

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

## 30 June 2018 (Reviewed)



### CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2018 (Reviewed)  
BD '000s

	Reviewed 30 June 2018	Audited 31 December 2017
<b>ASSETS</b>		
Cash and balances with central banks	298,568	469,436
Treasury bills	423,640	427,130
Deposits and amounts due from banks and other financial institutions	205,064	223,824
Loans and advances to customers	1,824,512	1,740,651
Investment securities	764,057	748,985
Investments in associated companies and joint ventures	54,231	46,958
Interest receivable and other assets	89,010	79,680
Premises and equipment	26,697	26,436
<b>TOTAL ASSETS</b>	<b>3,685,779</b>	<b>3,763,100</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Liabilities</b>		
Deposits and amounts due to banks and other financial institutions	253,147	193,472
Borrowings under repurchase agreement	161,314	161,314
Term borrowings	150,800	199,012
Customers' current, savings and other deposits	2,559,734	2,623,577
Interest payable and other liabilities	86,297	84,890
<b>Total liabilities</b>	<b>3,211,292</b>	<b>3,262,265</b>
<b>Equity</b>		
Share capital	108,165	108,165
Treasury stock	(1,157)	(998)
Perpetual tier 1 convertible capital securities	86,098	86,098
Share premium	41,016	41,016
Statutory reserve	54,082	54,082
General reserve	54,082	54,082
Cumulative changes in fair values	(23,537)	(8,349)
Foreign currency translation adjustments	(11,165)	(9,271)
Retained earnings	164,442	134,632
Appropriations	-	39,161
<b>EQUITY ATTRIBUTABLE TO THE OWNERS OF THE BANK AND CAPITAL SECURITIES' HOLDERS</b>	<b>472,026</b>	<b>498,618</b>
Non-controlling interest	2,461	2,217
<b>Total equity</b>	<b>474,487</b>	<b>500,835</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>3,685,779</b>	<b>3,763,100</b>

### CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Six months ended 30 June 2018 (Reviewed)  
BD '000s

	Three months ended		Six months ended	
	30-Jun-18	30-Jun-17	30-Jun-18	30-Jun-17
Interest and similar income	40,471	32,765	77,761	65,909
Interest and similar expense	(13,811)	(10,794)	(26,517)	(21,324)
<b>Net interest income</b>	<b>26,660</b>	<b>21,971</b>	<b>51,244</b>	<b>44,585</b>
Share of profit of associated companies and joint ventures	(219)	1,355	1,368	2,591
Other income	13,332	11,438	26,347	23,171
<b>Total operating income</b>	<b>39,773</b>	<b>34,764</b>	<b>78,959</b>	<b>70,347</b>
Staff costs	9,033	8,616	18,126	17,084
Other expenses	4,246	4,026	8,401	7,878
Depreciation	932	853	1,819	1,696
Net provision for credit impairment	7,122	4,555	15,426	10,884
Net provision/(write back) for impairment on investments	14	5	(213)	(69)
<b>Total operating expenses</b>	<b>21,347</b>	<b>18,055</b>	<b>43,559</b>	<b>37,473</b>
<b>PROFIT BEFORE TAXATION</b>	<b>18,426</b>	<b>16,709</b>	<b>35,400</b>	<b>32,874</b>
Net tax provision	(133)	(168)	(292)	(450)
<b>PROFIT FOR THE PERIOD</b>	<b>18,293</b>	<b>16,541</b>	<b>35,108</b>	<b>32,424</b>
<b>Attributable to:</b>				
Owners of the Bank	18,109	16,421	34,805	32,183
Non-controlling interest	184	120	303	241
	18,293	16,541	35,108	32,424
Basic earnings per share (BD)	0.013	0.012	0.029	0.027
Diluted earnings per share (BD)	0.014	0.010	0.027	0.022

### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Six months ended 30 June 2018 (Reviewed)  
BD '000s

	Three months ended		Six months ended	
	30-Jun-18	30-Jun-17	30-Jun-18	30-Jun-17
<b>Profit for the period</b>	<b>18,293</b>	<b>16,541</b>	<b>35,108</b>	<b>32,424</b>
<b>Other comprehensive income</b>				
<i>Items that will not be reclassified to profit or loss</i>				
Fair value through other comprehensive income (equity instruments)	2,882	493	5,370	(980)
<b>Items that are or may be reclassified subsequently to profit or loss</b>				
<i>Movement in translation reserve:</i>				
Foreign currency translation adjustments	(1,920)	497	(1,894)	1,724
<i>Movement in hedging reserve:</i>				
Effective portion of changes in fair value	171	(259)	281	282
<i>Movement in fair value reserve (debt instruments - IFRS 9):</i>				
Net change in fair value	(14,039)	(4,237)	(19,098)	9,778
Net amount transferred to profit or loss	(253)	(1,679)	(2,951)	(2,617)
<b>Other comprehensive (loss)/income for the period</b>	<b>(13,159)</b>	<b>(5,185)</b>	<b>(18,292)</b>	<b>8,187</b>
<b>Total comprehensive income for the period</b>	<b>5,134</b>	<b>11,356</b>	<b>16,816</b>	<b>40,611</b>
<b>Attributable to:</b>				
Owners of the Bank	4,950	11,236	16,513	40,370
Non-controlling interest	184	120	303	241
	5,134	11,356	16,816	40,611

The consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of other comprehensive income, consolidated statement of cash flows, consolidated statement of changes in equity, 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 2018 which were reviewed by Ernst & Young.

