

# BBK B.S.C- Consolidated Financial Statements 31 December 2016

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION As at 31 December 2016 BD '000s

	2016	2015
<b>ASSETS</b>		
Cash and balances with central banks	314,368	286,750
Treasury bills	401,635	394,090
Deposits and amounts due from banks and other financial institutions	318,407	325,096
Loans and advances to customers	1,767,138	1,764,799
Investment securities	768,134	758,107
Investments in associated companies and joint ventures	43,923	35,823
Interest receivable and other assets	64,769	56,970
Premises and equipment	24,183	24,806
<b>TOTAL ASSETS</b>	<b>3,702,557</b>	<b>3,646,441</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Liabilities</b>		
Deposits and amounts due to banks and other financial institutions	259,911	179,404
Borrowings under repurchase agreement	184,016	174,508
Term borrowings	206,109	204,677
Customers' current, savings and other deposits	2,493,715	2,642,892
Interest payable and other liabilities	84,591	84,226
<b>Total liabilities</b>	<b>3,228,342</b>	<b>3,285,707</b>
<b>Equity</b>		
Share capital	108,165	108,165
Treasury stock	(1,206)	(4,728)
Perpetual tier 1 convertible capital securities	86,098	-
Share premium	39,919	39,919
Statutory reserve	54,082	54,082
General reserve	54,082	51,507
Cumulative changes in fair values	(13,669)	(12,304)
Foreign currency translation adjustments	(11,558)	(10,635)
Retained earnings	122,830	102,580
Proposed Appropriations	33,666	30,586
<b>ATTRIBUTABLE TO THE OWNERS OF THE BANK</b>	<b>472,409</b>	<b>359,172</b>
Non-controlling interest	1,806	1,562
<b>Total equity</b>	<b>474,215</b>	<b>360,734</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>3,702,557</b>	<b>3,646,441</b>

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS Year ended 31 December 2016 BD '000s

	2016	2015
Interest and similar income	128,556	114,613
Interest and similar expense	(42,708)	(41,907)
<b>Net interest income</b>	<b>85,848</b>	<b>72,706</b>
Share of profit of associated companies and joint ventures	5,467	4,215
Other income	42,212	44,219
<b>Total operating income</b>	<b>133,527</b>	<b>121,140</b>
Staff costs	33,453	31,343
Other expenses	16,263	15,267
Depreciation	3,430	3,226
Net provision for impairment on loans and advances to customers	23,753	18,975
Net (write back)/ provision for impairment on investments	(1,115)	538
<b>Total operating expenses</b>	<b>75,784</b>	<b>69,349</b>
<b>PROFIT BEFORE TAXATION</b>	<b>57,743</b>	<b>51,791</b>
Net tax (provision)/ benefit	(996)	1,598
<b>PROFIT FOR THE YEAR</b>	<b>56,747</b>	<b>53,389</b>
<b>Attributable to:</b>		
Owners of the Bank	56,410	53,212
Non-controlling interest	337	177
	<b>56,747</b>	<b>53,389</b>
Basic earnings per share (BD)	0.049	0.050
Diluted earnings per share (BD)	0.044	0.050

## CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME Year ended 31 December 2016 BD '000s

	2016	2015
<b>Profit for the year</b>	<b>56,747</b>	<b>53,389</b>
<b>Other comprehensive (loss) / income</b>		
<b>Items that will not be reclassified to profit or loss;</b>		
Fair value through other comprehensive income reserve (equity instruments)	4,113	-
<b>Items that are or may be reclassified subsequently to profit or loss;</b>		
<i>Movement in translation reserve:</i>		
Foreign currency translation adjustments	(923)	(3,376)
<i>Movement in hedging reserve:</i>		
Effective portion of changes in fair value	174	(304)
<i>Movement in fair value reserve (debt instruments - IFRS 9):</i>		
Net change in fair value	8,377	-
Net amount transferred to profit or loss	(887)	-
<i>Movement in fair value reserve (available-for-sale financial assets - IAS 39):</i>		
Net change in fair value	-	(29,420)
<b>Other comprehensive Income/ (loss) for the year</b>	<b>10,854</b>	<b>(33,100)</b>
<b>Total comprehensive income for the year</b>	<b>67,601</b>	<b>20,289</b>
<b>Attributable to:</b>		
Owners of the Bank	67,264	20,112
Non-controlling interest	337	177
	<b>67,601</b>	<b>20,289</b>

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 and segmental information have been extracted from the consolidated financial statements of BBK B.S.C. for the year ended 31 December 2016 which were audited by Ernst & Young who expressed an unqualified opinion on 19 February 2017.

