



NATIONAL BANK OF BAHRAIN B.S.C. REPORTS A NET PROFIT OF BHD 30.5 MILLION (USD 80.9 MILLION) ATTRIBUTABLE TO THE OWNERS OF THE BANK FOR THE SIX MONTHS ENDING 30 JUNE 2021

Manama – 11th August 2021 – National Bank of Bahrain B.S.C. (NBB) has reported a 8.8% increase in its net profit attributable to equity shareholders to BHD 14.9 million (USD 39.5 million) for the second quarter ended 30 June 2021, compared to BHD 13.7 million (USD 36.3 million) in the same period of 2020. The increase in net profit is predominantly due to higher net interest income due to higher loan volumes and following the active repricing of the Group's balance sheet in line with recent interest rate trends, higher cross-sell FX activities and increased realised gains following the effective and active management of the investment securities book.

Basic and diluted earnings per share increased to 8 fils (USD 2 cents) for the second quarter of 2021 compared with 7 fils (USD 2 cents) in the same period of 2020.

Total comprehensive income attributable to NBB's equity shareholders for the quarter decreased by 73.2% to BHD 11.0 million (USD 29.2 million) compared with BHD 41.1 million (USD 109.0 million) in the same period of 2020. The decrease is predominantly attributable to the mark-to-market movements of the Bahrain Sovereign bond portfolio.

Operating income increased by 10.8% in the second quarter of 2021 to BHD 37.9 million (USD 100.5 million) compared with BHD 34.2 million (USD 90.7 million) in the prior year period. The increase is largely due to higher net interest income due to higher loan volumes and following the active repricing of the Group's balance sheet in line with recent interest rate trends, higher cross-sell FX activities and increased realised gains following the effective and active management of the investment securities book.

NBB has reported a 4.8% increase in its net profit attributable to equity shareholders to BHD 30.5 million (USD 80.9 million) for the six months ended 30 June 2021, compared to BHD 29.1 million (USD 77.2 million) in the same period of 2020. The

increase was attributable to the increased cross-selling activities and effective management of the investment securities book.

Basic and diluted earnings per share at 16 fils (USD 4 cents) during the period remained at the same level of the same period of 2020.

Total comprehensive income attributable to NBB's equity shareholders for the period increased to BHD 27.1 million (USD 71.9 million) compared with BHD 1.8 million (USD 4.8 million) in the same period of 2020. The increase is predominantly attributable to the mark-to-market movements of the Bahrain Sovereign bond portfolio.

Operating income for the period increased by 3.1% to BHD 76.8 million (USD 203.7 million) compared with BHD 74.5 million (USD 197.6 million) in the prior year period, due to the Group's increased cross-selling and investment portfolio management activities.

The Group's total equity attributable to owners decreased by 1.6% to BHD 511.2 million (USD 1,356.0 million) compared with BHD 519.7 million (USD 1,378.5 million) recorded as of 31 December 2020. The decrease followed the distribution of the 2020 cash dividends, slightly offset by the profits recorded during the first half of 2021.

The Group's total assets increased by 6.7% to BHD 4,655.5 million (USD 12,348.8 million) compared to BHD 4,361.4 million (USD 11,568.7 million) recorded on 31 December 2020. The increase was attributable to higher placements and a continued strong demand for NBB loan products.

Commenting on the financial results, Mr. Farouk Yousuf Khalil Al Moayyed, Chairman of NBB said, "We are very pleased with our overall financial results for the second quarter of the year, which demonstrate positive growth despite the effects of the pandemic on the global economic environment. Our net profits have shown an increase from the same period in 2020, as the Group's balance sheet remains strong. The acquisition of majority stake in Bahrain Islamic Bank (BisB) in 2020, continues to be a strategic move resulting in synergies and a stronger positioning for both banks through enhanced revenue and shared costs relating to new technology enhancements. The integration has served to highlight a strong liquid balance sheet to protect both banks, while further enabling BisB to capitalise on NBB's resources and gain wider market access and enhanced product delivery, as demonstrated by the recent tier 1 debt issuance. As such, we have recently been recognised for our collaborative efforts and are proud to be awarded the 'Collaboration in Resilience' Award by the Business Continuity Institute (BCI) Middle East Awards. We have also witnessed a strong year in terms of deals and partnerships, namely our ongoing

