

For Immediate release

BBK discloses its financial results for the half year ended 30th June 2025

BBK (trading code BBK) announces its financial results for the half year ended 30th June 2025, including the second quarter of 2025.

For the second quarter of 2025:

The Group achieved a net profit attributable to the owners of the Bank of BD 17.5 million for the second quarter of 2025 compared to BD 16.2 million in the same period last year, an increase of 8.0%. The basic and diluted earnings per share amounted to 10 fils compared to 9 fils achieved during the corresponding period last year, reflecting a growth of 8.2%. Total comprehensive income attributable to the owners of the Bank increased by 73.2% from BD 9.7 million achieved during the second quarter of last year to BD 16.8 million during the current period, mainly due to the increase in market values of investment securities.

The increase in net profit was mainly attributable to a higher share of profit from associates and joint ventures, recording a profit of BD 0.2 million during the second quarter of 2025 compared to a loss of BD 1.1 million during the second quarter of the corresponding year. In addition, net fees and commission income increased by 9.3% from BD 4.3 million to BD 4.7 million. Furthermore, net provisions and credit losses were reported as BD 5.9 million in the second quarter of 2024 compared to BD 2.5 million during the same period of the current year, representing a drop of 57.6%. On the other hand, net interest income was lower by 5.4% at BD 30.0 million from BD 31.7 million, whilst total operating expenses increased by 8.5% from BD 17.6 million to BD 19.1 million.

For the half year ended 30th June 2025:

The Group achieved a net profit attributable to the owners of the Bank of BD 38.6 million for the first half of 2025 compared to BD 36.5 million in the same period last year, an increase of 5.8%. The basic and diluted earnings per share amounted to 21 fils compared to 20 fils during the same period last year, reflecting a growth of 5.9%. Total comprehensive income attributable to the owners of the Bank for the first half of 2025 amounted to BD 32.3 million compared to BD 36.9 million during the corresponding period last year, representing a decline of 12.5%, as a result of the drop in valuation of investment securities due to market volatility.

The net profit was supported by higher share of profit from associated companies and joint ventures, which amounted to BD 0.6 million during the first half of the current year, compared to a share of loss of BD 2.1 million during the same period last year. Moreover, the net fees and commission income registered a solid growth of 9.3% increasing from BD 8.6 million to BD 9.4 million. Furthermore, investment and other income increased by 21.9% from BD 9.6 million to BD 11.7 million, reflecting the Bank's dynamic business model and its efforts to diversify income from non-interest income streams. Also, the Group's net provisions and credit losses reported as BD 5.7 million compared to BD 9.6 million for the same period of the year 2024, showing a decline of 40.6%, mainly on account of active management of credit risk and distressed exposures, and higher recovery efforts. On the other hand, net interest income decreased by 8.1% from BD 63.9 million to BD 58.7 million as a result of market interest rate cut witnessed in last quarter of 2024. Total operating expenses grew by 6.3% from BD 33.6 million during the first half of 2024 to BD 35.7 million during the same period of this year, mainly due to continued investment in our human capital and various strategic and business initiatives.

The total shareholders' equity attributable to the owners of the Bank reported a drop of 1.5% at BD 611.7 million as of end of June 2025, compared to BD 620.8 million as of year-end 2024, mainly due to the dividend declaration.

Total assets as of end of June 2025 reported a growth of 2.5% to stand at BD 4,295.4 million (31 December 2024: BD 4,192.6 million). Net loans and advances reported a growth of 14.1% at BD 2,046.6 million (31 December 2024: BD 1,794.1 million) while investment securities portfolio grew by 20.5% to BD 1,131.6 million (31 December 2024: BD 939.4 million). On the other hand, treasury bills decreased by 14.6% to reach BD 340.8 million (31 December 2024: BD 399.2 million), deposits and amounts due from banks and other financial institutions decreased by 30.6% to stand at BD 116.5 million (31 December 2024: BD 167.9 million). Customer deposits registered a decline of 3.0% to stand at BD 2,340.0 million (31 December 2024: BD 2,411.3 million), driven by market dynamics and customer behavior preferences.

Based on the interim results achieved, the Board of Directors has decided to distribute an interim cash dividend of 12.5% (12.5 fils per share), subject to regulatory approvals.

Commenting on the Group's results, the Board of Directors stated, "In a period marked by a challenging and uncertain operating environment, we are pleased to announce BBK achieving solid financial results. The achievement is the outcome of a clear strategic focus, disciplined risk management and a strong commitment to long-term value creation."

Mr. Yaser Alsharifi, BBK's Group CE added, "I am delighted with the sound performance achieved by BBK. In addition to the steady growth in our net profit, we continued to invest in our Environmental, Social, and Governance (ESG) initiatives as we made significant strides in advancing our commitment towards achieving our – integrating sustainability into our core operations, strengthening our governance practices and driving positive impact in the communities we serve. Recently, we have announced our collaboration with the Royal Humanitarian Foundation, which aligns with the Bank's broader vision to support community development and foster impactful humanitarian and charitable efforts across the Kingdom of Bahrain".

"As we reflect on another period of strong performance, I am confident in the solid foundation we have built for the future. Looking ahead, we remain committed to creating lasting value for our shareholders, partners and communities".

"Subsequent to the quarter end, the Central Bank of Bahrain (CBB) has approved the transfer of HSBC Bank Middle East, Bahrain Branch's retail (consumer) banking operation to BBK and we have identified that completion of the transfer will take place by the fourth quarter of 2025. We are thrilled to welcome HSBC Bahrain's retail customers and employees to the BBK family and commit to a seamless integration. This transaction represents a key achievement in our pursuit of strategic objectives, enhancing our market reach and shareholders' value. The milestone aligns with BBK's broader vision of strengthening its foothold in the banking sector by leveraging strategic opportunities that support the Bank's long-term ambitions".

"The bank successfully closed a US\$500 million, 3-year Club Loan Facility, which shall support Bank's strategic initiatives, business expansion, and refinance the 2023 facility. Aligned with BBK's sustainability objectives and its commitment to diversifying funding sources, the facility has been structured to include a Sustainability-Linked option. This highlights BBK's strong financial position and its dedication to sustainable growth".

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