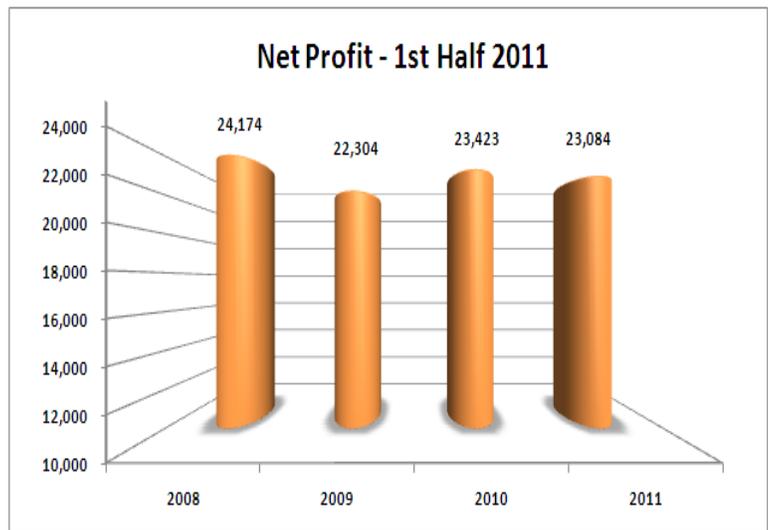


BBK reports net profits of BHD 23.1 million for the First Half of 2011

BBK Board of Directors has yesterday approved its financial results for the six months ending 30th June 2011. Mr. Murad Ali Murad Chairman of the Board of Directors said that the bank reported net profit of BD 23.1 million for the first six months of 2011, compared to BD 23.4 million reported during the first six month of 2010. He added that the profit of the same period of last year included some non-recurring lines, which if excluded; the bank's net profit would have increased by 4.8%.

For the six months ended June 2011, the bank reported net interest income of BD 27.2 million compared to BD 29.5 million for the same period of last year which included BD 2.2 million gain on redemption of sub-debt (June 2011: BD 283M). Fees and commissions witnessed a growth over the same period of last year to reach BD 12.6 million. Investment assets contributed BD 8.7 million to the net profit, compared to BD 23.5 million for the period ended 30th June 2010, which included BD 17.1 million

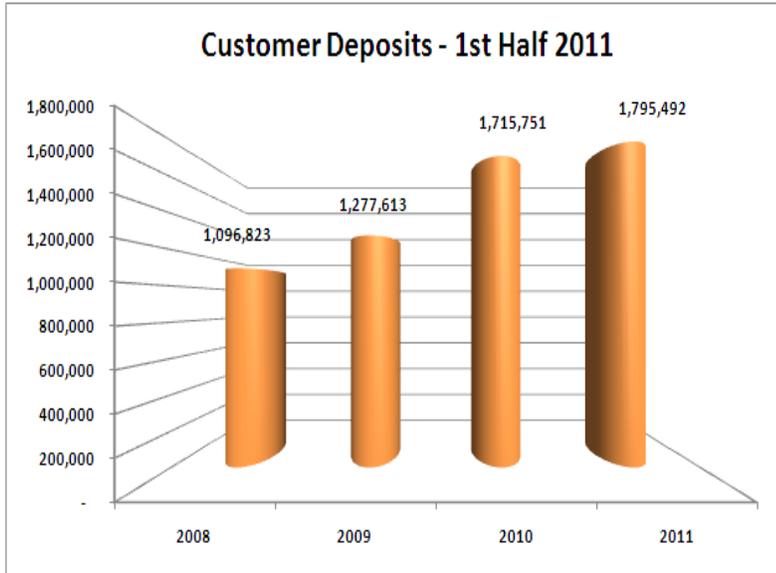


non-recurring investment gain arose from the sale of non-trading investments. Excluding the non-recurring investment gain, investment income increased by 35.4% over the same period of last year. Sound credit and risk management practices were the key factors for strengthening the bank's ability to maintain the quality of credit lending, and improving the recovery of previously provisioned accounts; which in return resulted in lowering net provisioning requirements to BD 1.9 million, compared to BD 18.9 million for the same period of last year.

The net profit for the three months ended June 2011 stood at BD 11.4 million compared to BD 10.9 million for the same period of last year. The 4% increase in net profit was mainly driven by higher investment income, higher fees and commission income, and lower loan and investment provision requirements.

The bank continues its strategy of being pioneer in investing in the bank infrastructure. During the year, the bank's credit card subsidiary CrediMax moved to a new strategically located head office in AlSeef District, which includes a retail branch as well, with the aim of offering enhanced customer services and increased customer outreach. In addition to the branch in AlSeef district, another branch was opened in Suq Wagif earlier in the year, and

another one is expected to be opened early next year in Al-Hidd area. Those initiatives, coupled with continuous investments in human resources and IT infrastructure, has resulted in increasing the bank operating expense by 7.3% compared to the same period of last year.



BBK’s balance sheet stood at BD 2,564 million, a growth of 6.5% compared to the same period of last year, and 4.8% compared to December 2010. The bank managed to increase its customer deposits by 4.6% to reach BD 1,795 million, compared to June 2010, and by 12.7% compared to December 2010. The growth in customer deposits was driven mainly by the growth in retail savings and current deposits. Loans & advances has also witnessed a 3.8% growth over similar period of last year reaching

BD 1,281 million from BD 1,234 million in June 2010. With the positive trend in the bond market, BBK capitalizes on excellent opportunities by investing in quality fixed income and other bonds; this has resulted in increasing the non-trading investment portfolio by 16.0% compared to June 2010, and by 9.7% compared to December 2010.

The Bank stands at a very comfortable liquidity position as evidenced by major liquidity parameters. Liquid assets (Cash and balances with central banks, Treasury bills, trading investments, and placement with financial institutions) to total assets ratio amounted to 28.6%, compared to 27.0% as of December 2010 well above the regulatory requirement of 25%. Loans to customer and banks’ deposit ratio stood at 63. %. In addition the Bank continues to maintain its Capital Adequacy ratio at a very comfortable level and well above regulatory requirements.

Mr. A.Karim Bucheery, Chief Executive, commented on the performance of the bank saying “Despite the challenging operating environment, the bank have achieved a growth of 4.8% excluding non-recurring items, mainly due to the flexible and diversified strategic plan which the bank adopts, and made flexible to conform to the changing operating environment. BBK management would like to thank our valued shareholders, customers, and employees for their support and trust which they showed, and the bank’s Board of Directors, and Bahrain Central Bank for their continuous guidance.”

Mr. Bucheery added that the bank has offered the required support to its retail as well as corporate customers to assist them restructure their cash flows. For instance, retail customers were offered the option to postpone their repayment installments for three months and loans



to corporate clients were restructured wherever needed to assist corporate clients overcome their liquidity stress.

About BBK

BBK has been the pioneer in Commercial Banking for over 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 awarded the “Distinguished Corporate Governance” at the “Hawkamah-UAB 2010 Bank Corporate Governance Award”. 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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