Above information available on www.bbkonline.com

Audited by Ernst & Young

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY Year ended 31 December 2016 BD '000s

	Attributable to the owners of the Bank and capital securities' holders					Non-controlling interest	Total equity
	Share capital	Others	Retained earnings	Proposed appropriations	Total		
Balance at 1 January 2015	103,014	141,461	82,017	31,402	357,894	1,458	359,352
Profit for the year	-	-	53,212	-	53,212	177	53,389
Other comprehensive loss	-	(33,100)	-	-	(33,100)	-	(33,100)
Total comprehensive income	-	(33,100)	53,212	-	20,112	177	20,289
Share - based payments	-	-	269	-	269	-	269
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
Unclaimed dividends	-	-	243	-	243	-	243
Movement in non-controlling interest	-	-	-	-	-	(73)	(73)
Transfer to statutory reserve	-	2,575	(2,575)	-	-	-	-
Proposed appropriations	-	-	(30,586)	30,586	-	-	-
Transfer to general reserve 2014	-	4,682	-	(4,682)	-	-	-
<b>Balance at 31 December 2015</b>	<b>108,165</b>	<b>117,841</b>	<b>102,580</b>	<b>30,586</b>	<b>359,172</b>	<b>1,562</b>	<b>360,734</b>
Transition adjustment on adoption of IFRS 9 at 1 January 2016	-	(16,880)	4,980	-	(11,900)	-	(11,900)
<b>Restated balance at 1 January 2016</b>	<b>108,165</b>	<b>100,961</b>	<b>107,560</b>	<b>30,586</b>	<b>347,272</b>	<b>1,562</b>	<b>348,834</b>
Profit for the year	-	-	56,410	-	56,410	337	56,747
Other comprehensive income	-	14,592	(3,738)	-	10,854	-	10,854
Total comprehensive income	-	14,592	52,672	-	67,264	337	67,601
Share - based payments	-	-	(31)	-	(31)	-	(31)
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)
Distribution on Perpetual tier 1 convertible capital securities	-	-	(3,552)	-	(3,552)	-	(3,552)
Dividends paid	-	-	-	(26,611)	(26,611)	(93)	(26,704)
Stock dividends	-	-	-	-	-	-	-
Donations	-	-	-	(1,400)	(1,400)	-	(1,400)
Movement in treasury stock	-	3,522	-	-	3,522	-	3,522
Unclaimed dividends	-	-	27	-	27	-	27
Proposed appropriations	-	-	(33,666)	33,666	-	-	-
Transfer to general reserve 2015	-	2,575	-	(2,575)	-	-	-
<b>Balance at 31 December 2016</b>	<b>108,165</b>	<b>207,748</b>	<b>122,830</b>	<b>33,666</b>	<b>472,409</b>	<b>1,806</b>	<b>474,215</b>

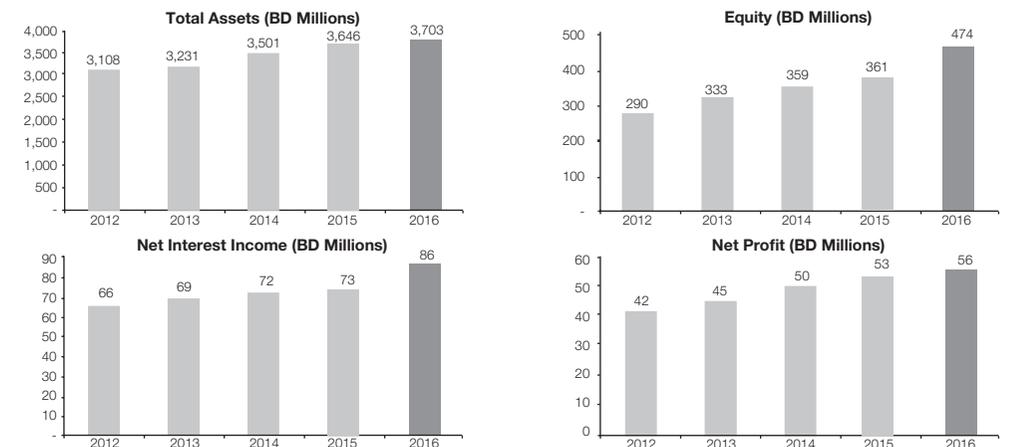
## CONSOLIDATED STATEMENT OF CASH FLOWS Year ended 31 December 2016 BD '000s

	2016	2015
Net cash (used in)/ from operating activities	(40,367)	233,009
Net cash (used in)/ from investing activities	(12,099)	7,890
Net cash from/ (used in) financing activities	57,877	(57,046)
Foreign currency translation adjustments	(923)	(3,376)
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>4,488</b>	<b>180,477</b>
Cash and cash equivalents at beginning of the year	533,116	352,639
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>	<b>537,604</b>	<b>533,116</b>

## SEGMENTAL INFORMATION Year ended 31 December 2016 BD '000s

	Retail banking	Corporate banking	International banking	Investment, treasury and other activities	Total
<b>31 December 2016</b>					
Operating income before share of profit of associated companies and joint ventures	41,896	28,399	23,952	33,813	128,060
Segment result	15,050	2,754	120	33,356	51,280
Share of profit of associated companies and joint ventures	5,562	-	-	(95)	5,467
Profit for the year					56,747
Loss attributable to non-controlling interest					(337)
<b>Profit for the year attributable to the owners of the Bank</b>					<b>56,410</b>

	Retail banking	Corporate banking	International banking	Investment, treasury and other activities	Total
<b>31 December 2015</b>					
Operating income before share of profit of associated companies and joint ventures	36,338	28,171	25,805	26,611	116,925
Segment result	12,875	9,370	3,734	23,195	49,174
Share of profit of associated companies and joint ventures	4,215	-	-	-	4,215
Profit for the year					53,389
Loss attributable to non-controlling interest					(177)
<b>Profit for the year attributable to the owners of the Bank</b>					<b>53,212</b>



Murad Ali Murad  
Chairman

Aref Saleh Khamis  
Deputy Chairman

Reyadh Yousef Sater  
Chief Executive