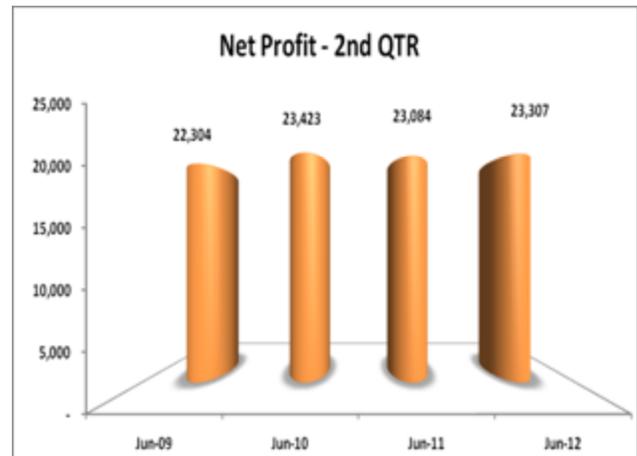


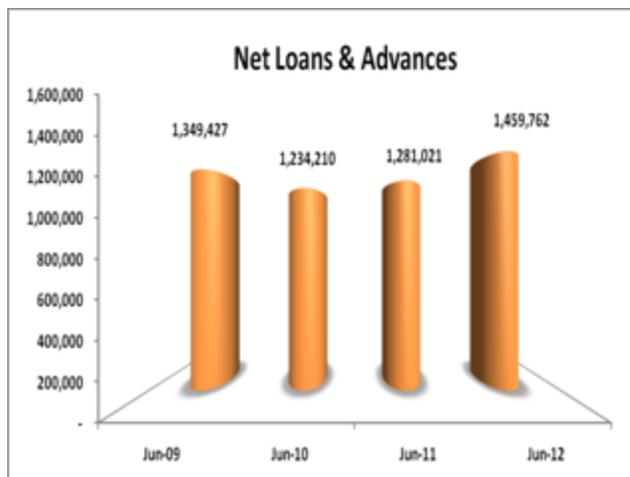
BBK reports net profit of BD 23.3 million for the first half of 2012

Mr. Murad Ali Murad, Chairman of BBK Board of Directors, announced that the bank's board of directors has yesterday reviewed and approved the financial results for the six months ended 30th June 2012. The bank reported a net profit of BD 23.3 million for the 1st half of 2012 compared to BD 23.1 million for the same period of last year.

Mr. Murad Ali Murad Chairman of the Board of Directors said "We are satisfied with these good results which BBK reported for the first half of 2012. BBK has stood through the financial crisis and has been recording a steady performance over years. We are confident that BBK will continue its prominent performance in the future by adopting flexible strategies that acclimate to changes in the market, and through the ongoing support received from its loyal customer, supportive shareholders, dedicated management, and experienced employees"



The bank's positive performance compared to last year was driven by commendable growth in core banking activities, which resulted in an increase in net interest income of 8.8% to reach BD 31.4 million, and an increase in fees and commission income of 12.9% to reach BD 14.2 million, compared to BD 12.6 million for the same period of last year. The bank also reported FX & Investment income of BD 5.5 million compared to BD 7 million in June 2011, which included BD 0.3 million of gain on partial redemption of subordinated debt (current year: nil).

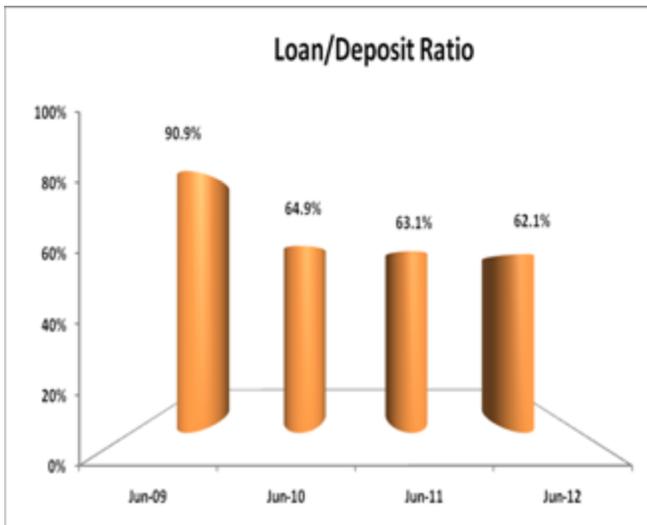
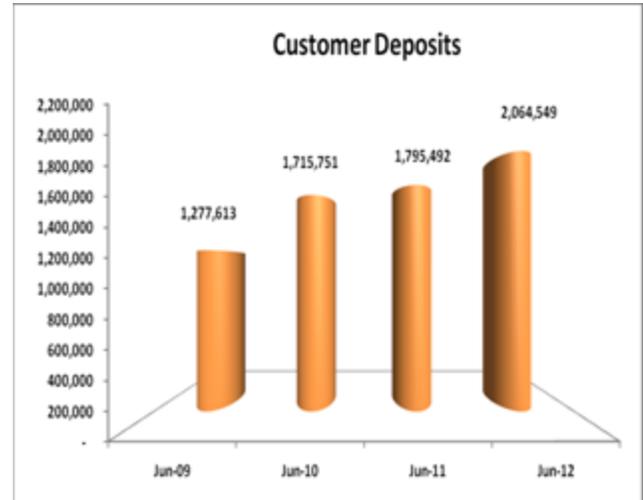


The net profit for the three months ended June 2012 stood at BD 11.3 million compared to BD 11.4 million for the same period of last year. Net interest income for the quarter increased by 9.6% to reach BD 16.3 million, while other income, including fees and commission and FX and investment income increased by 7.2% to reach BD 9.9 million. Provision requirements for the 2nd quarter of 2012 amounted to BD 1.9 million, compared to BD 0.9 million for the same period of last year.

Mr. A.Karim Bucheery, Chief Executive; said “the bank has taken several initiatives during the year that enabled it to record these pleasant results. The initiatives included launching various campaigns on loans and deposits, introducing new products, such as “SECURA” Bancassurance products range, launching enhanced SMS banking service, and adding three additional ATMs at new locations”. The investments in these initiatives beside others resulted in increasing the operating costs to BD 24.8 million.

Following conservative approach to provisions, the bank has increased its provisions reserve by BD 2.4 million, (June 2011: BD 1.9 million).

Comprehensive income has increased from BD 21.2 million in June 2011 to BD 32.6 million in June 2012; mainly due to improvement in investments valuation reserves, as a result of management strategy to continuously improve and maintain the quality of the investment assets.



BBK’s balance sheet has witnessed a rapid growth of 13.2% to stand at BD 2,903 million, compared to BD 2,564 million reported in June 2011. The balance sheet growth compared to last year was driven by 14.0% growth in loans and advances to retail and corporate customers, increasing total loans to BD 1,460 million. Non trading investment assets have also increased by 49% to reach BD 695 million. Customer deposits have grown by 15% to reach BD 2,065 million, maintaining comfortable liquidity levels, with loans to deposits ratio at 62.1%.

Editors note:

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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