

**BBK Press Release – to be released 20<sup>th</sup> of October 2015**

**BBK Reports 8% Increase in Net Profit of BD 40.3 million, for the  
Nine Months ended 30<sup>th</sup> September 2015**

The Board of Directors of BBK has yesterday approved the financial results for the nine months ended 30<sup>th</sup> September 2015, announcing a registered net profit of BD 40.3 million, an increase of 8% over similar period of last year of BD 37.3 million; with earnings of 38 fils per share (2014: 35 fils per share).

Commenting on the Bank's performance and future outlook, Mr. Murad Ali Murad, Chairman of the Board of Directors said, "We are satisfied with our financial results for the nine months of the year. Our strong and stable financial footing has enabled us to stay committed to our customers while investing in targeted growth opportunities, delivering sustainable growth, managing risk, and improving long-term financial performance and returns for our shareholders."

The growth in net profits was mainly driven by a notable growth in fees and commission income by 10.8% to reach BD 23.2 million and a 9.2% growth in FX and investment income to reach BD 13.6 million, while Net interest income stood at BD 52.7 million. Given the ongoing bank-wide effective cost management, operating expenses increased reasonably by 2.7% to amount to BD 36.5 million when compared to the corresponding period of last year, resulting in improved cost to income ratio from 41.3% in September 2014 to 40.8% as of 30 September 2015.

The bank continued to follow a prudent approach in assessing and providing provisions for certain impaired asset classes. As of end of third quarter of 2015, the bank has increased its provisions reserve including voluntarily general provisions by BD 14.3 million (September 2014: BD 13.1 million), to account for expected and unexpected deterioration in its assets quality portfolio.

The turbulence in the global stock markets caused by the Chinese market crash and its corresponding impact on the large-scale volatility in stock prices, resulted in reducing the investment revaluation reserve of most financial institutions. Accordingly, BBK reported a negative BD 28.1 million revaluation reserve as of 30 September 2015 compared to reporting positive revaluation reserve of BD 15.7 million in similar period last year. As a consequence, the bank's comprehensive income stood at a level of BD 8.6 million, compared to BD 51.8 million reported for the same period of last year.

For the three months ended 30 September 2015, the bank reported a growth in net profit of 7.5% to reach BD 10.9 million compared to BD 10.2 million reported for the same period of last year. Net interest income amounted to BD 17.7 million (2014: BD 17.8 million), while other income, including fees and commission, FX and investment income has recorded a positive growth of 13.2% compared to the same period of last year to

reach BD 11.9 million. Provision requirements for the third quarter of 2015 amounted to BD 8.2 million, compared to BD 5.9 million reported in similar quarter of last year.

Commenting on the bank's performance, Mr. A.Karim Bucheery, Chief Executive, said "Our successful strategic plan continues to drive and flourish BBK's sustainable growth and yields positive results year after year. I am very proud that we are moving forward in our journey, despite the challenging operating environment. We have managed to maintain a positive outlook situated to benefit from future growth and focus on customer centricity and service excellence. "

He also added: "Challenges have increased with the lower oil price, however we are fortunate that our strategy has situated us in a place that would enable us to avoid any drastic changes by creating a clear direction, solid foundation, and provides agility in a rapidly changing world. This year marks a new milestone in BBK's journey as we will begin our next strategic plan in 2016. Our strategy formulation process is thorough and rigorous. And we are confident that by the end of our next three years strategic plan, BBK will be even more superior to offer best quality to customers, more value-creating for shareholders, and better governed."

Maintaining its strong balance sheet and solid capital position, BBK's balance sheet witnessed a growth of 11.6% to reach BD 3,715 million as of end of September 2015, compared to BD 3,331 million reported in the corresponding period of last year. As one of the key levers to fuel balance sheet growth and improve returns, non-trading investments securities increased by 6.0% to amount to BD 811 million (2014: BD 765 million). Net loans and advances amounted to BD 1,795 million as of end of the third quarter of 2015 (September 2014: BD 1,822), while customer deposits leaped to reach BD 2,566 million as of 30 September 2015, a 14.0% increase when compared to BD 2,250 million reported in similar period of last year.

BBK liquidity and funding position continues to be strong with liquid assets (Cash and balances with central banks, treasury bills, Financial assets at fair value through statement of income, and Deposits and due from banks and other financial institutions) to total assets standing at 26.7% (September 2014: 18.3%), loan to total deposit ratio at 63.3% (September 2014: 70.7%), and capital adequacy ratio remained at comfortable levels well above the regulatory minimum of 12.5%.