Above information available on [www.bbkonline.com](http://www.bbkonline.com)

Reviewed by Ernst & Young

### CONSOLIDATED STATEMENT OF CASH FLOWS

Six months ended 30 June 2018 (Reviewed)  
BD '000s

	Six months ended	
	30-Jun-18	30-Jun-17
Net cash used in operating activities	(59,075)	(117,093)
Net cash (used in)/from investing activities	(37,189)	10,794
Net cash used in financing activities	(92,062)	(45,056)
Foreign currency translation adjustments	(1,894)	1,724
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>(190,220)</b>	<b>(149,631)</b>
Cash and cash equivalents at beginning of the year	612,958	537,604
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	<b>422,738</b>	<b>387,973</b>

### CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Six months ended 30 June 2018 (Reviewed)  
BD '000s

	Attributable to the owners of the Bank				Non-controlling interest	Total equity
	Share capital	Others	Retained earnings	Appropriations		
Balance at 1 January 2018	108,165	216,660	134,632	39,161	498,618	2,217
Profit for the period	-	-	34,805	-	34,805	303
Other comprehensive loss for the period	-	(17,082)	(1,210)	-	(18,292)	-
Total comprehensive income	-	(17,082)	33,595	-	16,513	303
Distribution on perpetual tier 1 convertible capital securities issued	-	-	(3,551)	-	(3,551)	-
Share - based payments	-	-	(234)	-	(234)	-
Dividends paid	-	-	-	(37,761)	(37,761)	(210)
Movement in non-controlling interest	-	-	-	-	-	151
Donations	-	-	-	(1,400)	(1,400)	-
Movement in treasury stock	-	(159)	-	-	(159)	-
<b>Balance at 30 June 2018</b>	<b>108,165</b>	<b>199,419</b>	<b>164,442</b>	<b>-</b>	<b>472,026</b>	<b>2,461</b>

### CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Continued)

	Three months ended		Six months ended	
	30-Jun-18	30-Jun-17	30-Jun-18	30-Jun-17
Balance at 1 January 2017	108,165	207,748	122,830	33,666
Profit for the period	-	-	32,183	-
Other comprehensive income for the period	-	8,984	(797)	-
Total comprehensive income	-	8,984	31,386	-
Distribution of perpetual tier 1 convertible capital securities issued	-	-	(3,551)	-
Share-based payments	-	-	347	-
Dividends paid	-	-	-	(32,266)
Donations	-	-	-	(1,400)
Movement in treasury stock	-	1,420	-	-
<b>Balance at 30 June 2017</b>	<b>108,165</b>	<b>218,152</b>	<b>151,012</b>	<b>-</b>

### SEGMENTAL INFORMATION

Six months ended 30 June 2018 (Reviewed)  
BD '000s

	Retail banking	Corporate banking	International banking	Investment, treasury and other activities	Total
<b>30 June 2018</b>					
Operating income before share of profit of associated companies and joint ventures	25,394	14,691	12,542	24,964	77,591
Segment result	14,440	(11,019)	5,441	24,878	33,740
Share of profit of associated companies and joint ventures	1,522	-	-	(154)	1,368
Profit for the period					35,108
Profit attributable to non-controlling interest					(303)
<b>Profit attributable to the owners of the Bank</b>					<b>34,805</b>
<b>30 June 2017</b>					
Operating income before share of profit of associated companies and joint ventures	22,701	14,002	11,324	19,729	67,756
Segment result	7,924	(850)	3,095	19,664	29,833
Share of profit of associated companies and joint ventures	2,519	-	-	72	2,591
Profit for the period					32,424
Profit attributable to non-controlling interest					(241)
<b>Profit attributable to the owners of the Bank</b>					<b>32,183</b>

### Accounting policies and Notes :

- The interim condensed consolidated financial statements of the Group for the six-month period ended 30 June 2018 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 2017. In addition, results for the six-month period ended 30 June 2018 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2018.
- Other income for the six-month period ended 30 June 2018 includes BD 4,704 thousand (30 June 2017: BD 1,617 thousand) of dividend income, which is of a seasonal nature.
- At the Annual General Meeting held on 20 March 2018, the shareholders approved the proposed appropriations of the year ended 31 December 2017.

Murad Ali Murad  
Chairman

Aref Saleh Khamis  
Deputy Chairman

Reyadh Yousif Sater  
Chief Executive