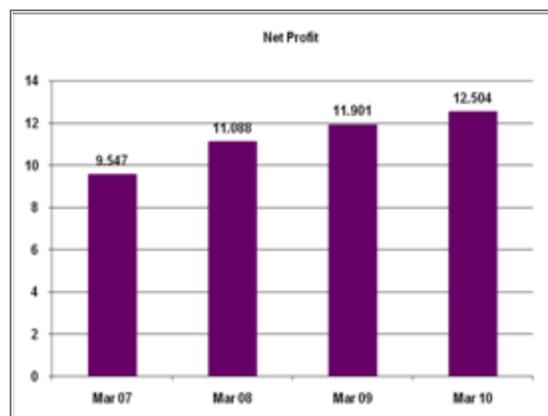


## **BBK reports net profits of BD 12.5 million for the 1<sup>st</sup> Quarter 2010 with 30% growth in its operating revenues**

Mr. Murad Ali Murad, Chairman of the board of directors of BBK, yesterday announced BBK's financial results for the three months ended 31 March 2010, which revealed a Net Profit of BD 12.5 million compared to BD 11.9 million in 2009 representing a growth of 5.1%.

Commenting on the results, Mr. Murad Ali Murad said "The profit posted by the bank reflects BBK's continuous thrust to improve shareholders' value through recording balanced profits year after the other. The bank has undergone a restructuring process of retail business, corporate business as well as investment activities, which stemmed from the Banks' Strategic Plan 2010-2012, approved by the board recently. We have witnessed some positive signs that the new adopted strategy will help growing our business in the coming months and years, which have already started to show some positive results. Also the marginal improvement witnessed in overall financial markets since the beginning of the year had contributed positively to the bank's performance for the 1st quarter".

The growth in profit compared to the same period last year was driven by 15.6% growth in interest income from BD 13.3 million to BD 15.4 million, and 3.4% growth in fees & commission, while FX and Investment income witnessed a growth of 112.3%, mainly due to the effectiveness of investment team in taking advantage of opportunities available in the region as well as in the global markets.



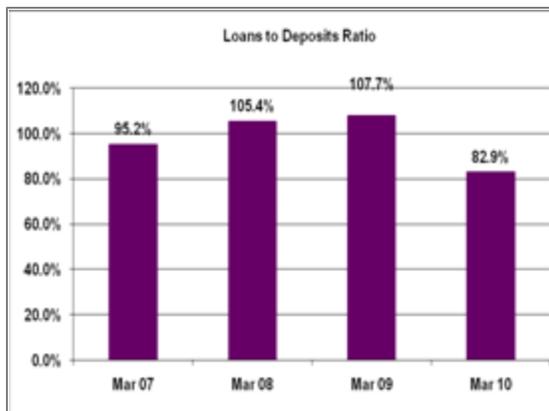
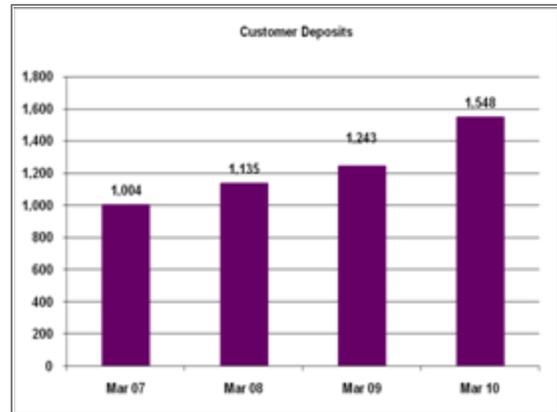
Comprehensive income has increased from BD 0.49 million in the 1<sup>st</sup> Quarter 2009 to BD 11.9 million in the 1<sup>st</sup> Quarter 2010, mainly driven by improvement of investments prices, and foreign currency revaluations.

Operating costs on the other hand increased by 7.8% compared to the same period last year, as the bank continues to invest in various strategic initiatives. The bank has also increased the level of general provisions during the quarter inline with the bank prudent risk management activities and practices.

Mr. A.Karim Bucheery, Chief Executive, said "BBK has always led the way to innovative banking across the Kingdom. The bank's strategies were always focused on

ways to deliver new concepts to the banking industry, with the aim of enhancing customer service quality and increase customer satisfaction. Those strategies have demonstrated success in enhancing shareholders' wealth, through achievement of stable profits”.

BBK's balance sheet has grown by 12% to BD 2,255 million, compared to the same period of last year, with customer deposits growth of 24.5% to reach BD 1,548 million, reflecting customers' continuous trust and confidence in the bank. On the other hand Loans & advances decreased by 4.2% to BD 1,282 million, compared to BD 1,338 million in March 2009, mainly due to reduction of lending activities in the international markets in favor of the local and GCC markets.



Capital adequacy comfortably stands over 17.51%, while other liquidity measures have also improved substantially compared to March 2009, with liquid assets (Cash and balances with central banks, Treasury bills, trading investments, and placement with financial institutions) to total assets ratio improving from 16.6% to 23.5%, loan to customer deposit ratio improving from 107.2% to 82.9%, and loans to total deposit (including deposits from Banks) improving from 92.8% to 73.3%.

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### About BBK

BBK has been the pioneer in Commercial Banking for over 35 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 win the first place in a major regional survey on corporate governance conducted by the Hawkamah Institute for Corporate Governance and the Union of Arab Banks (UAB). 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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