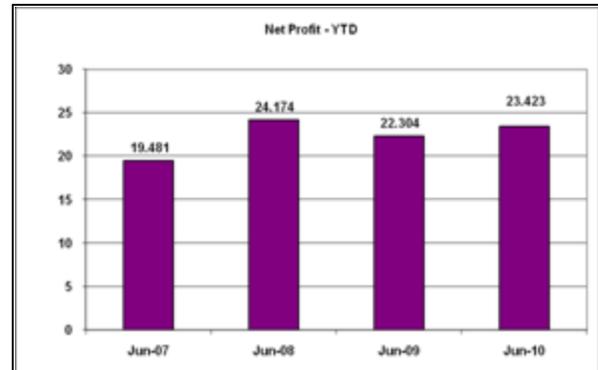


BBK reports net profits of BD 23.4 million for the 2nd Quarter 2010 with 38.6% growth in its operating revenues

The Board of Directors of BBK has met yesterday to discuss and approve the BBK's results for the six months ended June 2010. Mr. Murad Ali Murad, BBK Chairman of the Board of Directors announced that BBK reported net profit of BD 23.4 million, for the six month ended June 2010 higher than the same period last year by 5%.

The growth in profit was driven by a strong performance of investment related activities increasing investment income from BD 6.8 million as of June 2009, to BD 23.5 million in June 2010. Fees and commission income has also increased to BD 11.6 million, representing 5.4% increase over the same period last year, while net interest income reached BD 29.4 million.



Mr. Murad Ali Murad commented on the results saying “BBK’s newly implemented strategic plan is focused on building shareholders’ wealth and values on a long term through reporting a steady growth year after year, which we have witnessed in the results of this year. We are planning to continue increasing the value of BBK shareholders on the long term through a well balanced growth strategy”. The bank also continues building its general provision reserve during the year to account for any unexpected future downturns in the market.

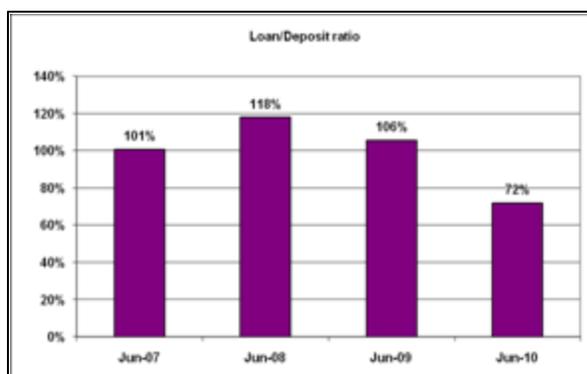
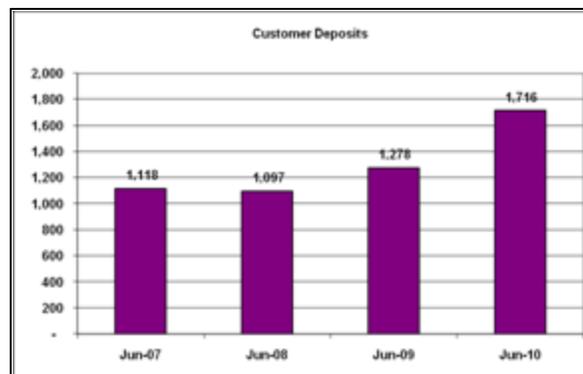
The net profit for the three months ended June 2010 stood at BD 10.9 million compared to BD 10.4 million for the same period last year. The 5% increase in net profit was driven mainly by the increase in investment income from BD 2.7 million to BD 14.8 million, and the increase in fees and commission income by 7.3% to reach BD 5.9 million.

Mr. A.Karim Bucheery, the Chief Executive, added “As part of our growth strategy, we have invested in our modern branches & Financial Malls, technological platform, and human resources, as well as other strategic initiatives, which are perceived as long term investment for the bank, expected to pay-off in years to come. Hence, the Bank’s operating costs has increased by 7.9% compared to the same period last year, though the cost-to-income ratio stood at 34.3%”.

BBK has introduced the concept of Financial Malls in 2006, when it opened its first one in Adliya and currently has 6 financial malls distributed in different locations around

the Kingdom of Bahrain, of which the latest has just been opened in Exhibition Road and will be launched officially on 14th July 2010. BBK is planning to open another financial mall in Isa Town before the end of 2010.

BBK's balance sheet has grown by 17.2% to BD 2,408 million, compared to the same period of last year, and by 5.7% compared to December 2009. The bank has grown its customer deposits by 34.3% compared to June 2009 to reach BD 1,715 million, which reflects customer confidence in the bank. On the other hand, loans & advances stood at BD 1,234 million lower than the same period of last year by 8.5% due to limited lending opportunities and the Bank's strategy to retrench from international lending in favor of local and regional lending. The non-trading investment portfolio increased by 36.7% to BD 402 million compared to June 2009.



Liquidity parameters as of June 2010 stood at very comfortable level, with liquid assets (Cash and balances with central banks, Treasury bills, trading investments, and placement with financial institutions) to total assets ratio, which have improved to 28.8% compared to the same period of last year of 16.9%. Also loan to customer deposit ratio improved from 106% to 72%, and loans to total deposit (including deposits

from Banks) improved from 91% to 65%.

“The Bank had recently held its investors road show meetings to launch a benchmark size bonds under its current Medium Term Note Program, as part of diversification of its source of funding strategy. Though the Bank had very successful meetings with investors, it decided to postpone the issuance of its bonds till the market gets stabilized, and the prices becomes more reasonable”, the Chief Executive Said. “The Bank has a medium term note of US\$500 million, maturing in March 2011, but the Bank is very much comfortable to repay the term notes on maturity using its internal source of funds and liquidity available to it”, he added.

Editors notes:

About BBK

BBK has been the pioneer in Commercial Banking for over 35 years in the Kingdom of Bahrain. As a revolutionary market leader, BBK has built a name and reputation which is respected locally as well as internationally. To maintain this reputation, BBK has been at the forefront, incorporating the latest technologies to provide the finest services. One example of which is the e-banking solutions offered by BBK, which provide new generation services through its user friendly award winning website www.bbkonline.com, along with the telebanking, cash depository machines and automated teller machines services. BBK is proud to win the first place in a major regional survey on corporate governance conducted by the Hawkamah Institute for Corporate Governance and the Union of Arab Banks (UAB). This award has become a prestigious, competitive and highly coveted bank award that highlights the industry's strong commitment to good corporate governance.

- Ends -

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