

BBK B.S.C.- Interim Condensed Consolidated Financial Statements 30 June 2014 (Reviewed)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2014 (Reviewed)
BD '000s

	Reviewed	Audited	Reviewed
	30 June 2014	31 December 2013	30 June 2013
ASSETS			
Cash and balances with central banks	255,372	224,352	187,679
Treasury bills	243,116	315,125	254,651
Financial assets at fair value through statement of profit or loss	-	-	669
Deposits and amounts due from banks and other financial institutions	190,820	202,385	372,397
Loans and advances to customers	1,740,047	1,618,535	1,549,688
Non-trading investment securities	762,291	743,979	723,961
Investments in associated companies and joint venture	58,334	57,869	54,917
Interest receivable and other assets	47,361	42,283	39,661
Premises and equipment	25,515	26,136	26,970
TOTAL ASSETS	3,322,856	3,230,664	3,210,593
LIABILITIES AND EQUITY			
Liabilities			
Deposits and amounts due to banks and other financial institutions	202,195	181,529	280,274
Borrowings under repurchase agreement	56,328	56,307	56,307
Term borrowings	240,212	239,498	238,773
Customers' current, savings and other deposits	2,391,700	2,352,907	2,276,066
Interest payable and other liabilities	67,912	67,496	63,386
Total liabilities	2,958,347	2,897,737	2,914,806
Equity			
Share capital	103,014	93,649	93,649
Treasury stock	(3,014)	(3,014)	(3,723)
Share premium	39,919	39,919	39,919
Statutory reserve	46,825	46,825	42,568
General reserve	46,825	43,700	43,700
Cumulative changes in fair values	38,760	24,902	8,066
Foreign currency translation adjustments	(4,048)	(4,508)	(4,372)
Retained earnings	94,847	67,747	75,389
Appropriations	-	22,989	-
ATTRIBUTABLE TO THE OWNERS OF THE BANK	363,128	332,209	295,196
Non-controlling interest	1,381	718	591
Total equity	364,509	332,927	295,787
TOTAL LIABILITIES AND EQUITY	3,322,856	3,230,664	3,210,593

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Six months ended 30 June 2014 (Reviewed)
BD '000s

	Three months ended		Six months ended	
	30-Jun-14	30-Jun-13	30-Jun-14	30-Jun-13
Interest and similar income	29,024	27,955	57,257	55,102
Interest and similar expense	(11,299)	(10,378)	(22,433)	(20,538)
Net interest income	17,725	17,577	34,824	34,564
Share of profit of associated companies and joint venture	323	1,719	1,950	2,971
Other income	10,998	8,267	20,902	19,057
Total operating income	29,046	27,563	57,676	56,592
Staff costs	7,267	8,203	14,658	16,046
Other expenses	3,847	3,378	7,034	7,038
Depreciation	841	858	1,676	1,708
Net provision for impairment on loans and advances to customers	4,061	3,305	8,244	7,386
Net write-back of impairment on non-trading investment securities	(10)	(271)	(977)	(1,169)
Total operating expenses	16,006	15,473	30,635	31,009
PROFIT BEFORE TAXATION	13,040	12,090	27,041	25,583
Net tax provision	183	82	270	(278)
PROFIT FOR THE PERIOD	13,223	12,172	27,311	25,305
Attributable to:				
Owners of the Bank	13,171	12,128	27,184	25,216
Non-controlling interest	52	44	127	89
	13,223	12,172	27,311	25,305
Basic and diluted earnings per share (BD)	0.013	0.012	0.027	0.025

Accounting Policies and Notes:

- The Interim condensed consolidated financial statements of the Group for the six months period ended 30 June 2014 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 2013.
- Other income for the six months ended 30 June 2014 includes BD 1,852 thousand (six months ended 30 June 2013: BD 1,253 thousand) of dividend income, which is of a seasonal nature.
- At the Annual General Meeting held on 12 March 2014, the shareholders approved the following appropriations:

