

BBK B.S.C. - Interim Condensed Consolidated Financial Statements

30 June 2019 (Reviewed)



INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2019 (Reviewed)
BD millions

	Reviewed 30 June 2019	Audited 31 December 2018
ASSETS		
Cash and balances with central banks	497.9	191.0
Treasury bills	418.2	410.4
Deposits and amounts due from banks and other financial institutions	358.7	239.2
Loans and advances to customers	1,653.5	1,772.5
Investment securities	851.1	800.3
Investments in associated companies and joint ventures	63.7	63.0
Interest receivable and other assets	82.6	77.8
Premises and equipment	33.4	27.5
TOTAL ASSETS	3,959.1	3,581.7
LIABILITIES AND EQUITY		
Liabilities		
Deposits and amounts due to banks and other financial institutions	347.0	258.7
Borrowings under repurchase agreement	199.0	199.0
Term borrowings	144.5	144.5
Customers' current, savings and other deposits	2,646.5	2,374.5
Interest payable and other liabilities	125.3	104.6
Total liabilities	3,462.3	3,081.3
Equity		
Share capital	129.7	108.1
Treasury stock	(5.4)	(2.5)
Perpetual tier 1 convertible capital securities	-	86.1
Share premium	105.6	41.0
Statutory reserve	54.1	54.1
General reserve	54.1	54.1
Cumulative changes in fair values	(17.4)	(25.1)
Foreign currency translation adjustments	(11.4)	(11.7)
Retained earnings	172.0	149.0
Appropriations	12.8	44.6
EQUITY ATTRIBUTABLE TO THE OWNERS OF THE BANK AND CAPITAL SECURITIES' HOLDERS	494.1	497.7
Non-controlling interest	2.7	2.7
Total equity	496.8	500.4
TOTAL LIABILITIES AND EQUITY	3,959.1	3,581.7

INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Six-month period ended 30 June 2019 (Reviewed)
BD millions

	Three months ended		Six months ended	
	30-Jun-19	30-Jun-18	30-Jun-19	30-Jun-18
Interest and similar income	44.7	40.5	88.8	77.7
Interest and similar expense	(16.3)	(13.8)	(31.2)	(26.5)
Net interest income	28.4	26.7	57.6	51.2
Fee and commission income - net	6.1	6.8	12.5	13.6
Other income	4.3	6.5	9.6	12.8
Total operating income	38.8	40.0	79.7	77.6
Staff costs	9.3	9.0	18.7	18.1
Depreciation	1.6	0.9	3.0	1.8
Other expenses	4.7	4.3	9.2	8.5
Total operating expenses	15.6	14.2	30.9	28.4
Net provision for credit impairment	5.9	7.2	13.0	15.4
Net provision/(write-back) for impairment/expected credit losses on investments	0.1	-	0.5	(0.2)
Total provision for impairment/allowance for expected credit losses	6.0	7.2	13.5	15.2
Net operating income	17.2	18.6	35.3	34.0
Share of profit from associated companies and joint ventures	2.8	(0.2)	4.8	1.4
PROFIT FOR THE PERIOD BEFORE TAXATION	20.0	18.4	40.1	35.4
Net tax write-back/(provision)	0.1	(0.1)	0.2	(0.3)
PROFIT FOR THE PERIOD AFTER TAXATION	20.1	18.3	40.3	35.1
Attributable to:				
Owners of the Bank	20.0	18.1	40.0	34.8
Non-controlling interest	0.1	0.2	0.3	0.3
	20.1	18.3	40.3	35.1
Basic and diluted earnings per share (BD)	0.014	0.013	0.032	0.029

INTERIM CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

Six-month period ended 30 June 2019 (Reviewed)
BD millions

	Three months ended		Six months ended	
	30-Jun-19	30-Jun-18	30-Jun-19	30-Jun-18
Profit for the period	20.1	18.3	40.3	35.1
Other comprehensive income				
<i>Items that will not be reclassified to profit or loss</i>				
Fair value through other comprehensive income (equity instruments)	1.4	2.8	5.7	5.4
<i>Items that are or may be reclassified subsequently to profit or loss</i>				
<i>Movement in translation reserve:</i>				
Foreign currency translation adjustments	0.3	(1.9)	0.3	(1.9)
<i>Movement in hedging reserve:</i>				
Effective portion of changes in fair value	(0.2)	0.2	(0.6)	0.3
<i>Movement in fair value reserve:</i>				
Net change in fair value	(5.6)	(14.0)	3.3	(19.1)
Net amount transferred to profit or loss	(0.4)	(0.3)	(1.5)	(3.0)
Other comprehensive (loss)/income for the period	(4.5)	(13.2)	7.2	(18.3)
Total comprehensive income for the period	15.6	5.1	47.5	16.8
Attributable to:				
Owners of the Bank	15.5	5.0	47.2	16.5
Non-controlling interest	0.1	0.1	0.3	0.3
	15.6	5.1	47.5	16.8

The consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of other comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows, segmental information, accounting policies and notes have been extracted from the interim condensed consolidated financial statements of BBK B.S.C. for the six-month period ended 30 June 2019 which were reviewed by Ernst & Young, who have expressed an unqualified conclusion on 29 July 2019.

