

**For immediate release**

**BBK discloses its financial results for the period ended 30<sup>th</sup> September 2023**

BBK (trading code BBKB.BH) announces its financial results for the period ended 30<sup>th</sup> September 2023, including the third quarter of 2023.

**For the third quarter of 2023:**

The Bank achieved a net profit attributable to the owners of the Bank of BD 19.5 million compared to BD 14.0 million in the same period last year, an increase of 39.3%. The basic and diluted earnings per share amounted to 11 fils compared to 8 fils achieved during the corresponding period last year.

The total comprehensive income attributable to the owners of the Bank grew to BD 23.7 million during the current period compared to BD 12.3 million during the third quarter of last year, representing an increase of 92.7%. The increase is due to the positive movement in the valuation of investment securities and higher profits.

The increase in net profit was mainly attributable to higher net interest income which increased by 27.1% from BD 26.2 million during the third quarter of 2022 to BD 33.3 million during the third quarter of the current year due to effective balance sheet management and the interest rate exposure position. In addition, net fees and commission income increased by 2.3% from BD 4.4 million to BD 4.5 million, investment and other income increased by around 12.1% from BD 3.3 million to BD 3.7 million, while net provisions in the quarter reduced by 55.9% from BD 3.4 million to BD 1.5 million compared to the same period of last year. On the other hand, the Bank's share from associated companies and joint ventures during the quarter amounted to a loss of BD 2.7 million compared to BD 0.4 million profit in the corresponding period of last year. Total operating expenses increased by 6.7% from BD 16.4 million to BD 17.5 million attributed to strategic initiatives, enhancement of current distribution channels and services, and investing in human capital.

**For the nine months ended 30<sup>th</sup> September 2023:**

The Bank achieved a net profit attributable to the owners of the Bank of BD 56.5 million compared to BD 44.5 million in the same period last year, representing an increase of 27.0%. The Basic and diluted earnings per share amounted to 33 fils for the current period compared to 26 fils during the same period of last year.

The total comprehensive income attributable to the owners of the Bank for the nine months period ended 30<sup>th</sup> September 2023 amounted to BD 60.4 million compared to BD 29.8 million during the corresponding period last year, representing growth of 102.7% which mainly reflects the positive shift in investment securities market valuations and the higher profits for the period.

The higher net profit reflects the increase in net interest income by 45.1% from BD 68.8 million to BD 99.8 million, as a result of balance sheet optimization initiatives and the interest rate exposure position. Net fees and commission income registered a decline of 25.2% decreasing from BD 13.5 million to BD 10.1 million, and investment and other income decreased by 8.3% from BD 12.1 million to BD 11.1 million. Moreover, net provision increased from BD 5.0 million to BD 7.5 million during the nine months period ended 30<sup>th</sup> September 2023 representing an increase of 50.0%. Conversely, the Bank's share of associated companies and joint ventures decreased to a share of loss of BD 5.8 million, compared to a gain of BD 3.2 million during the corresponding period last year. While total operating expenses increased by 7.0% from BD 47.2 million in 2022 to BD 50.5 million in 2023.

The total shareholders' equity attributable to the owners of the Bank stood at BD 587.3 million as of end of September 2023, 1.5% lower compared to BD 596.3 million as of year-end 2022. The drop was mainly related to the declaration of cash dividends to the shareholders during the year 2023.

Total assets as of end of September 2023 stood at BD 3,974.3 million (31<sup>st</sup> December 2022: BD 3,753.9 million), registering an increase of 5.9%. Cash and balances with central banks registered an increase of 37.5%, increasing to BD 573.3 million (31<sup>st</sup> December 2022: BD 416.9 million). Treasury bills increased by 25.8% to reach BD 349.5 million (31<sup>st</sup> December 2022: BD 277.9 million). Meanwhile, net loans and advances decreased slightly by 1.7% to BD 1,587.2 million (31<sup>st</sup> December 2022: BD 1,614.0 million); and investment securities dropped by 2.1% to BD 894.6 million (31<sup>st</sup> December 2022: BD 914.2 million). Moreover, Deposits and amounts due from banks and other financial institutions increased by 10.8% to stand at BD 306.6 million (31<sup>st</sup> December 2022: BD 276.6 million). Customer deposits registered an increase of 5.3% to stand at BD 2,229.1 million (31<sup>st</sup> December 2022: BD 2,116.6 million). Deposits and amounts due to banks and other financial institutions increased by 31.8% to stand at BD 381.3 million (31<sup>st</sup> December 2022: BD 289.4 million).

The Board of Directors commented on the Bank's results, stating, "BBK's remarkable performance this year is a testament to our strategic clarity, dynamic business model, and adaptive strategies. These factors have not only driven digital advancements but have also elevated the overall banking experience for our customers. In the rapidly evolving digital era, BBK remains steadfast in pioneering services that contribute to Bahrain's economic and social growth. The dedication of our professional team - coupled with our customers' and stakeholders' trust - positions BBK as a frontrunner in the digital banking frontier. We extend our gratitude to shareholders for their unwavering support, to loyal customers for their patronage, and to our dedicated management team and employees who make this digital journey a remarkable success."

BBK's Group Chief Executive, Dr. AbdulRahman Saif, added, "I am pleased to share BBK's impressive financial performance, marked by robust profits and sustained net profit growth. Beyond financial milestones, our commitment to societal impact stands out through strategic collaborations, such as the empowering partnership with 'Nasmaakum' for individuals with hearing and speech impairments. Meanwhile, initiatives such as 'Women on Board' and 'Grow' for Bahraini graduates showcase our commitment to community development and talent cultivation. The introduction of the innovative 'BBK Business' platform and its solutions towards serving Corporate and Small & Medium Enterprises (SMEs) in Bahrain underscores our forward-looking approach and commitment to a variety of customers. Furthermore, we launched an investment solution on the digital platforms which underscores our solid digitization strategy and unwavering commitment to furnishing innovative and adaptable solutions to our customers. In addition, we have enhanced and upgraded our existing channels, and expanded our products and services to provide our customers with a brighter banking experience. Furthermore, our new cutting-edge digital Sitra branch with a 24/7 digital zone exemplifies our dedication to delivering exceptional banking experience. Despite market uncertainties, our optimism prevails, anchored in government policies and our unwavering commitment to balanced growth, ensuring sustained value creation for all stakeholders".

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