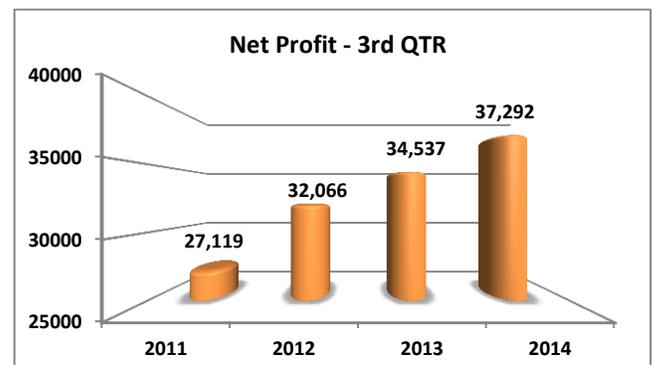


## BBK net profits leaped by 8% for the nine months of 2014

Mr. Murad Ali Murad, the Chairman of BBK's Board of Directors announced yesterday that BBK Board of directors approved the reported net profit of BD 37.3 million for the nine months ended 30<sup>th</sup> September 2014, representing an 8% increase over the same period of last year; with an earnings per share of 37 fils (2013: 34 fils per share).

In recognition and satisfaction of BBK's results, Mr. Murad Ali Murad, chairman of the board of directors commented: "Achieving our third straight quarter of positive operating earnings growth is a strong evidence that we are successfully executing our strategy and we believe that we have put in place all the elements required for sustained performance and profitability. Backed by the bank's resilience and strong fundamentals, we remain completely focused on serving our clients with excellence and capturing the growth potential inherent in the core businesses"

The boost in profits was predominantly attributable to the bank's robust cost control measures and the growth in core business income. Fees and commission income has recorded a growth of 9.0% and stood at BD 20.9 million as of the third quarter of 2014 compared to similar period of last year. Net interest income has shown a moderate growth over same period of last year, and amounted to BD 52.6 million for the nine months ended 30<sup>th</sup> September 2014.



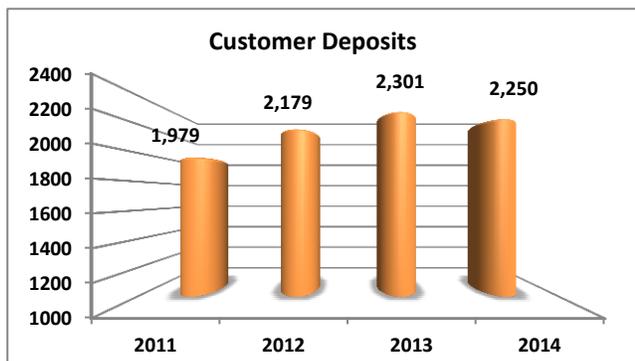
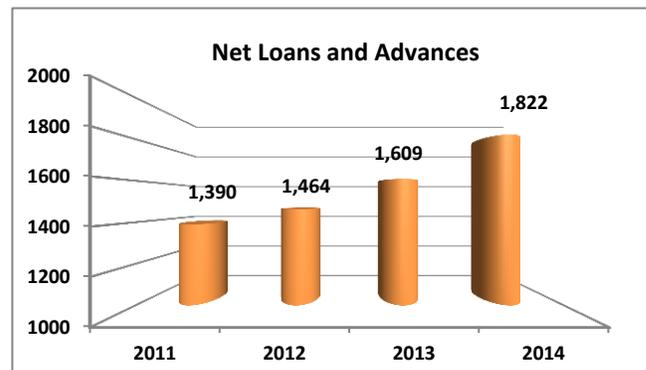
The Bank's operating costs plunged by 9.7% to amount to BD 35.5 million, compared to BD 39.3 million recorded for the corresponding period of last year, primarily reflecting the Bank's focused efforts towards process efficiencies and the successful implementation of its Cost Optimization Program started in 2013. The cost-to-income ratio has subsequently improved to 41.3 % as compared to 46.8% recorded as of end of September 2013.

Conservative provisioning of BD 13.1 million (2013: BD 9.6 million) were undertaken during the year of which BD 9.5 million were on the account of increasing the general provisions sat as prudence measures to account for probable future unexpected economic downturns.

Comprehensive income witnessed substantial growth from BD 31.2 million in September 2013 to BD 51.8 million in September 2014, which was mainly driven by the improvement of investments fair value.

The net profit for the three months ended 30 September 2014 showed a growth of 8.4% at BD 10.1 million compared to BD 9.3 million for the same period of last year, reflecting consistent strength in BBK core business. Net interest income for the quarter reported at BD 17.8 million, while other income including fees and commission, FX and investment income reached BD 9.4 million. Operating costs for the quarter stood at BD 12.2 million, lower than similar period of last year by 16.5% Total provisions was increased by BD 5.9 million, of which BD 4.2 million were on account of general provision .

Commenting on the bank’s performance, Mr. A.Karim Bucheery, Chief Executive, said “This quarter as the earlier part of the year, continued to pose BBK’s robust performance. We’re moving forward, step by step, as we reach in 2015 the end of our three-year strategic journey of building a world-class platform for BBK. We are encouraged by our progress against our long-term objectives and we are confident that we will continue to be a pioneer in retail and commercial banking by exceeding our customers’ expectations”.



He added: “As part of BBK’s commitment to the development of its employees and also to the nurturing of the Banking expertise in young Bahrainis, we proudly praise the re-launch of the Management Trainee Development program, as part of BBK’s ongoing talent development and succession planning strategy. The Bank has developed this program to identify and foster future leaders in the Banking Industry.”

In line with the bank’s expansion strategy, BBK has announced on 08<sup>th</sup> August 2014 the opening of its fourth branch in India, Delhi. This opening marks an important milestone in BBK’s presence in India and is in line with the Bank’s growth vision in strategic locations, outside Bahrain. BBK will continue to look forward in getting more business opportunities, and simultaneously diversify its core sources of business.

Backed by controlled risk stance and prudent portfolio selections, BBK balance sheet increased by 1% to stand at BD 3,331 million as of September 2014. Net loans and advances has grown by 13.3% to stand at BD 1,822 million for the third quarter of 2014, while non-trading investments grown by 2.8% over the same period of last year to stand at BD 765 million. Total deposits reported at BD 2,577 million as of September 2014 marginally lower than the same period of last year.

Liquidity position of the bank continued to remain at comfortable levels with liquid assets (Cash and balances with central banks, treasury bills, Financial assets at fair value through statement of profit or loss, and Deposits and due from banks and other financial institutions) to total assets standing at 18.33% and loan to total deposit ratio at 70.7%. BBK's capital base continues at sufficient levels with capital adequacy ratio of 15.21% well above regulatory requirements of 12%.