



## Press Release

### **BCB Reports Net Income of \$4.39 Million**

**(Hamilton, Bermuda, May 7, 2008)** –Bermuda Commercial Bank (BCB) is pleased to announce the results of the Bank for the six month period ended March 31, 2008.

#### **Financial Results**

The Bank reported net income for the six month period ended March 31, 2008 of \$4.39 million compared to \$2.79 million at March 31, 2007, an increase of \$1.60 million. Diluted earnings per share increased to \$0.75 per share compared to \$0.52 per share one year ago. Total revenue for the period was \$8.99 million compared to \$7.80 million in the prior period.

Net interest income during the period was \$5.43 million compared to \$5.03 million for the same period last year. This increase results from the year on year growth in client deposit levels more than offsetting the continued reduction in US interest rates. Looking forward, BCB anticipates a reduction in net interest income in the second half of fiscal 2008 in line with reduced average interest rate levels.

Fee and other income increased by \$790,000 to \$3.56 million. This increase resulted primarily from \$740,000 in one-time gains associated with the Visa and MasterCard IPOs. Additionally, increases in foreign exchange and custody income marginally outpaced a reduction in fund administration revenues.

Total expenses for the six month period were \$4.60 million compared to \$5.01 million for the prior year period, a decrease of \$410,000 or 8.20%. The 2007 figure includes \$500,000 of non recurring expenses relating to the sale process compared with \$110,000 in 2008. Excluding these one-time costs, total expenses were almost exactly in line with the prior period.

BCB's balance sheet continues to strengthen. Total assets grew from \$621.55 million at September 30, 2007 to \$696.45 million at March 31, 2008, an increase of 12.1%. Total assets at March 31, 2007 were \$583.18 million. This growth was driven by corresponding increases in client deposits. BCB's long term policy of limiting its investments to cash and cash equivalents ensures that the Bank has no exposure to the current sub-prime issues.

#### **Shareholder Dividend**

The Board has approved a semi-annual dividend of \$0.40 per share to shareholders of record as of May 14, 2008. This represents an annual yield of 8.0% based on the current market value of \$10.00 for the Bank's common stock.

## **Sale of the Bank**

In our letter to shareholders dated February 15, 2008 we advised on the situation with respect to the sale of the Bank. We have not been informed by First Curacao International Bank, the controlling shareholder of BCB, of any significant developments in its efforts to negotiate the sale of its shares, warrants, and options.

## **Warrants**

As at March 31, 2008 BCB had 1,458,149 unexercised warrants. BCB would like to remind warrant holders that the expiry date of these warrants is May 30, 2008. This expiry date will not be extended and all unexercised warrants will expire at this date and be of no value.

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## **About Bermuda Commercial Bank**

Bermuda Commercial Bank is one of Bermuda's four licensed banks, established in 1969 and listed on the Bermuda Stock Exchange. Bermuda Commercial Bank is a corporate and private wealth bank, offering a range of services through its subsidiaries International Corporate Management of Bermuda, BCB Trust Company Limited, Bercom Nominees Limited and BCB (Mauritius) Limited. Bermuda Commercial Bank takes pride in ensuring clients' assets are safely and professionally managed at our Hamilton based office. For more information on the Bank please visit our website [www.bcb.bm](http://www.bcb.bm).

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