



**NBB NET PROFITS INCREASE 3.6% TO BHD 20.4 MILLION (USD 54.3 MILLION)
FOR THE FIRST QUARTER OF 2019**

Manama: 17 April 2019 - National Bank of Bahrain (NBB) today announced a net profit of BHD 20.4 million (USD 54.3 million) for the first quarter ended 31 March 2019, an increase of 3.6% compared to BHD 19.7 million (USD 52.4 million) compared with the prior year period.

Key financial highlights:

- Operating profit rose by 17.4% y-o-y to BHD 23.6 million (USD 62.8 million) compared with BHD 20.1 million (USD 53.5 million) in the prior-year period.
- Operating income rose by 13.6% y-o-y to BHD 34.2 million (USD 91.0 million) compared with BHD 30.1 million (USD 80.1 million) in the prior-year period.
- Net interest income increased 21.4% y-o-y to BHD 23.8 million (USD 63.3 million) compared with BHD 19.6 million (USD 52.1 million) in the prior-year period. Improvements were driven by prudent asset liabilities management and the acquisition of new customers from various sectors across the Bank's business lines during the quarter.
- Other income stood almost at the same level at BHD 10.4 million (USD 27.7 million).
- Operating costs were up to BHD 10.6 million (USD 28.2 million) compared to BHD 10.0 million (USD 26.6 million), an increase of 6.0% in line with the ongoing investments in human capital and technology to support the Bank's transformation strategy. Cost-to-income ratio was 31.0%, which nevertheless remains well in line with industry norms.
- Total comprehensive income for the period was BHD 25.7 million (USD 68.4 million) compared with BHD 10.2 million (USD 27.1 million) in the prior-year period.
- Total earning assets increased by 5.8% to BHD 3,037.5 million (USD 8,078.5 million) compared with BHD 2,871.9 million (USD 7,638.0 million) as at 31 March 2018.
- Average loans and advances stood almost at the same level of BHD 1,209.3 million (USD 3,216.2 million).
- Average customer deposits increased by 2.8% to BHD 2,157.4 million (USD 5,737.8 million) compared with BHD 2,099.4 million (USD 5,583.5 million) as at 31 March 2018.
- Total equity grew by 11.7% to BHD 468.1 million (USD 1,244.9 million) compared with BHD 419.0 million (USD 1,114.4 million) as at 31 March 2018.
- Earnings per share during the period stood at the same level of 13 fils (USD 35 cents).

Mr. Farouk Yousuf Khalil Almoayyed, Chairman of NBB, said, "We're pleased to announce strong performance and results for the first quarter of 2019, building on the record income generation and profitably delivered last year. Operating profit showed a very robust growth of 17.4% compared with the same quarter last year mainly driven by a great contribution from our core banking activities. Our sustained growth is further evidence that NBB's strategy of transformation is paying off and that the investments we have and continue to make in modernising the Bank, hiring the best talent and diversifying the business both locally and in regional markets

is the right one for continued success. During the quarter, manifestations of the progress we are making and the new direction in which are taking the Bank was also seen in the launch of NBB's new brand, which is an important part of the evolution of the Bank and our efforts to sustain our market leadership. The new brand represents the NBB of the future and underscores our dedication to serving our customers and the community with a brand promise to get "Closer to you". We look forward to rolling out further positive changes and innovation in line with our strategy and our commitment to creating value for our shareholders and customers and supporting the further development of the local and regional economies through enhanced participation, which remains NBB's primary focus."

Mr. Jean-Christophe Durand, Chief Executive Officer of NBB, added, "The Bank's continued progress and improvements to the top and bottom line demonstrate our ability to deliver sustained growth quarter after quarter. Increased profitability and income generation, despite competitive market conditions, is the direct result of our focus on the strengthening of core banking activities, product diversification and the introduction of new business lines last year, which are now showing positive results. This, coupled with the prudent management of our operating expenses remains crucial in terms of balancing the gains we continue to make through with the ongoing investments in the Bank's digital transformation and efforts to enhance the customer experience and journey so as to better meet and serve their needs and those of the community more broadly. In the first quarter, we continued to expand our support for local businesses and retail customers, maintaining strong levels of loans and financing across individuals, SMEs and corporates as well as through financing for major national projects. Through product innovation and effective promotions, we also reported a very healthy increase in both retail and institutional customer deposits. We will continue to build on this positive momentum with the aim of delivering even further progress and value."

Financial Summary (31 March)

	31 March 2019		31 March 2018	
	BHD	USD	BHD	USD
Loans and advances	1,148.0	3,053.2	1,270.2	3,378.2
Investment securities	1,221.0	3,247.3	1,040.1	2,766.2
Total earning assets (Treasury Bills, Placements, Loans and advances, Investment securities and Investment in associates)	3,037.5	8,078.5	2,871.6	7,637.2
Customers' deposits	2,212.4	5,884.0	2,102.4	5,591.5
Total assets	3,212.9	8,544.9	3,009.0	8,002.7
Net profit	20.4	54.3	19.7	52.4
Earnings per share	13 fils	35 cents	13 fils	35 cents