

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

30 September 2019 (Reviewed)



INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2019 (Reviewed)
All figures in BD millions

	Reviewed 30 September 2019	Audited 31 December 2018
ASSETS		
Cash and balances with central banks	316.54	191.03
Treasury bills	413.45	410.38
Deposits and amounts due from banks and other financial institutions	243.33	239.17
Loans and advances to customers	1,714.36	1,772.53
Investment securities	881.33	800.26
Investments in associated companies and joint ventures	63.55	62.94
Interest receivable and other assets	74.38	77.85
Premises and equipment	34.00	27.54
TOTAL ASSETS	3,740.94	3,581.70
LIABILITIES AND EQUITY		
Liabilities		
Deposits and amounts due to banks and other financial institutions	368.44	258.68
Borrowings under repurchase agreement	199.00	199.00
Term borrowings	333.04	144.54
Customers' current, savings and other deposits	2,206.84	2,374.48
Interest payable and other liabilities	133.03	104.56
Total liabilities	3,240.35	3,081.26
Equity		
Share capital	129.69	108.17
Treasury stock	(7.08)	(2.52)
Perpetual tier 1 convertible capital securities	-	86.10
Share premium	105.59	41.02
Statutory reserve	54.08	54.08
General reserve	54.08	54.08
Cumulative changes in fair values	(13.48)	(25.11)
Foreign currency translation adjustments	(12.17)	(11.71)
Retained earnings	186.96	148.96
Appropriations	-	44.62
EQUITY ATTRIBUTABLE TO THE OWNERS OF THE BANK AND CAPITAL SECURITIES' HOLDERS		
	497.67	497.69
Non-controlling interest	2.92	2.75
Total equity	500.59	500.44
TOTAL LIABILITIES AND EQUITY	3,740.94	3,581.70

INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Nine-month period ended 30 September 2019 (Reviewed)
All figures in BD millions

	Three-month ended		Nine-month ended	
	30-Sep-19	30-Sep-18	30-Sep-19	30-Sep-18
Interest and similar income	45.75	43.38	134.57	121.14
Interest and similar expense	(19.31)	(14.48)	(50.55)	(40.99)
Net interest income	26.44	28.90	84.02	80.15
Fee and commission income - net	4.99	4.89	17.49	18.45
Other income	5.27	5.15	14.89	17.94
Total operating income	36.70	38.94	116.40	116.54
Staff costs	9.40	9.65	28.11	27.78
Other expenses	6.87	5.43	19.02	15.65
Total operating expenses	16.27	15.08	47.13	43.43
Total provisions - net	6.10	11.07	19.64	26.29
Net operating income	14.33	12.79	49.63	46.82
Share of profit from associated companies and joint ventures	1.52	1.10	6.38	2.47
PROFIT FOR THE PERIOD BEFORE TAXATION	15.85	13.89	56.01	49.29
Net tax write-back / (provision)	(0.24)	(0.15)	(0.10)	(0.44)
PROFIT FOR THE PERIOD AFTER TAXATION	15.61	13.74	55.91	48.85
Attributable to:				
Owners of the Bank	15.45	13.61	55.49	48.42
Non-controlling interest	0.16	0.13	0.42	0.43
	15.61	13.74	55.91	48.85
Basic and diluted earnings per share (BD)	0.012	0.013	0.044	0.042

INTERIM CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

Nine-month period ended 30 September 2019 (Reviewed)
All figures in BD millions

	Three-month ended		Nine-month ended	
	30-Sep-19	30-Sep-18	30-Sep-19	30-Sep-18
Profit for the period	15.61	13.74	55.91	48.85
Other comprehensive income				
Items that will not be reclassified to profit or loss				
Fair value through other comprehensive income reserve (equity instruments)	(0.75)	0.81	4.94	6.18
Items that are or may be reclassified subsequently to profit or loss				
<i>Movement in translation reserve:</i>				
Foreign currency translation adjustments	(0.73)	(1.29)	(0.46)	(3.19)
<i>Movement in hedging reserve:</i>				
Effective portion of changes in fair value	(0.42)	0.09	(1.01)	0.37
<i>Movement in fair value reserve:</i>				
Net change in fair value	4.57	15.14	7.93	(3.96)
Net amount transferred to profit or loss	(0.20)	(0.24)	(1.77)	(3.19)
Other comprehensive income/loss for the period	2.47	14.51	9.63	(3.79)
Total comprehensive income for the period	18.08	28.25	65.54	45.06
Attributable to:				
Owners of the Bank	17.92	28.12	65.12	44.63
Non-controlling interest	0.16	0.13	0.42	0.43
	18.08	28.25	65.54	45.06

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 nine-month period ended 30 September 2019 which were reviewed by Ernst & Young, who have expressed an unqualified conclusion on 28 October 2019.

