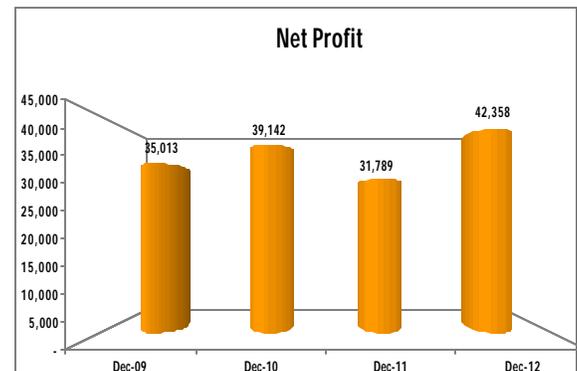


BBK reports 33.3% net profits growth for year ending December 2012

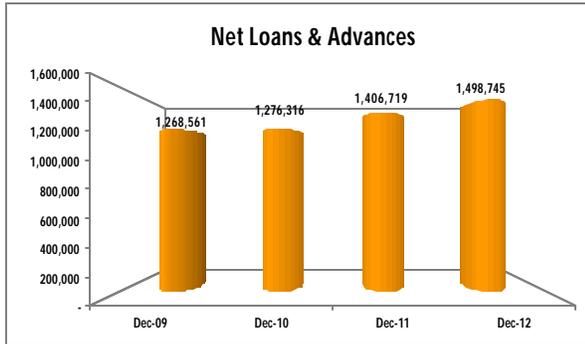
BBK Board of directors were pleased yesterday to declare a new profit record of BD 42.4 million in 2012, compared to BD 31.8 million in 2011.

On this occasion, Mr. Murad Ali Murad, Chairman of the Board of Directors, expressed his pleasure of the achieved results stating: “We are very proud of the bank’s outstanding performance, both in financial terms as well as in achieving the main corporate goals that were set out in our 2010-2012 Strategic Plan. The fact that the bank has been able to produce consistent, rather than volatile, profit growth, against a backdrop of challenging market conditions both internationally and domestically, speaks of BBK’s strong position being Bahrain’s pioneer in retail and commercial banking and reflects its commitment to serve all its stakeholders with diligence”.



Commenting on the bank’s strategy going forward, Mr. Murad Ali Murad said “Through our new 2013-2015 Strategic Plan we will seek to build upon what has been achieved over the last three years. Challenging new objectives will be set for all our business units, both locally and in the other markets in which the bank operates, as we pursue growth opportunities and build on our strengths. The bank shall also closely monitor and control its internal operating cost structure along with its overall level of efficiency. Hence going forward, a key objective is to improve economy of scale for the bank.”

Some excellent decisions were made during the year in respect of BBK’s Treasury and Investment portfolio, particularly in the case of fixed income opportunities, which resulted in remarkable growth in net interest income from investments, as well as in FX and other investment income. For the year ended 31st December 2012, the bank reported a robust growth in net interest income of 11.6% to reach BD 65.8 million compared to BD 58.9 million reported in 2011. FX and investment income stood at BD 13.9 million compared to BD 20.6 million reported in the same period of last year. Nevertheless, 2011 FX and investment income included non-recurring income of BD 9.2 million that arose from the exchange of BBK subordinated debt notes to senior debt notes, and a gain on sale of sub-debt of BD 0.6 million. Excluding such non-recurring income, FX and investment income would have grown by 21.9%. Net Fees and Commission income grew by 10.3% to reach BD 29.0 million compared to BD 26.3 million reported in December 2011.

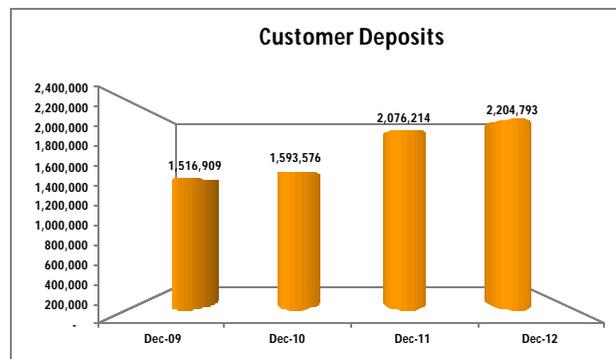


Operating costs grew by 5.5% to reach BD 50.6 million. Loans and investment provisions requirements has decreased from BD 25.5 million to reach BD 15.0 million in December 2012, reflecting management conservative approach and better quality control over assets.

