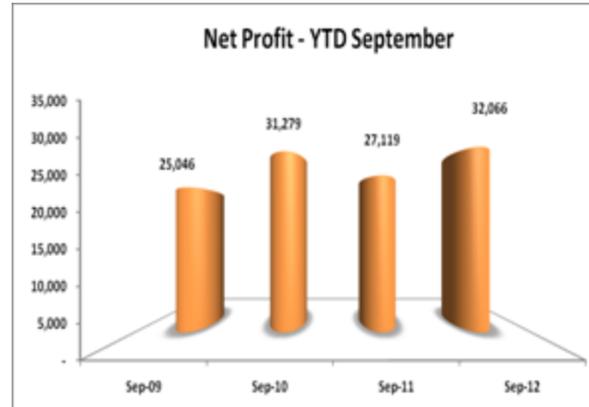


## BBK reports a net profit of BD 32.1 million, up 18.2%, for the nine months ended 30<sup>th</sup> September 2012

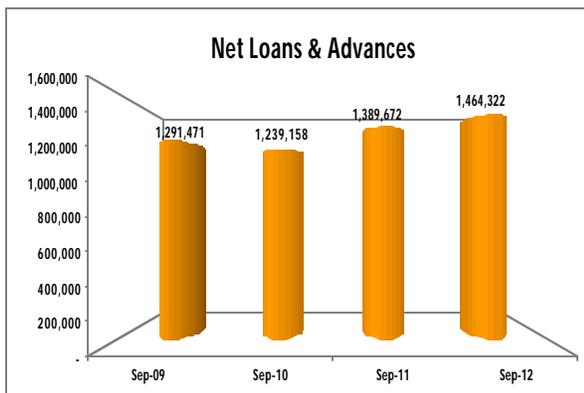
BBK Board of Directors yesterday reviewed and approved the financial results of the bank for the nine months ended 30<sup>th</sup> September 2012. Mr. Murad Ali Murad, Chairman of the Board of Directors, announced that the bank's net profit for the period further improved to reach BD 32.1 million, an increase of 18.2% when compared to the corresponding period of the previous year.



Expressing his satisfaction on the achieved results, Mr. Murad Ali Murad said “BBK's fundamental strengths, along with its clear strategic vision, robust risk management practices and sustainable financial performance underpins the bank's ability to generate solid performance and consistent growth despite the challenging operating environment”.

The main contributors to such improvement in the underlying profitability were the robust growth in net interest income, coupled with healthy increase in other income. Net interest income grew remarkably by 11.4% to amount to BD 48.4 million, compared to the same period ended September 2011, which included BD 0.5 million of gain on partial redemption of term borrowings (as at 30 September 2012: nil). The improvement in net interest income was a result of the increase in the bank's net loans and advances and non-trading investments portfolios. Further, this was a reflection of the successful strategic implementation of re-compositioning of the bank's loans and investments portfolios. The bank's fees and commission income also registered a growth of 11.1% amounting to BD 21.7 million. FX & Investment income reported a steady income of BD 9.5 million. The bank's continuous investments in latest technologies, distribution networks, and its human resources resulted in increasing the operating cost by 4.1% compared to the period ended September 2011. Nevertheless, the cost to income ratio was improved from 49.3% to 46.8%.

Net profit for the three months ended September 2012 stood at BD 8.8 million compared to BD 4.0 million which was reported in the three months ended September 2011. Net interest income for the quarter of BD 17.0 million increased by 16.7%, while other income, including fees and commission and FX and investment income have grown by 18.7% to reach BD 11.4 million. The bank reported BD 7.3 million as provision requirements for the third quarter of 2012, compared to BD 7.7 million compared to the same period of last year.

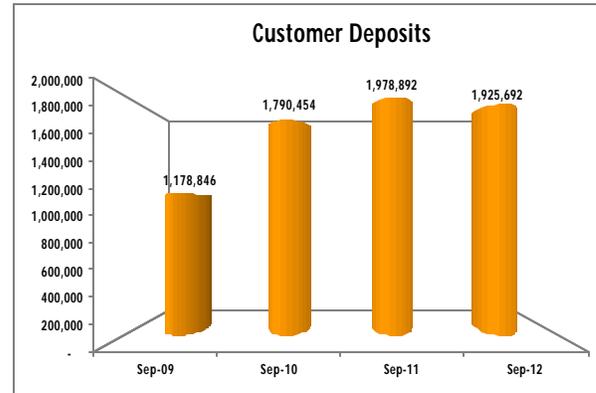


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Mr. A.Karim Bucheery, Chief Executive; said “The bank's core profitability is on an upward positive

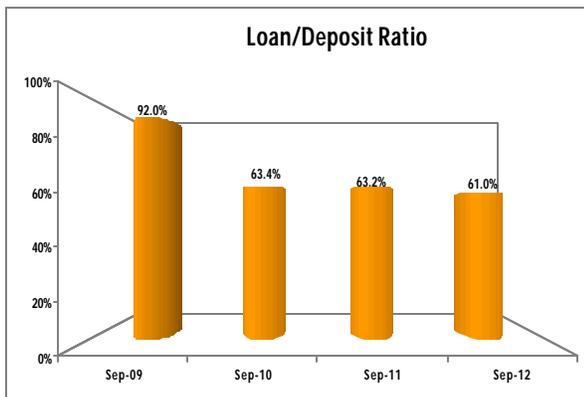
trend along-with improved cost efficiency, and business volumes are showing signs of improvement across the region”.

The bank has recently received the Hawkama Award for Corporate Governance. On this, Mr. Bucheery commented “BBK continues to commit itself to apply modern, transparent and effective governance principles with its customers, employees, shareholders and general public. We are very proud that BBK was able to maintain high levels of commitment on that aspect and to receive the honorable “Hawkamah Bank Corporate Governance Award” for the past 3 years consecutively.



Comprehensive income has increased by BD 41.1 million to reach BD 52.2 million in September 2012; this was mainly driven by the improvement in the market value of the non-trading investments and as a result of the bank strategy to continuously improve the quality of its investment portfolio.

BBK’s balance sheet grew remarkably to amount to BD 2,981 million, an increase of 9.1% when compared to 30<sup>th</sup> September 2011. This has reflected a strong underlying business growth driven by increases in customer assets and deposits. Loans and advances stood at BD 1,464 million, registering an increase of 5.4%, resulted mainly from the increase in retail and corporate loans. Non trading investment assets have witnessed a rapid growth of 42.9% to reach BD 723 million as of 30<sup>th</sup> September 2012. During the year BBK has managed to keep liquidity parameters at a very comfortable level with loans to deposits ratio standing at 61%.



**Editor's notes:**

**About BBK**

BBK has been the pioneer in Commercial Banking for 40 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](http://www.bbkonline.com), along with the telebanking, cash depository machines and automated teller machines services. BBK is proud to be honored for its Corporate Governance by the "Hawkamah Institute" for the 3rd consecutive year. This award has become a prestigious, competitive and highly coveted bank award that highlights the industry's strong commitment to good corporate governance.

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