



### **BBK first half profits rise to BD 19.5 million, up 19.4%**

BBK announced a strong growth of 19.4% in its net profits for first six months of 2007 when compared to the same period last year. The bank's profits for the period, attributable to the shareholders of the parent, rose to BD 19.5 million, compared to BD 16.3 million in the previous year. The profits for three months ended 30 June 2007 grew sharply to BD 9.9 million, compared to BD 7.3 million for the same period in 2006, an increase of 36%.

The improvement in profitability was driven by continuous growth in net interest income, and other income. The net interest income for the first half of 2007 grew impressively to reach BD 24.1 million, an increase of BD 4.1 million or 20.7%. This resulted from growth in underlying customer assets and deposits and further improvement in net interest margins.

The bank's other operating income for the six month period also improved, increasing by 15.5% to BD 12 million from BD 10.4 million in the previous year. The main contributors to the increase were investment trading & other income, credit card income, loan fees and other commission income.

The operating expenses for the period increased by BD 2.8 million, as the bank continued to invest in human resources and infrastructure to support growth and development of new businesses. Moreover, the operating expenses for the first half of 2006 were somewhat understated due to timing differences.

The bank has shown an impressive increase in its balance sheet which increased to BD 2,096 million, an increase of BD 363 million or 21% when compared to June 2006. The growth was mainly supported by increase of 13% in customer loans and advances which grew to BD 1,003 million and healthy increase in customer deposits which grew by 17.4% to reach BD 1,212 million. During the six month period ended June 2007, the bank has issued subordinated debt amounting to US\$ 275 million to support its aggressive business growth strategy.

Driven by much improved operating results, the bank's performance indicators also showed sharp positive trends. The bank's basic earnings per share for the current six month period increased to 29 fils, compared to 24 fils for the same period last year. The return on average equity (annualized) improved to 22.2% from 19.9% and return on average assets (annualized) also increased to 2.08% from 1.79% compared with first six months of 2007.

Commenting on the bank's results, Dr. Farid Al-Mulla, General Manager CEO, expressed his satisfaction with the growth in profitability and underlying business activities. He added that the bank had made good progress in implementing its current corporate strategy which revolves around aggressively enhancing its franchise and market position, and achieving greater value for its stakeholders.

He thanked the bank's shareholders for their continuous support, customer for their patronage and the employees for their commitment and hard work.