

## **A 25% rise in net profits, BBK end the 3<sup>rd</sup> Quarter of the year with remarkable results**

Mr. Murad Ali Murad, Chairman of the board of directors of BBK announced that BBK reported BD 31.3 million net profit for the nine months ended September 2010, which was 25% higher than the same period of last year.

### **25% growth in net Profits**

The growth in profit was driven by higher investment income of BD 19.1 million over the same period of last year. Fees and commission income has increased by 14% over September 2009 to reach BD 18.6 million. The Bank also has increased its general provision reserve during the year as part of the Bank's effort to build a strong general provisions reserve against future unexpected market downturns, which resulted in improving the provision coverage ratio to a very comfortable level and well above the minimum requirements by the CBB..

Mr. Murad Ali Murad commented on the results saying “Despite the conservative general provisions taken during the year, the bank was able to report impressive results for the period. One of the main cornerstones of the current three years strategic plan of the Bank is to enhance general reserve and provision reserves against the Bank's assets to strengthen the Bank's ability to withhold future market shocks if any, at which we were successful so far during 2010, and will continue doing the same during the coming years. Growth of retail banking is another cornerstone of our strategic plan; hence another two Financial Malls have been opened during the year to support our long term strategic objective. We are pursuing our strategic plan aggressively, and have the full confident that BBK will achieve the objectives set forth in the strategic plan with a great success.”

**Murad: BBK is pursuing  
its 3 years strategic plan  
successfully**

The investment in various strategic objectives including human resources, Financial Malls, technology, and other initiatives resulted in increasing the operating expenses of the Bank by 6% to reach BD 33.3 million, though the cost to income ratio improved from 45% as of September 2009 to 38% as of September 2010.

The net profit for the three months ended September 2010 stood at BD 7.9 million compared to BD 2.7 million for the same period last year. The increase in net profit was driven mainly by the increase in investment income from BD 1.1 million to BD 3.3 million, higher fees and commission by 30% to reach BD 7.1 million, and lower provisioning charges of BD 4.7 million, compared to BD 9.2 million for the three months ended September 2009.

BBK Major Performance Indicators			
	2010	2009	
<b>Operating Revenues</b>	88,339	69,602	<b>Up 27%</b>
<b>Net Profit</b>	31,274	25,037	<b>Up 25%</b>
<b>Customer Deposits</b>	1,790,454	1,178,846	<b>Up 52%</b>
<b>Total Assets</b>	2,476,200	1,925,834	<b>Up 29%</b>
<b>Cost-to-income ratio</b>	37.67%	45.11%	
<b>Loan-to-deposits ratio</b>	69.20%	109.60%	
<b>Liquid assets-to-total assets</b>	29.40%	12.80%	

BBK's balance sheet has grown by 29% to BD 2,476 million, compared to the same period of last year. The Bank managed to boost its customer deposits growth by 52% to reach BD 1,790 million, which reflects our customer confidence in the Bank. The restructuring of the Bank's investment activities undertaken as part of the Bank's strategy has resulted in increasing the non-trading investment portfolio to BD 434 million with increase of 33% compared to September 2009. On the other hand, Loans & advances stood at BD 1,239 million compared to BD 1,291 million in September 2009.

**52% growth  
in customer deposits**

On the liquidity position of the Bank, Mr. A.Karim Bucheery, BBK’s Chief Executive, said “the Bank stands at a very comfortable liquidity position as evidenced by major liquidity parameters. For instance, liquid assets (Cash and balances with central banks, Treasury bills, trading investments, and placement with financial institutions) to total assets ratio improved from 13% to 29%, while loans to

**Bucheery: Our sincere Thanks to our supportive shareholders and our valuable customers for their faith in BBK**

**Bucheery: BBK has sufficient internal liquidity to repay its medium term notes maturing March 2011**

customer deposit ratio improved from 110% to 69%. We were able to significantly increase our customer deposits by more than 50% compared to last year, of which the appreciation goes to our valuable customers and supportive shareholders for their trust and faith in the Bank. With such abundant liquidity position, we are at very comfortable level to repay our senior bond maturing in March 2011 from the Bank’s internal funds, regardless of the issuance of our planned senior Euro Medium Term Bonds.”

