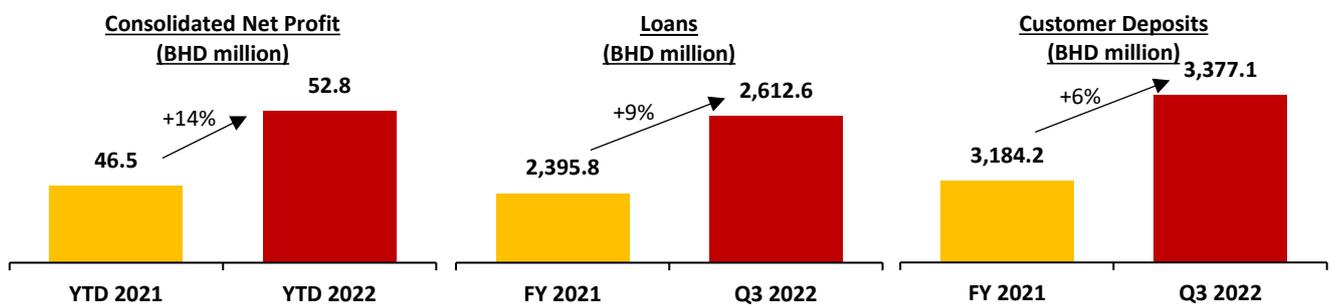




**NBB REPORTS A 11% INCREASE IN NET PROFIT ATTRIBUTABLE TO THE OWNERS OF THE BANK FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2022**



**Manama – 1 November 2022:**

**Third quarter only**

National Bank of Bahrain B.S.C. (NBB) has reported a 25% decrease in its net profit attributable to equity shareholders to BHD 11.4 million (USD 30.2 million) for the third quarter ended 30 September 2022, compared to BHD 15.3 million (USD 40.6 million) in the same period of 2021. The decrease in net profit is mainly due to higher provision requirements in the third quarter following the cessation of the loan deferral program.

Basic and diluted earnings per share decreased to 6 fils (USD 2 cents) for the third 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 increased by 9% to BHD 9.8 million (USD 26.0 million) compared with BHD 9.0 million (USD 23.9 million) in the same period of 2021. The increase is predominantly attributable to the mark-to-market movements of the Bahrain sovereign bond portfolio.

Operating income increased by 14% in the third quarter of 2022 to BHD 43.5 million (USD 115.4 million) compared with BHD 38.2 million (USD 101.3 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 11% in its net profit attributable to equity shareholders to BHD 50.8 million (USD 134.7 million) for the nine months ended 30 September 2022, compared to BHD 45.8 million (USD 121.5 million) in the same period of 2021. This translates into a 14% growth in consolidated net profit for the Group. The increase in net profit is mainly due to strong business fundamentals reflected through higher net interest income attributable to higher loan volumes and higher other income from the Treasury and capital markets activities, slightly offset by higher provision requirements compared to the prior year period following the cessation of the loan deferral program.

Basic and diluted earnings per share for the period increased to 25 fils (USD 7 cents) compared with 22 fils (USD 6 cents) in the same period of 2021.

Total comprehensive income attributable to NBB's equity shareholders for the period increased by 37% to BHD 49.3 million (USD 130.8 million) compared with BHD 36.1 million (USD 95.8 million) in 2021. The increase is predominantly attributable to the mark-to-market movements of the Bahrain sovereign bond portfolio and to higher profitability reported in 2022 compared to the same period in 2021.

Operating income for the period increased by 14% to BHD 130.2 million (USD 345.4 million) compared with BHD 114.5 million (USD 303.7 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 September 2022 at BHD 537.9 million (USD 1,426.8 million) increased by 2% compared to BHD 527.8 million (USD 1,400.0 million) reported at 31 December 2021. The profits for the nine months ended 30 September 2022 were offset by a reduction in equity following the transfer of 20% cash dividends.

The Group's total assets increased by 7% during the year to BHD 4,858.7 million (USD 12,887.8 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 loan growth during the year across both the retail and non-retail books.

### **Commentary**

NBB's Chairman of the Board, Farouk Yousuf Khalil Almoayyed, stated: "We are proud of the overall growth NBB has shown over the third quarter, recording a 14% growth in its operating income in 2022 compared to the third quarter in 2021. This growth highlights NBB's continued strong business fundamentals. We are also pleased with the various notable non-financial achievements across the quarter. Since the acquisition of BisB, the NBB Group has maintained a strong and synergetic work environment, enabling both banks to collaborate effectively. As a result, the Group won the Continuity and Resilience Team Award by the Business Continuity Institute Middle East Awards 2022. This marked the second award in succession for the Group, acknowledging our active continuity and resilience within the organisation and our collaborative initiative and innovative partnerships. On the ESG front, NBB has proudly adopted environmental practices across its organisation, allowing it to initiate the largest network-wide solar installation project in the Kingdom's banking sector. This achievement reinforces the Group's efforts to operate more responsibly as part of its promise to enhance its eco-friendly initiatives. The Bank also joined the United Nations Global Compact initiative, the world's largest corporate sustainability initiative, underscoring its commitment towards conducting business practices rooted in universal principles that contribute to a more inclusive global market and help build prosperous and thriving societies. Emphasising the importance of embracing and empowering people of determination in the workplace, the NBB Group was the diamond sponsor for the International Conference and Exhibition for People of Determination under the Patronage of His Highness, Sheikh Nasser bin Hamad Al Khalifa. NBB remains committed to investing in key areas of growth and development through its various community-centric and environmental initiatives."

NBB's CEO, Jean-Christophe Durand, said: "We are pleased to announce a 14% growth in the total consolidated net profit during for the nine months ended 30 September 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 attraction for NBB's offerings in this competitive market across both the retail and corporate segments. The Bank maintains a path of continuous success underscored through its strategic partnerships, various accolades and initiatives over the past quarter. NBB continues to enhance its service level to deliver exceptional performance, and as a result, has been recognised by CitiBank with the Straight Through Processing (STP) Excellence Award. NBB's established ESG framework and key sustainability pillars have remained a driving force governing its future collaborations. NBB partnered with Honeywell to further enhance its sustainability footprint, with the aim to maximise its reach and offer more sustainability-focused financing plans to a larger customer base. As part of its longstanding partnership with the Ministry of Housing and Urban

Planning and Eskan Bank, NBB has successfully financed the first beneficiary under the new 'Tas'heel' finance solutions, enabling clients to purchase a residential villa in Deerat AlOyoun. NBB continues to invest in the future development of potential Bahraini youth, and as such, has successfully launched its virtual internship programme, e-Evolve; an extension of the Evolve programme, with the aim of expanding training opportunities to a larger segment of the community. Our internship and training programmes are an ongoing initiative to groom future generations, cultivating successful leaders within the Kingdom. Additionally, NBB was the proud sponsor of the Excellence in Environmental Social Governance Award, as part of INJAZ Bahrain's 14th Young Entrepreneurs Competition Awards. The Bank provides its ongoing support to INJAZ Bahrain as part of its commitment to support local initiatives that drive the country's economic growth and create opportunities for individuals and communities to thrive. NBB continues to act as a catalyst for change in the community as we work towards achieving the Kingdom's Vision 2030 and the UN's Sustainability Development Goals (UNSDG)."

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**