



## **NATIONAL BANK OF BAHRAIN B.S.C. REPORTS AN 8.5% INCREASE IN CONSOLIDATED NET PROFIT TO BHD 55.0 MILLION (USD 145.9 MILLION)**

**Manama – 22 February 2022:**

### **3 months ended 31 December 2021**

National Bank of Bahrain B.S.C. (NBB) has reported a decrease of 20.6% in its net profit attributable to equity shareholders to BHD 8.1 million (USD 21.5 million) for the fourth quarter ended 31 December 2021, compared to BHD 10.2 million (USD 27.1 million) in the same period of 2020. The decrease in net profit was predominantly attributable to lower income from non-core activities, namely recoveries received from previously written-off assets.

Basic and diluted earnings per share for the fourth quarter decreased to 4 fils (USD 1 cent) compared with 5 fils (USD 1 cents) in the same period of 2020.

Total comprehensive income attributable to NBB's equity shareholders for the quarter decreased by 71.8% to BHD 9.0 million (USD 23.9 million) compared with BHD 31.9 million (USD 84.6 million) in 2020. The decrease is predominantly attributable to the mark-to-market movements of the Bahrain Sovereign bond and equity portfolios.

Operating income decreased by 10.1% in the fourth quarter to BHD 36.4 million (USD 96.6 million) compared with BHD 40.5 million (USD 107.4 million) in the prior year three month period. The decrease was predominantly attributable to lower income from non-core activities, namely recoveries received from previously written-off assets.

### **12 months ended 31 December 2021**

NBB has reported a 1.1% increase in its net profit attributable to equity shareholders to BHD 53.9 million (USD 143.0 million) for the year ending 31 December 2021,

compared to BHD 53.3 million (USD 141.4 million) in 2020. The corresponding consolidated net profit increased by 8.5% from BHD 50.7 million (USD 134.5 million) to BHD 55.0 million (USD 145.9 million). The increase was recorded despite the drop in the Group's non-core other income and the precautionary contingent provisions taken in 2021, highlighting the resilience of NBB's core activities in the form of net interest income and fees and commissions.

Basic and diluted earnings per share for the year at 29 fils (USD 8 cents) was at the same level as 2020.

Total comprehensive income attributable to NBB's equity shareholders for the year decreased by 10.0% to BHD 45.1 million (USD 119.6 million) compared with BHD 50.1 million (USD 132.9 million) in 2020. Other comprehensive income includes the mark-to-market movements during a year and hence include temporary fair value fluctuations on the Bahrain Sovereign bonds as well as movements in the market values of the equity portfolios.

Operating income for the year increased by 2.0% to BHD 150.9 million (USD 400.3 million) compared with BHD 147.9 million (USD 392.3 million) in 2020. Higher income from the Bank's core sources of revenue, net interest income and fees and commission, has outweighed the drop in the non-core income generated from recoveries from previously written-off assets.

The Group's total equity attributable to owners increased by 1.6% to BHD 527.8 million (USD 1,400.0 million) compared with BHD 519.7 million (USD 1,378.5 million) recorded as of 31 December 2020. The increase was due to the full year profit attributable to the shareholders of the Bank, less the 2020 dividend pay-out.

The Group's total assets increased by 4.0% to BHD 4,535.6 million (USD 12,030.8 million) compared to BHD 4,361.4 million (USD 11,568.7 million) recorded on 31 December 2020. The increase was attributable to the continued strong demand for NBB loan products.

The recommended appropriations for the year 2021 will be submitted to the shareholders at the annual general meeting. These appropriations include BHD 37.5 million for cash dividend at 20% and BHD 2.7 million for donations and contributions. The Board of Directors have also proposed a 1 for 10 bonus issue through utilisation of BHD 18.7 million from retained earnings and the transfer of BHD 9.4 million from retained earnings to the statutory reserve.

Commenting on NBB's 2021 results, Mr. Farouk Yousuf Khalil Al Moayyed, Chairman of NBB said: "It has been a very fruitful year and we are pleased with this year's financial results, presenting on overall positive growth for the year. Our net profits have demonstrated an increase from the same period in 2020, and the Group's balance sheet remains strong by showing growth since the year end. NBB has also achieved many milestones throughout the quarter, receiving the prestigious 'We Invest in People' Gold accreditation from Investors in People, with the Bank becoming one of the select few across the globe, and the first bank in the region, to receive this accreditation. NBB remains steadfast in its efforts to train and develop youth during 2021, with the Bank hiring 20 full time employees who initially joined as interns. Moreover, the Bank has launched the second phase of its latest mentoring programme, INSPIRE, during the second annual Mentorship Forum Middle East, furthering its investment in the development of its staff members. Building on our ongoing sustainability journey, NBB has partnered with the Ministry of Works, Municipalities, Affairs & Urban Planning to offer financial support for its latest sustainability project in developing and operating a hydroponic farm. Additionally, as part of NBB's goal to spread awareness and increase the level of financial literacy, the Bank also introduced Financial Literacy Programmes aimed at the SME ecosystem at large and its retail customers. In line with our commitment to being the bank of choice, NBB has initiated a Compliance Centre of Excellence in collaboration with International Compliance Association (ICA), promoting transparency, instilling trust and contributing to the preservation of Bahrain's reputation as a well-regulated financial centre. We are pleased with all of the various initiatives launched throughout this past year and continue to strengthen our standing in both the Kingdom and the region."

Jean-Christophe Durand, Chief Executive Officer of NBB, added, "NBB's financial performance for the year has been positive, recording a consolidated net profit of BHD 55.0 million (USD 145.9 million) representing an 8.5% increase over 2020. Excluding the impact of the disclosed non-core activities, the consolidated net profit increased 31.9% over 2020. 2021 has also been a highlight year showcasing our commitment towards actualising our sustainability goals and instilling ESG across our community by launching a number of Group-led initiatives. This quarter, NBB has partnered with CleanUp Bahrain for a number of sustainability initiatives including NBB Group's largest volunteering event to clean up Al Malkiya Beach as well as the completion of phase B of the Green Up Project which aims to plant trees across the Kingdom. The Bank has also continuously strengthened its partnerships to launch several community-led initiatives. We partnered with Bahrain FinTech Bay in which three winning teams created innovative solutions for NBB's digital banking app that were later pitched at Dubai Expo 2020. To further underscore our commitment towards investing in our youth, the Bank was a key partner in the launch of the "Lamea" programme, a youth initiative under the Ministry of Youth and Sports aiming to create promising youth leaders. NBB has also signed a memorandum of understanding with Bahrain Institute of Banking and Finance to offer its top graduates training

opportunities within the Bank. In a year full of achievements, NBB won the Global Brand Awards for 'Best Corporate Banking Brand – Bahrain' and 'Best Retail Banking Brand- Bahrain', as well as the prestigious 'Elite Quality Recognition Award' by J.P. Morgan for an exceptional performance in individual US Dollar transfers. We look forward to achieving more milestones in the upcoming years.”

We would like to inform our shareholders that the full set of audited consolidated 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**