collaboration with the Ministry of Housing and Eskan Bank to promote accessible housing solutions to the kingdom's population, alongside taking part in a number of other partnerships and initiatives throughout the quarter, such as the corporate sponsorship project of the Bahrain Institute of Banking and Finance's (BIBF) new iconic building at Bahrain Bay. The NBB Group has had a number of firsts during the quarter, as it deployed the first virtual Cyber Fusion Centre (vCFC) in the region to fortify the Group's cyber security, and implemented a successful collaboration with Standard Chartered Bank to execute the first conventional Interbank Repurchase Transaction denominated in Bahraini Dinars. This quarter also saw NBB bolster its sustainability agenda, as the Group continues on its journey towards adopting a more sustainable approach in accordance with international ESG standards and best practices. NBB extended its sustainability responsibilities across Board committee level, and the NBB Group marked Earth Day with the launch of a 'Think Future' sustainability campaign. We are proud to say that our efforts have been rewarded, as we received the prestigious 'Middle East's Best Bank for Corporate Responsibility' honour by the Euromoney Awards for Excellence 2021. Overall, I am pleased that the NBB Group is performing well this quarter thus far, and we will continue to move forward with our growth plans to reach new levels of banking excellence."

Jean-Christophe Durand, Chief Executive Officer of NBB, added, "NBB's financial performance during the second quarter of the year has been strong, with operating profit for the second quarter ended 30 June 2021 being 12.4% higher than the same period in 2020, and loan and deposit volumes increasing by 4% and 5% respectively compared to the yearend level. This growth was recorded by the Group despite the unstable market conditions witnessed not only across the Kingdom, but also the world, and which have impacted all banks and companies directly or indirectly. Our strong positioning in the market enabled us to expand our product and services portfolio by strengthening our partnerships, both locally and regionally, as we continue to form solid relationships to enhance our performance. The second quarter saw NBB maintain its collaboration with the Ministry of Housing and Eskan Bank, extending its mortgage loan repayment period from 25 years to 30 years for customers benefiting from Mazaya and Joint Housing financing schemes. The Bank has additionally introduced exclusive offers on the 'Danaat Al Baraka' project, also applicable to Mazaya scheme beneficiaries as part of NBB's goal to provide housing solutions across the Kingdom, in line with our promise to remain closer to our customers. Furthermore, we remain committed to supporting our individual and business customers during these times, and as such, introduced 'Tamweel Al Watani', an exclusive scheme designed to benefit Small and Medium Enterprises by providing the necessary support in current market conditions. Additionally, NBB has collaborated with the Central Bank of Bahrain Digital Lab (Finhub 973) to launch the 'Bahrain SuperNova Fintech Challenge 2021', an initiative that aims to transform banking systems and enable the development of innovative solutions in Bahrain. As

part of our role to enhance the community in which we operate, we have also made it our mission to support local businesses and philanthropy organisations by launching 'Neqsatna'; a live-stream show dedicated to generating exposure for our portfolio of SME clients and local charity organisations, urging viewers to donate to worthy causes, answer quiz questions and win valuable prizes.

In the same spirit, and as part of the Bank's ongoing sustainability initiatives, NBB formed a new sustainability committee to oversee the integration of ESG principles into our overall operations. As a result, we have embarked on several new initiatives, one of which has been designed to decrease our carbon footprint and overall energy consumption by installing solar panels in a number of our branches across the kingdom. Furthermore, and as part of our ongoing investment in our human capital, NBB held a virtual graduation ceremony for the 1st batch of Rise Programme graduates, showcasing the Bank's most prominent talents by celebrating their achievements in line with NBB's objectives. I'm also pleased to say that, as a result of our dedication to the Bank's digital transformation and our efforts to increase our digital operations, NBB has won the 'Best Mobile Banking Application' Award by Business Tabloid 2021, marking our progress into becoming a more digitally-reliant national giant. This has been a period of change across the Kingdom, and we look forward to further growth and accomplishments which come as a result of our commitment to the nation, to our people and to customer excellence."

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.

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