



Press Release

BMB - New initiatives drive growth. Reports total income US\$ 6.5 million in H1-2011 and Net Profit of US\$ 2.0 million.

Manama, Bahrain (11 August 2011): Bahrain Middle East Bank (B.S.C) announced the results for its six months period ended 30 June 2011. Highlights of performance included:

- Income from operations - excluding non recurring items - grew by 2.5 fold to reach US\$ 6.0 million as compared to US\$ 2.4 million in H1-2010.
- Operating expenses amounted to US\$ 3.4 million in H1-2011 as compared to US\$ 3.0 million in H1-2010 and continued to show recurring saving for the institution relative to US\$ 5.5 million in the pre-restructuring H1-2009. Employee and related cost amounted to US\$ 1.6 million in H1-2011 as compared to US\$ 1.9 million in H1-2010 and US\$ 3.4 million in H1-2009.
- Net profit for the period amounted to US\$ 2.0 million (H1-2010: US\$ 4.1 million)
- Fair value reserves stood at US\$ 2.9 million end June 2011 (end December 2010: US\$ 4.8 million)
- Capital adequacy was at 28.0% (end December 2010: 23.1%)
- Investment realizations and payment of proceeds to investors amounted to US\$ 5.8 million during H1-2011 (H1-2010: US\$ 1.0 million).

Commenting on the results Sheikh Abdullah Al Sabah – Vice Chairman of the Bank said that:

“We are very pleased with the pace of progress of the Bank despite the regional and global uncertainties - a testament to the multi faceted nature of its model and the successes of its new initiatives that also encompass lines of business with stable and recurring sources of income that are less susceptible to market cycles. The once predominantly private equity model has now been replaced with one with diverse asset classes. The major shareholders have made a capital contribution towards the Bank’s capital raising efforts– which further demonstrates shareholders commitment and confidence in the institution”



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Mr. Akbar Habib, Chief Executive Officer said:

“The Bank continues to forge ahead in implementing its strategy in a measured and systematic manner. Qualitative and quantitative results have been witnessed across the Bank’s business operations and financial performance. Q2 also marks a significant milestone in the Bank’s relentless effort to remedy all actions and inactions of the past and its negative consequences on its balance sheet with all such issues now stands being addressed and normalized. The qualitative shift in the Bank’s sources of income signifies the viability and diversity of its new model - particularly in light of the level of uncertainty and volatility seen in the present market environment. However, caution is maintained in respect to the European and US uncertainties which poses a new challenge for global markets and financial institutions around the world. Diversity is the order of the day – even within various asset classes – as the Bank looks to gradually expand the breadth and depth of operations in a measured and disciplined manner with the aim of achieving the desired levels of diversity and sustainable sources of income. Looking ahead, it gives us a great sense of satisfaction in reflecting upon our journey as we continue our quest to position the Bank as a niche and specialist financial service provider in the region and beyond”