

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

30 September 2016 (Reviewed)



CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2016 (Reviewed)
BD '000s

	Reviewed 30 September 2016	Audited 31 December 2015	Reviewed 30 September 2015
ASSETS			
Cash and balances with central banks	199,040	286,750	371,228
Treasury bills	453,412	394,090	377,536
Deposits and amounts due from banks and other financial institutions	337,727	325,096	242,215
Loans and advances to customers	1,754,797	1,764,799	1,795,062
Non-trading investment securities	783,836	758,107	811,110
Investments in associated companies and joint ventures	45,692	35,823	34,696
Interest receivable and other assets	57,128	56,970	58,705
Premises and equipment	24,101	24,806	24,632
TOTAL ASSETS	3,655,733	3,646,441	3,715,184
LIABILITIES AND EQUITY			
Liabilities			
Deposits and amounts due to banks and other financial institutions	140,855	179,404	270,048
Borrowings under repurchase agreement	184,016	174,508	37,704
Term borrowings	205,750	204,677	392,814
Customers' current, savings and other deposits	2,556,638	2,642,892	2,565,693
Interest payable and other liabilities	108,437	84,226	100,160
Total liabilities	3,195,696	3,285,707	3,366,419
Equity			
Share capital	108,165	108,165	108,165
Treasury stock	(1,206)	(4,728)	(4,728)
Perpetual tier 1 convertible capital securities	86,098	-	-
Share premium	39,919	39,919	39,919
Statutory reserve	54,082	54,082	51,507
General reserve	54,082	51,507	51,507
Cumulative changes in fair values	(17,983)	(12,304)	(11,370)
Foreign currency translation adjustments	(10,238)	(10,635)	(10,169)
Retained earnings	145,429	102,580	122,363
Appropriations	-	30,586	-
EQUITY ATTRIBUTABLE TO THE OWNERS OF THE BANK AND CAPITAL SECURITIES' HOLDERS	458,348	359,172	347,194
Non-controlling interest	1,689	1,562	1,571
Total equity	460,037	360,734	348,765
TOTAL LIABILITIES AND EQUITY	3,655,733	3,646,441	3,715,184

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Nine-month period ended 30 September 2016 (Reviewed)

BD '000s

	Three-month ended		Nine-month ended	
	30-Sep-16	30-Sep-15	30-Sep-16	30-Sep-15
Interest and similar income	32,991	28,663	97,218	84,304
Interest and similar expense	(10,787)	(11,000)	(31,837)	(31,653)
Net interest income	22,204	17,663	65,381	52,651
Share of profit of associated companies and joint ventures	1,343	1,183	3,712	2,982
Other income	10,599	10,746	31,818	33,813
Total operating income	34,146	29,592	100,911	89,446
Staff costs	8,031	7,826	24,531	23,231
Other expenses	3,848	3,810	11,300	10,844
Depreciation	821	777	2,588	2,416
Net provision for impairment on loans and advances to customers	9,165	7,353	19,079	14,261
Net provision/(write back) for impairment on investments	19	800	(685)	71
Total operating expenses	21,884	20,566	56,813	50,823
PROFIT BEFORE TAXATION	12,262	9,026	44,098	38,623
Net tax (provision)/benefit	(246)	1,893	(637)	1,751
PROFIT FOR THE PERIOD	12,016	10,919	43,461	40,374
Attributable to:				
Owners of the Bank	11,933	10,861	43,241	40,261
Non-controlling interest	83	58	220	113
	12,016	10,919	43,461	40,374
Basic earnings per share (BD)	0.011	0.010	0.040	0.038
Diluted earnings per share (BD)	0.009	0.008	0.033	0.031

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

Nine-month period ended 30 September 2016 (Reviewed)

BD '000s

	Three-month ended		Nine-month ended	
	30-Sep-16	30-Sep-15	30-Sep-16	30-Sep-15
Profit for the period	12,016	10,919	43,461	40,374
Other comprehensive income (loss)				
Other comprehensive income (loss) to be reclassified to profit or loss in subsequent periods:				
Foreign currency translation adjustments	360	(748)	397	(2,910)
Net movement in cumulative changes in fair values	10,961	(34,470)	(5,345)	(28,070)
Fair value changes in cash flow hedges	202	(304)	(334)	(720)
Other comprehensive income (loss) for the period	11,523	(35,522)	(5,282)	(31,700)
Total comprehensive income (loss) for the period	23,539	(24,603)	38,179	8,674
Attributable to:				
Owners of the Bank	23,456	(24,661)	37,959	8,561
Non-controlling interest	83	58	220	113
	23,539	(24,603)	38,179	8,674

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 nine-month period ended 30 September 2016 which were reviewed by Ernst & Young.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Nine-month period ended 30 September 2016 (Reviewed)

