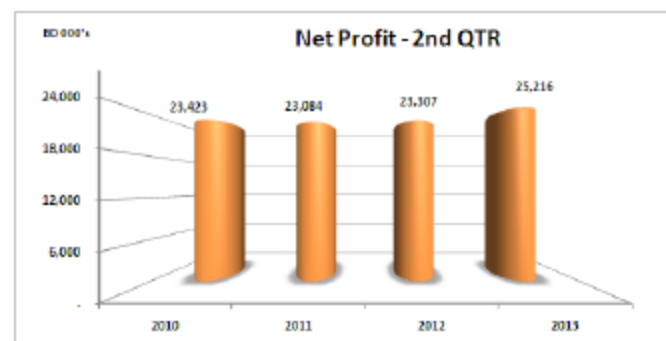


## BBK net profit rises 8.2% to BD 25.2 million for the first half of 2013

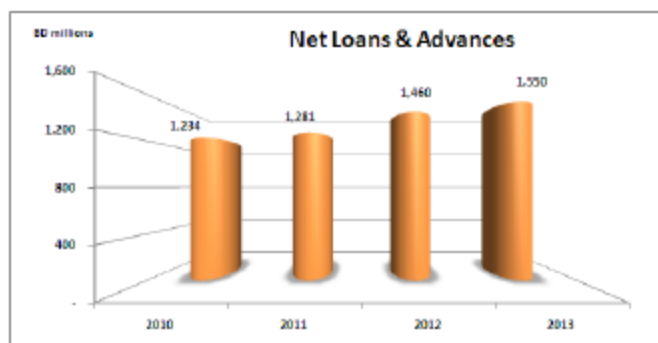
Mr. Murad Ali Murad, the Chairman of BBK's Board of Directors yesterday announced the Board's approval of the bank's consolidated financial results for the period ending 30 June 2013; where the Bank registered a net profit of BD 25.2 million, a growth of 8.2% compared to BD 23.3 million reported for the same period of last year; with earnings of 27 fils per share (2012: 25 fils per share).

Expressing his satisfaction of the achieved results, Mr. Murad Ali Murad commented: "the bank made substantial progress again in the second quarter of 2013 reflecting our commitment and dedication in implementing the bank's strategic objectives. Strategic cost management and control were critical factors in delivering our commitments for our stakeholders. In line with 2013-2015 corporate strategy, BBK will continue maintaining high level of efficiency and provide pioneer services and product offering exceeding customers' expectations".



The bank's net profit had been driven by increased net interest income and a continued consistent growth in FX and investment income. Net interest income has recorded growth of 10% compared to similar period of last year and stood at BD 34.6 million as of end of June 2013. FX and investments has shown significant increase by BD 4.1 million, a growth of 73.3% to reach BD 9.6 millions (2012: BD 5.5 million).

The net profit for the three months ended 30 June 2013 showed a growth of 7.4% and stood at BD 12.1 million compared to BD 11.3 million for the same period of last year. Net interest



income for the 2<sup>nd</sup> quarter of 2013 increased by 7.9% over the same period of last year to reach BD 17.6 million. While other income, including fees and commission, FX and investment income stood at BD 10.0 million (2012: BD 9.9 million). Provision requirements for the second quarter of 2013 amounted to BD 3 million, compared to BD 1.9 million reported last year for the same period.

BBK continues to adapt prudent provision policies and practices. The total loan provision reserves including voluntarily general provision have continued improving to account for any potential settlement volatility that may occur as a result of market and economic turbulence.

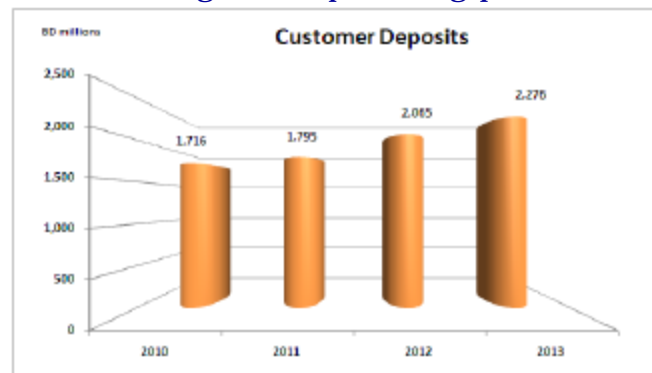
Commenting on the bank’s performance, Mr. A.Karim Bucheery, Chief Executive, said “BBK continues to report steady growth over the past financial periods and the bank is on the right track to carry on this consistent performance throughout the year. Loan originations and deposit growth have remained strong and we will continue to offer competitive banking products and services to meet our customer’s needs. While we commit to deliver consistent returns to our shareholder, we still perceive opportunities to build up a stronger and more resilient BBK. We are 100% focused on implementing our 2013-2015 strategy and have achieved a remarkable early progress so far”.

BBK continues to invest in the human capital of the bank and to offer competitive product and service raising the bar of standards in the market. Nevertheless, the operating costs remain at almost the same level compared with similar period last year and stood at BD 24. million. This is attributed to the wise cost management strategy implemented by BBK management. Meanwhile, the cost to income ratio has improved significantly from 48.5% as of June 2012 to 43.8% as of June 2013 mainly on account of the 10.6% growth registered in the total operating revenues.

It is worth to mentioning that BBK has announced on 24<sup>th</sup> May 2013 the opening of its third branch in India, at Aluva, Kochi providing its services to NRI clients while further widening the base of resident customers, reflecting the bank commitment in growing its business in India, in line with our overall strategic expansion strategy.

Mr. A.Karim Bucheery added “Our employees play a crucial role in enabling the Bank to create and achieve standards of operational excellence and we appreciate this. We believe that motivated and engaged workforce translates into a superior banking experience for our customers. Hence the reorganization structure that has recently taken place aims at ensuring optimum utilization of the bank’s manpower resources, which comes in line with the Bank's corporate strategic plan for the years 2013-2015, developed with the ultimate goal of optimizing performance and increasing efficiency through exploiting growth opportunities and capitalizing on the Bank's solid pillars.

BBK’s balance sheet witnessed a good growth of 10.6% at the end of June 2013, and reached BD 3,21 millions from BD 2,903 in June 2012. This was mainly driven by the growth in the net loans & advances portfolio by 6.2% that



stood at BD 1,550 million (2012: BD 1,460 million), and a growth in non-trading investment securities portfolio by 4.1% to reach BD 724 million, backed by adequate and conservative risk management practice . Customer deposits have also grown by 10.2%to reach BD 2,276 million in June 2013.

Liquidity position continued to remain at very comfortable levels 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 25.4% (June 2012: 21.9%), and loan to total deposit ratio at 60.6% (June 2012: 62.1%).

- Ends -

**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](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 4th 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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