

NBB net profit hits BD31.74m in first half

Manama

The National Bank of Bahrain (NBB) recorded a Net Profit of BD31.74 million (US\$84.41m) for the six months ended 30 June 2017 compared to BD31.72m (US\$84.36m) for the corresponding period of 2016.

During the 1st half of 2017, the bank achieved an Operating Profit of BD38.01m (US\$101.09m), an increase of 6.6 per cent over BD35.66m (US\$94.84m) achieved during the corresponding period of 2016. For the

second quarter of 2017, the Bank recorded a Net Profit of BD17.00m (US\$45.21m), a strong increase of 21.8 per cent compared to BD13.96m (US\$37.13m) for the corresponding period of the previous year.

The financial results were approved at the Board meeting held on 19th July 2017 chaired by the Bank's Chairman Farouk Yousuf Khalil Almoayyed.

Commenting on the Bank's performance, Jean Christophe Durand, Chief

Executive Officer said, "The Bank's focus on new business initiatives and increasing the customer footprint resulted in a strong improvement in the Operating Profit for 2017. As a result, the Bank recorded a marginal increase in Net Profit despite the need to take impairment on certain credit exposures due to financial difficulties faced by some borrowers".

The Net Interest Income for the six months period in 2017 was BD34.95m (US\$ 92.95m) compared to

BD31.82m (US\$84.63m) for the corresponding period of the previous year, an increase of 9.8pc. The increase in Net Interest Income is attributed to growth in earning assets and better asset liability management leading to an improvement in net interest margin.

Other income for the six months period in 2017 was BD18.67m (US\$49.65m) compared to BD19.70m (US\$52.39m) for 2016. The decrease in Other Income was due to certain income from sale of investments in the previous year while such opportunities were not available during the current year.

However, core banking activities continue to show steady increase with Commission from such activities recording a strong growth of 17.1 per cent.

Operating expenses continue to be closely managed which decreased from BD15.86m (US\$42.18m) for the six months period in 2016 to BD15.61m (US\$41.52m) for the six months period in 2017. As a result, the Cost to Income Ratio improved from 30.8pc in 2016 to 29.1pc in 2017. The Bank took impairment provision of BD6.27m (US\$16.68m) during the current year due to financial difficulties faced by some borrowers and the resultant inability to meet their obligations.

Total Earning Assets (comprising of Treasury bills, Bank placements, Loans



Farouk Almoayyed, NBB Chairman



NBB CEO Jean Christophe Durand

& Advances, Investment Securities and Investment in associates) remained steady at BD 2,824.61m (US\$ 7,512.26m) as at 30 June 2017 compared to BD2,817.38m (US\$ 7,493.03m) as at 30 June

2016.

Customer Deposits stood at BD2,143.04m (US\$ 5,699.57m) as at 30 June 2017 compared to BD2,195.90m (US\$ 5,840.16m) as at 30 June 2016.



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Draw 1 - 2nd July 2017 Draw 2 - 1st August 2017 Draw 3 - 10th September 2017
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Britain to scrap credit card charges

London

The British government on Wednesday said it would ban companies from charging consumers for paying by debit and credit cards, as the country struggles to bring down its debt.

"This is about fairness and transparency, and so from next year, there will be no more nasty surprises for people at the check-out just for using a card," Economic Secretary to the Treasury, Stephen Barclay, said in a statement.



British sterling bank notes and credit cards

Consumers making purchases in Britain are being asked to pay up to 20 percent more on their bills, such as for flights, for using a card rather

than cash, the Treasury said.

"With many feeling the squeeze in the cost of living, people shouldn't be hit with unexpected fees," said Guy Anker, managing editor at consumer website, *MoneySavingExpert.com*.

But he cautioned that following the change, some companies would likely raise prices of their goods and services "to compensate for the loss, which could hit those who currently pay in cash".