Based on the above performance, the Board of Directors has decided to raise its recommendation to the shareholders' at the general assembly, profit distribution of 20%, comprising of 10% cash dividend per share, and 10% stock dividend per share.

For the three months ended 31st December 2012, BBK reported a net profit of BD 10.3 million compared to BD 4.7 million for the same period of last year, with net interest income of BD 17.4 million an increase of 12.1% (2011: BD 15.5 million). Other income including fees and commission, FX and investment income stood at BD 11.7 million in December 2012. The bank reported provision charges net of recoveries of BD 5.3 million for the fourth quarter of 2012, compared to BD 15.8 million reported for the same period of last year.

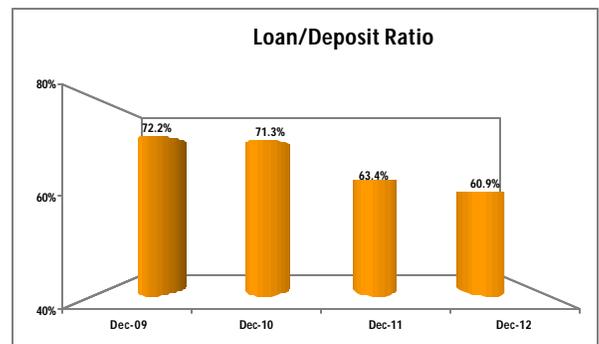
Mr. A.Karim Bucheery, Chief Executive said: “2012 was the final year of BBK’s “2010-2012” Strategic Plan. A number of strategic initiatives were implemented throughout 2012 which contributed in strengthening BBK’s relationship with its customers and enabled it to achieve these astonishing results. Those new initiatives included launch of the new premium banking service, Al Wajaha, which offers a bouquet of financial privileges and unrivalled package of features and benefits specially tailored to meet the banking, travel, and lifestyle needs of BBK’s most discerning customers; and the launch of the revamped SECURA brand, offering a new range of insurance and saving products, designed to meet all the insurance needs of our customers. It also included a number of initiatives aimed at enhancing the service delivery to our customers such as the launch of special services to cater the needs of special needs customers where certified sign language speaking employees made available to serve hearing-impaired customers and dedicated parking and wheel chair access assigned at all of its financial malls. It also included the launch of SMS banking, eStatements on mobile phones and the upgrading of Telebanking. Those initiatives reflect BBK’s commitment to create ideal banking experience and ensure the wellbeing for all the citizens of the Kingdom”.



Mr. Bucheery also commented: “Notwithstanding the fact that the bank had successfully implemented almost all of the key growth initiatives outlined in its corporate strategic plan. We have also been heavily involved in investing in other strategic initiatives of the Bank such as the appointment of the highly respected consulting firm, Booz & Company, to undertake a “Performance Optimization Review” of all our businesses, aiming to boost the performance and enhance the efficiency across the BBK group”.

Comprehensive income has witnessed a robust growth from BD 20.6 million to reach BD 72.5 million in December 2012; this was mainly driven by the improvement in the market value of the non-trading investments as a result of the bank strategy to continuously improve the quality of its investment portfolio.

Fuelled by strong growth in net loans & advances as well as the boost in non-trading investment portfolio; BBK’s balance sheet as of 31st December 2012 registered a growth of 12.4% to reach BD 3,108 million, compared to 2011. Net loans & advances grew by 6.5% to reach BD 1,499 million, Non-trading investment portfolio stood at BD 717 million compared to BD 564 reported in December 2011. Customer deposits continued with its upward positive trend and grew during the year by 6.2% to reach BD 2,205 million. BBK managed to keep its liquidity and funding positions at very comfortable levels with loans to deposits ratio standing at 60.9%.



Editors 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, 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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