



**NATIONAL BANK OF BAHRAIN B.S.C. REPORTS A NET PROFIT OF BHD 15.6 MILLION (USD 41.4 MILLION) ATTRIBUTABLE TO THE OWNERS OF THE BANK FOR THE THREE MONTHS ENDING 31 MARCH 2021**

**Manama – 5<sup>th</sup> May 2021** – National Bank of Bahrain B.S.C. (NBB) has reported a 1.3% increase in its net profit attributable to equity shareholders to BHD 15.6 million (USD 41.4 million) for the three months ended 31 March 2021, compared to BHD 15.4 million (USD 40.8 million) in the same period of 2020. The increase in net profit is predominantly due to lower provisioning levels in 2021, as 2020 included precautionary provisioning requirements attributable to the worldwide COVID-19 pandemic. Furthermore, 2021 results underscore the strong Group fundamentals given the significant market changes that have occurred subsequent to the first quarter of the previous year.

Basic and diluted earnings per share at 8 fils (USD 2 cents) for the first quarter remained at the same level of the same period of 2020.

Total comprehensive income attributable to NBB's equity shareholders for the quarter increased to BHD 16.1 million (USD 42.7 million) compared with a comprehensive loss attributable to NBB's equity shareholders of BHD 39.3 million (USD 104.2 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 decreased by 3.5% in the first quarter of 2021 to BHD 38.9 million (USD 103.2 million) compared with BHD 40.3 million (USD 106.9 million) in the prior year period, largely impacted by lower fees and margins following the COVID-19 pandemic, which did not impact the revenues of the first quarter of 2020.

The Group's total equity attributable to owners decreased by 3.6% to BHD 500.8 million (USD 1,328.4 million) following the distribution of the 2020 cash dividends, compared with BHD 519.7 million (USD 1,378.5 million) recorded as of 31 December 2020.

The Group's total assets increased by 0.6% to BHD 4,389.1 million (USD 11,642.2 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 first 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, and the Group's balance sheet remains strong by showing a growth since December 2020, supported by an increased demand for NBB loans throughout the quarter. The acquisition of majority stake in Bahrain Islamic Bank (BisB) in 2020 continues to be a strategic move, with the integration serving to highlight a strong liquid balance sheet to protect both banks. 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 national initiatives throughout the quarter. NBB remains committed to supporting its individual and business customers during these times, in line with the Central Bank of Bahrain and the loan deferral initiatives set to last into the second half of 2021. This quarter also saw NBB release its first Annual Financial and Sustainability Report for the year 2020, in a step to fulfil stakeholder need for a coherent and consolidated performance information report linking sustainability concerns with traditional core business activities, as the Bank continues on its journey towards adopting a more sustainable approach in accordance with international ESG standards and best practices. I am pleased to say 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 first quarter of the year has been positive, recording a 52.9% increase in net profit attributable to the shareholders of the Bank to BHD 15.6 million (USD 43.4 million) compared to a net profit of BHD 10.2 million (USD 27.1 million) in the last quarter of 2020, despite the unstable market conditions witnessed not only across the Kingdom, but also the world, which have impacted all banks and companies directly or indirectly. These results come despite the drop in market rates which have had a significant impact on profit growth and margins. 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 first quarter saw NBB introduce special financing packages for properties located in Diyar Al Muharraq, and provide an exclusive offering of the second phase of the 'Deerat Al Oyoun' project, in line with our brand promise of staying close to our customers. Additionally, we launched a joint housing

product in conjunction with the Ministry of Housing and Eskan Bank to facilitate home purchasing across the Kingdom. As part of our role to enhance the community in which we operate, and as part of the Bank's ongoing sustainability initiatives, we continued to contribute positively towards the advancement of sustainable environment solutions by supporting students from the University of Bahrain in a Solar Decathlon Competition, which took place in the USA, and focussed on sustainable long-term living solutions. Furthermore, and as part of our ongoing digital strategy, we launched the Data Literacy Academy designed to build the necessary skills required for success in the financial services industry; and it gives me great pleasure to add that NBB became the first bank in the MENA region to partner with SWIFT in order to migrate to Amazon web services. I'm also pleased to say that NBB has been chosen as the lead partner for the second year in a row of the 2<sup>nd</sup> Annual Mentorship Forum Middle East, set to take place in November of this year. This has been a period of change for every company and individual 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.

**Ends**