BBK discloses its financial results for the half year ended 30th June 2026

BBK (trading code BBK) announces its financial results for the half year ended 30th June 2026, including the second quarter of 2026.

<u>For the second quarter of 2026</u>

The Group achieved a net profit attributable to the owners of the Bank of BD 16.4 million for the second quarter of 2026 compared to BD 17.5 million in the same period last year, a decrease of 6.3%. The basic and diluted earnings per share amounted to 9 fils compared to 10 fils achieved during the corresponding period last year.

The total comprehensive income attributable to the owners of the Bank increased by 113.1% from BD 16.8 million achieved during the second quarter of last year to BD 35.8 million during the current period, mainly due to the increase in market values of investment securities.

The movement in net profit was mainly driven by the impact of results from associates and joint ventures, higher provision requirements reflecting the Bank's proactive and prudent risk management approach, and increased operating expenses arising from ongoing strategic initiatives and investments in human capital. This was partially offset by continued growth across key income streams, including net interest income, fees and commission income, and investment and other income

<u>For the half year ended 30th June 2026:</u>

The Group achieved a net profit attributable to the owners of the Bank of BD 42.5 million for the first half of 2026 compared to BD 38.6 million in the same period last year, an increase of 10.1%. The basic and diluted earnings per share amounted to 24 fils compared to 21 fils during the same period last year.

Total comprehensive income attributable to the owners of the Bank for the first half of 2026 amounted to BD 16.8 million compared to BD 32.3 million during the corresponding period last year, reflecting a decline of 48.0%, mainly due to the drop in valuation of investment securities as a result of market volatility.

The increase in net profit stems mainly from the growth in net interest income of 7.8% from BD 58.7 million to BD 63.3 million due to active balance sheet management. In addition , net fees and commission income registered a solid growth of 12.1% increasing from BD 9.9 million to BD 11.1 million, whilst investment and other income increased by 66.1% from BD 11.2 million to BD 18.6 million, reflecting the Bank's dynamic business model and its efforts to diversify income from non-interest income streams. Net provisions increased by 31.6% from BD 5.7 million to BD 7.5 million reported in the first half of 2026 reflecting the Bank's proactive and prudent risk management approach. Total operating expenses grew by 18.5% from BD 35.7 million during the first half of 2025 to BD 42.3 million during the same period of this year, mainly due to continued investment in our human capital and various strategic and business initiatives.

The total shareholders' equity attributable to the owners of the Bank reported a drop of 5.1% at BD 623.7 million as of end of June 2026, compared to BD 657.5 million as of year-end 2025, mainly due to drop in investment securities valuation, and dividend declaration.

Total assets as of end of June 2026 reported a marginal drop of 0.9% to stand at BD 4,931.8 million (31 December 2025: BD 4,974.3 million). Net loans and advances reported a growth of 0.2% at BD 2,363.5 million (31 December 2025: BD 2,358.5 million) while investment securities portfolio grew by 6.6% to BD 1,269.5 million (31 December 2025: BD 1,190.9 million) and treasury bills increased by 14.0% to reach BD 346.9 million (31 December 2025: BD 304.4 million). Deposits and amounts due from banks and other financial institutions increased by 37.8% to stand at BD 400.4 million (31 December 2025: BD 290.6 million). On the other hand, cash and balances with central banks was lower by 46.8%, to stand at BD 312.2 million (31 December 2025: BD 586.6 million). Customer deposits registered a marginal increase of 0.8% to stand at BD 2,877.6 million (31 December 2025: BD 2,853.5 million).

Based on the solid interim results achieved and reflecting the Board of Directors prudent approach to sustain long-term shareholders' value, the Board of Directors has decided to distribute an interim cash dividend of 7.5% (7.5 fils per share), subject to regulatory approvals. This follows a careful assessment of the prevailing geopolitical tension and market environment, while also taking in consideration the Bank strategic growth priorities.

The Board of Directors commented on the Bank's results, stating, "BBK's results demonstrate its ability to generate sustainable earnings and adapt effectively to evolving market conditions. The growth in income from both core and non-core revenue streams highlights the strength of our diversified business model and the successful execution of our strategic initiatives. We remain focused on enhancing customer experience, accelerating digital transformation and pursuing opportunities that support long-term growth and value creation. We thank our shareholders, customers and employees for their continued support and contribution to the Bank's achievements."

BBK’s Group Chief Executive, Mr. Yaser Alsharifi, added, “We are proud to share BBK's financial performance for the period, marked by growth in key income streams. Beyond financial milestones, our commitment to societal impact stands out through our launch of the Youth Advisory Council, a new initiative aimed at bringing youth perspectives more directly into the Bank’s strategic thinking and future planning. To further support this initiative, BBK hosted an introductory session for employees on the National Development Program “Lamea”, as part of its efforts to promote participation in national initiatives that support leadership development and the growth of promising Bahraini talent.”

“In alignment with the Bank’s support for housing projects and the real estate sector as a key driver of the national economy, BBK has signed the Government Land Development Program Agreement with Eskan Bank. The agreement builds on national housing initiatives and strengthens strategic alliances dedicated to providing sustainable financing frameworks that facilitate citizens’ access to quality housing.”

“With a solid financial foundation and a clear strategic direction, we remain committed to strengthening our market position, enhancing stakeholder value, and achieving sustainable growth through disciplined execution and innovation”.

The full set financial statements and the press release are available on Bahrain Bourse’s website.