

BBK discloses its financial results for the half year ended 30th June 2022

BBK (trading code BBKB.BH) announces its financial results for the half year ended 30th June 2022, including the second quarter of 2022.

For the second quarter of 2022:

The Group achieved a net profit attributable to the owners of the Bank of BD 15.5 million for the second quarter of 2022 compared to BD 13.8 million in the same period of last year, an increase of 12.3%. The basic and diluted earnings per share amounted to 9 fils compared to 8 fils achieved during the corresponding period of last year. Total comprehensive income attributable to the owners of the Bank dropped from BD 22.4 million achieved during the second quarter of last year to a loss of BD 10.9 million during the current period, due to the reduction in market prices of investment securities.

The increase in net profit was mainly attributable to higher net interest income which increased by 9.3% from BD 20.4 million during the second quarter of year 2021 to BD 22.3 million during the second quarter of the current year. In addition, net fees and commission income increased by 23.1% from BD 3.9 million to BD 4.8 million. On the other hand, total operating expenses increased by 6.3% from BD 14.3 million to BD 15.2 million.

For the half year ended 30th June 2022:

The Group achieved a net profit attributable to the owners of the Bank of BD 30.6 million for the first half of 2022 compared to BD 28.1 million in the same period of last year, an increase of 8.9%. The Basic and diluted earnings per share amounted to 19 fils compared to 17 fils during the same period of last year. Total comprehensive income attributable to the owners of the Bank for the first half of 2022 amounted to BD 17.6 million compared to BD 40.7 million during the corresponding period of last year representing a decrease of 56.8%, as a results of the drop in valuation of investment securities due to general market volatility.

The net profit was boosted by higher share of profit from associated companies and joint ventures which amounted to BD 2.8 million during the first half of the current year, compared to a share of loss of BD 0.7 million during the corresponding period of last year. Moreover, the net fees and commission income registered a solid growth of 21.3% increasing from BD7.5 million to BD 9.1 million. Furthermore, net interest income increased by 3.1% from BD 41.3 million to BD 42.6 million, benefiting from interest rates rise and other various balance sheet optimization initiatives. On the other hand, investment and other income decreased by 11.2% from BD 9.8 million to BD

8.7 million. Total operating expenses increased by 5.5% from BD 29.1 million during the first half of 2021 to BD 30.7 million during the same period of this year, mainly due to continued investment in our human capital, 50th anniversary initiatives, and various strategic and business initiatives. Also, the Group's net provisions and credit losses increased from BD 0.4 million for the first half of 2021 to BD 1.5 million for the same period of the current year mainly on account of precautionary provisions.

The total shareholders' equity attributable to the owners of the Bank stood at BD 530.2 million as of end of June 2022, 2.3% lower compared to BD 542.8 million as of year-end 2021. The drop was mainly related to decrease in valuation of investment securities.

Total assets as of end of June 2022 stood at BD 3,702.2 million (31 December 2021: BD 3,672.7 million), registering a slight increase of 0.8%. Net loans and advances increased by 2.0% to BD 1,639.4 million (31 December 2021: BD 1,607.2 million), treasury bills increased by 7.8% to reach BD 301.0 million (31 December 2021: BD 279.2 million), and deposits and amounts due from banks and other financial institutions increased by 4.7% to stand at BD 353.3 million (31 December 2021: BD 337.5 million). On the other hand, investment securities portfolio dropped by 7.1% to BD 916.1 million (31 December 2021: BD 985.8 million), mainly due to lower mark to market valuation. Customer deposits registered a marginal growth of 0.7% to stand at BD 2,141.5 million (31 December 2021: BD 2,125.6 million), while the loans to customer deposits ratio remained at a very comfortable level of 76.6% (31 December 2021: 75.6%).

Commenting on the Group's results, the Board of Directors stated, "the good financial results achieved by BBK and the progress made in digital transformation and implementation of various strategic initiatives, as well as the firm evolvment towards achieving our Environmental, Social, and Corporate Governance (ESG) targets are very satisfactory. Despite the challenging and uncertain operating environment, we remain optimistic and confident in BBK's ability and the strength and flexibility of its business model to continue achieving a steady performance, enhancing our shareholders' values and contributing to the betterment of the societies in which we operate".

Dr. AbdulRahman Saif, BBK's Group Chief Executive added, "I am delighted with the good performance posted by BBK. In addition to the steady growth in our net profit, we continued to invest in new initiatives, enhanced and upgraded our existing channels, and expanded our products and services to provide our customers with a brighter banking experience. We launched a new transactions banking solution "BBK Bankey", and collaborated with Tamkeen to support the private sector with better



access to financing solutions. Also, we launched new credit cards with attractive features, and new educational loans for under-graduate and post-graduate degrees at preferential pricing. Furthermore, in line with our ESG strategy, BBK appointed seven women leaders in the Board of Directors of its Group entities which reflect our firm commitments towards promoting equal opportunities and gender balance in our workplace.

Looking towards the future with optimism despite all the uncertainties and high risks posed by the rapid changes in market interest rates, financial markets volatility, inflationary pressures and the continued COVID-19 pandemic and supply chain strains. We have full trust in the sound economic management by our government, and we are confident that with our solid fundamentals and approach towards sustainable and balanced growth, we will continue to create attractive value for our shareholders and all other stakeholders”.

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