BD '000s

	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 2016	108,165	117,841	102,580	30,586	359,172	1,562	360,734
Profit for the period	-	-	43,241	-	43,241	220	43,461
Other comprehensive loss for the period	-	(5,282)	-	-	(5,282)	-	(5,282)
Total comprehensive income	-	(5,282)	43,241	-	37,959	220	38,179
Share - based payments	-	-	(212)	-	(212)	-	(212)
Perpetual tier 1 convertible capital securities issued	-	86,098	-	-	86,098	-	86,098
Expenses related to perpetual tier 1 convertible capital securities issued	-	-	(180)	-	(180)	-	(180)
Dividends paid	-	-	-	(26,611)	(26,611)	(93)	(26,704)
Donations	-	-	-	(1,400)	(1,400)	-	(1,400)
Movement in treasury stock	-	3,522	-	-	3,522	-	3,522
Transfer to general reserve 2015	-	2,575	-	(2,575)	-	-	-
Balance at 30 September 2016	108,165	204,754	145,429	-	458,348	1,689	460,037
Balance at 1 January 2015	103,014	141,461	82,017	31,402	357,894	1,458	359,352
Profit for the period	-	-	40,261	-	40,261	113	40,374
Other comprehensive loss for the period	-	(31,700)	-	-	(31,700)	-	(31,700)
Total comprehensive income	-	(31,700)	40,261	-	8,561	113	8,674
Share - based payments	-	-	85	-	85	-	85
Dividends paid	-	-	-	(20,179)	(20,179)	-	(20,179)
Stock dividends	5,151	-	-	(5,151)	-	-	-
Donations	-	-	-	(1,390)	(1,390)	-	(1,390)
Movement in treasury stock	-	2,223	-	-	2,223	-	2,223
Transfer to general reserve 2014	-	4,682	-	(4,682)	-	-	-
Balance at 30 September 2015	108,165	116,666	122,363	-	347,194	1,571	348,765

CONSOLIDATED STATEMENT OF CASH FLOWS

Nine-month period ended 30 September 2016 (Reviewed)

BD '000s

	Nine-month ended	
	30-Sep-16	30-Sep-15
Net cash (used in) from operating activities	(104,070)	62,787
Net cash used in investing activities	(36,534)	(43,462)
Net cash from financing activities	61,429	131,454
Foreign currency translation adjustments	397	(2,910)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(78,778)	147,869
Cash and cash equivalents at beginning of the period	533,116	352,639
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	454,338	500,508

SEGMENTAL INFORMATION

Nine-month period ended 30 September 2016 (Reviewed)

BD '000s

	Retail banking	Corporate banking	International banking	Investment, treasury and other activities	Total
30 September 2016					
Operating income before share of profit of associated companies and joint ventures	30,916	22,372	18,109	25,802	97,199
Segment result	9,035	5,446	(137)	25,405	39,749
Share of profit of associated companies and joint ventures	3,712	-	-	-	3,712
Profit for the period					43,461
Profit attributable to non-controlling interest					(220)
Profit attributable to the owners of the Bank					43,241
30 September 2015					
Operating income before share of profit of associated companies and joint ventures	27,050	19,820	19,256	20,338	86,464
Segment result	9,925	7,540	2,349	17,578	37,392
Share of profit of associated companies and joint ventures	2,982	-	-	-	2,982
Profit for the period					40,374
Profit attributable to non-controlling interest					(113)
Profit attributable to the owners of the Bank					40,261

Accounting policies and Notes :

- The Interim condensed consolidated financial statements of the Group for the nine-month period ended 30 September 2016 are prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. The accounting policies used in the preparation of the interim condensed consolidated financial statements are consistent with those used in the preparation of the annual consolidated financial statements for the year ended 31 December 2015.
- Other income for the nine-month period ended 30 September 2016 includes BD 2,904 thousand (30 September 2015: BD 3,170 thousand) of dividend income, which is of a seasonal nature.
- During the nine months period ended 30 September 2016, the Bank completed an issue of BD 86,098 thousand Basel III compliant Additional Tier 1 Convertible Perpetual Capital Securities. These securities are recognised under equity in the consolidated statement of financial position and the corresponding coupon on those securities are accounted as appropriation of profits. Expenses relating to this issuance have been included in retained earnings. Securities' holders will not have a right to claim the coupon and such event will not be considered as event of default.
- At the Annual General Meeting held on 28 March 2016, the shareholders approved the following proposed appropriations:

	31 December 2015	31 December 2014
	BD '000	BD '000
Cash dividend	26,611	20,179
Stock dividend	-	5,151
Transfer to general reserve	2,575	4,682
Donations	1,400	1,390
	30,586	31,402