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

Six-month period ended 30 June 2019 (Reviewed)
BD millions

	Six months ended	
	30-Jun-19	30-Jun-18
Net cash from / (used in) operating activities	526.0	(59.1)
Net cash used in investing activities	(46.4)	(37.2)
Net cash used in financing activities	(50.8)	(92.0)
Foreign currency translation adjustments	0.2	(1.9)
NET CHANGE IN CASH AND CASH EQUIVALENTS	429.0	(190.2)
Cash and cash equivalents at beginning of the year	345.4	613.0
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	774.4	422.8

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Six-month period ended 30 June 2019 (Reviewed)
BD millions

	Attributable to the owners of the Bank and capital securities' holders					Non-controlling interest	Total equity
	Share capital	Others	Retained earnings	Appropriations	Total		
Balance at 1 January 2019	108.2	195.9	149.0	44.6	497.7	2.7	500.4
Profit for the period	-	-	40.0	-	40.0	0.3	40.3
Other comprehensive income for the period	-	8.0	(0.8)	-	7.2	-	7.2
Total comprehensive income	-	8.0	39.2	-	47.2	0.3	47.5
Distribution on perpetual tier 1 convertible capital securities	-	-	(3.6)	-	(3.6)	-	(3.6)
Conversion of perpetual tier 1 convertible capital securities to ordinary shares	21.5	(21.5)	-	-	-	-	-
Share - based payments	-	-	0.3	-	0.3	-	0.3
Dividends paid	-	-	-	(43.0)	(43.0)	(0.3)	(43.3)
Donations	-	-	-	(1.6)	(1.6)	-	(1.6)
Movement in treasury stock	-	(2.9)	-	-	(2.9)	-	(2.9)
Proposed appropriations	-	-	(12.8)	12.8	-	-	-
Balance at 30 June 2019	129.7	179.5	172.1	12.8	494.1	2.7	496.8
Balance at 1 January 2018	108.2	216.6	134.6	39.2	498.6	2.2	500.8
Profit for the period	-	-	34.8	-	34.8	0.3	35.1
Other comprehensive loss for the period	-	(17.1)	(1.2)	-	(18.3)	-	(18.3)
Total comprehensive income	-	(17.1)	33.6	-	16.5	0.3	16.8
Distribution on perpetual tier 1 convertible capital securities	-	-	(3.6)	-	(3.6)	-	(3.6)
Share-based payments	-	-	(0.2)	-	(0.2)	-	(0.2)
Dividends paid	-	-	-	(37.8)	(37.8)	(0.2)	(38.0)
Donations	-	-	-	(1.4)	(1.4)	-	(1.4)
Movement in non-controlling interest	-	-	-	-	-	0.2	0.2
Movement in treasury stock	-	(0.1)	-	-	(0.1)	-	(0.1)
Balance at 30 June 2018	108.2	199.4	164.4	-	472.0	2.5	474.5

SEGMENTAL INFORMATION

Six-month period ended 30 June 2019 (Reviewed)
BD millions

	Retail banking	Corporate banking	International banking	Investment, treasury and other activities	Total
30 June 2019					
Operating income before share of profit of associated companies and joint ventures	27.7	17.5	12.1	22.4	79.7
Segment result	13.5	7.7	(5.3)	19.7	35.5
Share of profit from associated companies and joint ventures	3.1	-	-	1.7	4.8
Profit for the period					40.3
Profit attributable to non-controlling interest					(0.3)
Profit attributable to the owners of the Bank					40.0
30 June 2018					
Operating income before share of profit of associated companies and joint ventures	25.4	14.7	12.5	25.0	77.6
Segment result	14.4	(11.0)	5.4	24.9	33.7
Share of profit from associated companies and joint ventures	1.5	-	-	(0.1)	1.4
Profit for the period					35.1
Profit attributable to non-controlling interest					(0.3)
Profit attributable to the owners of the Bank					34.8

Accounting policies and Notes :

- The interim condensed consolidated financial statements of the Group for the six-month period ended 30 June 2019 are prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2018. In addition, results for the six-month period ended 30 June 2019 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2019.
- Other income for the six-month period ended 30 June 2019 includes BD 2.6 million (30 June 2018: BD 4.7 million) of dividend income, which is of a seasonal nature.
- The Board of Directors has proposed interim cash dividend of BD 0.010 per share, net of treasury stock. The payment of dividend is subject to the approval of the CBB.
- At the Annual General Meeting held on 20 March 2019, the shareholders approved the proposed appropriations of the year ended 31 December 2018.

Murad Ali Murad
Chairman

Jassem Hasan Zainal
Deputy Chairman

Reyadh Yousif Sater
Chief Executive