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

Nine-month period ended 30 September 2019 (Reviewed)
All figures in BD millions

	Nine-month ended 30-Sep-19	30-Sep-18
Net cash from / (used in) operating activities	77.72	(234.45)
Net cash used in investing activities	(74.02)	(37.95)
Net cash from / (used in) financing activities	123.36	(99.96)
Foreign currency translation adjustments	(0.46)	(3.19)
NET CHANGE IN CASH AND CASH EQUIVALENTS	126.60	(375.55)
Cash and cash equivalents at beginning of the year	345.40	612.96
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	472.00	237.41

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Nine-month period ended 30 September 2019 (Reviewed)
All figures in BD millions

	Attributable to the owners of the Bank and capital securities' holders				Non-controlling interest	Total equity
	Share capital	Others	Retained earnings	Appropriations		
Balance at 1 January 2019	108.17	195.94	148.96	44.62	497.69	500.44
Profit for the period	-	-	55.49	-	55.49	55.91
Other comprehensive income for the period	-	11.17	(1.54)	-	9.63	9.63
Total comprehensive income	-	11.17	53.95	-	65.12	65.54
Distribution on perpetual tier 1 convertible capital securities to ordinary shares	-	-	(3.55)	-	(3.55)	(3.55)
Conversion of perpetual tier 1 convertible capital securities	21.52	(21.53)	-	-	(0.01)	(0.01)
Share-based payments	-	-	0.45	-	0.45	0.45
Unclaimed dividends	-	-	(0.01)	-	(0.01)	(0.01)
Dividends paid	-	-	(12.84)	(43.02)	(55.86)	(56.11)
Donations	-	-	-	(1.60)	(1.60)	(1.60)
Movement in treasury stock	-	(4.56)	-	-	(4.56)	(4.56)
Balance at 30 September 2019	129.69	181.02	186.96	-	497.67	500.59

	108.17	216.66	134.63	39.16	498.62	2.22	500.84
Balance at 1 January 2018	108.17	216.66	134.63	39.16	498.62	2.22	500.84
Profit for the period	-	-	48.42	-	48.42	0.43	48.85
Other comprehensive loss for the period	-	(2.97)	(0.82)	-	(3.79)	-	(3.79)
Total comprehensive income	-	(2.97)	47.60	-	44.63	0.43	45.06
Distribution on perpetual tier 1 convertible capital securities	-	-	(3.55)	-	(3.55)	-	(3.55)
Share-based payments	-	-	(0.73)	-	(0.73)	-	(0.73)
Dividends paid	-	-	-	(37.76)	(37.76)	(0.21)	(37.97)
Donations	-	-	-	(1.40)	(1.40)	-	(1.40)
Movement in non-controlling interest	-	-	-	-	-	0.15	0.15
Movement in treasury stock	-	(1.30)	-	-	(1.30)	-	(1.30)
Balance at 30 September 2018	108.17	212.39	177.95	-	498.51	2.59	501.10

SEGMENTAL INFORMATION

Nine-month period ended 30 September 2019 (Reviewed)
All figures in BD millions

30 September 2019	Retail banking	Corporate banking	International banking	Investment, treasury and other activities	Total
Operating income before share of profit of associated companies and joint ventures	40.99	24.46	19.45	31.50	116.40
Segment result	16.69	9.92	(4.48)	27.40	49.53
Share of profit from associated companies and joint ventures	4.55	-	-	1.83	6.38
Profit for the period					55.91
Profit attributable to non-controlling interest					(0.42)
Profit attributable to the owners of the Bank					55.49

30 September 2018	Retail banking	Corporate banking	International banking	Investment, treasury and other activities	Total
Operating income before share of profit of associated companies and joint ventures	38.84	23.28	19.20	35.22	116.54
Segment result	18.12	(9.24)	2.61	34.89	46.38
Share of profit from associated companies and joint ventures	2.93	-	-	(0.46)	2.47
Profit for the period					48.85
Profit attributable to non-controlling interest					(0.43)
Profit attributable to the owners of the Bank					48.42

Accounting policies and Notes :

- The interim condensed consolidated financial statements of the Group for the nine-month period ended 30 September 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 nine-month period ended 30 September 2019 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2019.
- Other income for the nine-month period ended 30 September 2019 includes BD 3.10 million (30 September 2018: BD 5.48 million) of dividend income, which is of a seasonal nature.
- 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
Group Chief Executive