

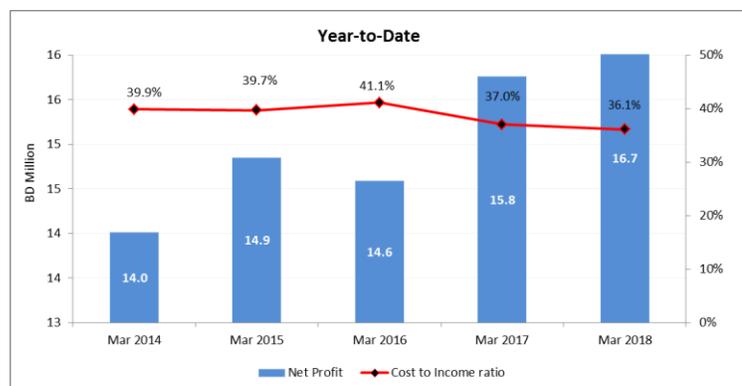
BBK reports 5.9% increase in net profit attributable to owners of BD 16.7 million for the first quarter of 2018

BBK, Bahrain's pioneer in retail and commercial banking, reported a net profit attributable to owners of BD 16.7 million for the first quarter of 2018 compared to BD 15.8 million for the similar period of the previous year, representing a 5.9% growth. The financial results were reviewed and approved by the Bank's Board of Directors during the meeting held on Monday 30/4/2018.

The Board of Directors expressed their satisfaction on the results achieved by the Bank, commenting "We are pleased to announce the results for the first quarter, and gratified that BBK continues to show steady growth and improvement for the future despite the challenging market conditions. BBK's robust start to the year speaks loudly about the Bank's solid management team and employees which play a strong part in its success, with expressing thanks to our shareholders and customers for their confidence and loyalty".

Mr. Reyadh Yousif Sater, BBK's Chief Executive commented on the Bank's performance, "The Bank's continuing efforts to gain market share leads to another quarter of good financial results through the delivery of pioneering ideas and services in the country. As part of BBK's ongoing endeavors to contribute towards strengthening Bahrain's position as a leading financial and economic center in the region and a hub for innovation, we signed a partnership agreement with Bahrain FinTech Bay Co. ("BFB"), the largest dedicated FinTech hub in the Middle East and Africa. Furthermore, BBK was the first in the Kingdom to introduce and launch Electronic Funds Transfer System (EFTS) services via ATMs which aims to further ease customer experience. The first BBK Lite branch was launched in Ras Zuwayed during March 2018. As a first of its kind, the BBK Lite experience targets Bahrain corporates that employ a large number of expatriates and offers them easier and enhanced banking experience through specifically allocated branches and banking professionals."

The operating revenues for the three months ending March 2018 increased by 10.1% to reach BD 39.2 million compared to BD 35.6 million during the same period of 2017, primarily driven by increase in net interest income due to the growth in the loan portfolio. Other income grew by 10.9% compared to last year, which was mainly due to higher realized gain on the sale of investments securities. BBK's share of profit of associated companies and joint ventures was higher by BD 0.4 million to stand at BD 1.6 million.

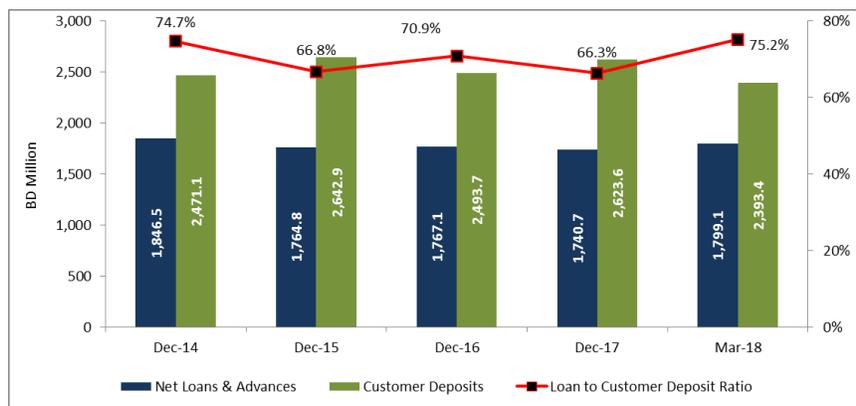


BBK's operating costs increased by 7.4% reaching BD 14.1 million compared to BD 13.2 million reported during the same period last year. Despite the increase in the cost, the cost to income ratio showed an improvement from 37.0% to 36.1% reflecting the Bank's ability to achieve healthy growth in its revenue streams, while continuing its strategy to invest in human resources, networks, and technology.

As part of the IFRS 9, the expected credit losses provisioning requirements and the Bank's policies to remain prudent, BBK increased its net provision reserves by BD 8.1 million during the first quarter of 2018 (2017: BD 6.3 million).

Total comprehensive income attributable to owners for the first quarter of 2018 stood at BD 11.6 million compared to BD 29.1 million recorded for the same period of 2017, on account of reflecting the revaluation adverse movement in the market prices of some investments securities.

BBK's balance sheet stood at BD 3,592.3 million as of end of March 2018, compared to BD 3,763.1 as of end of December 2017. Net loans and advances continued to grow, achieving an increase of 3.4% to BD 1,799.1 million (December 2017: BD 1,740.7 million). The Bank's



liquidity cautions continue to be very comfortable with the liquid assets portfolio, consisting of cash and balances with central banks, deposits with banks and other financial institutions, and treasury bills standing at 24.9% of total assets, while loans to customer deposits ratio stood at 75.2%. Total equity attributable to owners amounted to BD 470.4 million with a solid capital adequacy ratio that is well above minimum regulatory requirements.

During the same meeting, the Board discussed other important issues on its agenda such as the plans and objectives of the bank's joint venture "Aegila Capital Management" which operates in the European market and takes London as its base, the quarterly liquidity report, the Bank investment strategy, Compliance Charter bank risk management strategy and policies. The Board of Directors has also discussed implementation of the recommendations related to the Board and Board Committees evaluation with the objective of enhancing the Board and its Committees.

The discussion of these items is in accordance with the Board of Directors' vision in directing the Bank and its executive management towards greater growth and sustainability.