	31 December 2013	31 December 2012
	BD '000	BD '000
Cash dividend	9,249	8,397
Stock dividend	9,365	8,514
Transfer to general reserve	3,125	4,200
Donations	1,250	1,250
	22,989	22,361

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Six months ended 30 June 2014 (Reviewed)
BD '000s

	Three months ended		Six months ended	
	30-Jun-14	30-Jun-13	30-Jun-14	30-Jun-13
Profit for the period	13,223	12,172	27,311	25,305
Other comprehensive income				
Other comprehensive income to be reclassified to profit or loss in subsequent periods:				
Foreign currency translation adjustments	(116)	(1,922)	460	(2,260)
Net movement in cumulative changes in fair values	8,617	(12,181)	14,185	(8,037)
Fair value changes in cash flow hedges	(382)	484	(327)	588
Other comprehensive income for the period	8,119	(13,619)	14,318	(9,709)
Total comprehensive income for the period	21,342	(1,447)	41,629	15,596
Attributable to:				
Owners of the Bank	21,290	(1,491)	41,502	15,507
Non-controlling interest	52	44	127	89
	21,342	(1,447)	41,629	15,596

CONSOLIDATED STATEMENT OF CASH FLOWS

Six months ended 30 June 2014 (Reviewed)
BD '000s

	Six months ended	
	30-Jun-14	30-Jun-13
Net cash used in operating activities	(14,155)	(22,894)
Net cash from (used in) investing activities	1,117	(7,999)
Net cash used in financing activities	(10,499)	(9,809)
Foreign currency translation adjustments	460	(2,260)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(23,077)	(42,962)
Cash and cash equivalents at beginning of the period	349,536	506,140
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	326,459	463,178

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Six months ended 30 June 2014 (Reviewed)
BD '000s

	Attributable to the owners of the Bank						Non-controlling interest	Total equity
	Share capital	Others	Retained earnings	Proposed appropriations	Total			
Balance at 1 January 2014	93,649	147,824	67,747	22,989	332,209	718	332,927	
Profit for the period	-	-	27,184	-	27,184	127	27,311	
Other comprehensive income for the period	-	14,318	-	-	14,318	-	14,318	
Total comprehensive income	-	14,318	27,184	-	41,502	127	41,629	
Share - based payments	-	-	(84)	-	(84)	-	(84)	
Dividends paid	-	-	-	(9,249)	(9,249)	-	(9,249)	
Stock dividends	9,365	-	-	(9,365)	-	-	-	
Donations	-	-	-	(1,250)	(1,250)	-	(1,250)	
Movement in non-controlling interest	-	-	-	-	-	536	536	
Transfer to general reserve 2013	-	3,125	-	(3,125)	-	-	-	
Balance at 30 June 2014	103,014	165,267	94,847	-	363,128	1,381	364,509	
Balance at 1 January 2013	85,135	131,829	49,840	22,361	289,165	502	289,667	
Profit for the period	-	-	25,216	-	25,216	89	25,305	
Other comprehensive income for the period	-	(9,709)	-	-	(9,709)	-	(9,709)	
Total comprehensive income	-	(9,709)	25,216	-	15,507	89	15,596	
Share - based payments	-	-	333	-	333	-	333	
Dividends paid	-	-	-	(8,397)	(8,397)	-	(8,397)	
Stock dividends	8,514	-	-	(8,514)	-	-	-	
Donations	-	-	-	(1,250)	(1,250)	-	(1,250)	
Movement in treasury stock	-	(162)	-	-	(162)	-	(162)	
Transfer to general reserve 2012	-	4,200	-	(4,200)	-	-	-	
Balance at 30 June 2013	93,649	126,158	75,389	-	295,196	591	295,787	

SEGMENTAL INFORMATION

Six months ended 30 June 2014 (Reviewed)
BD '000s

	Retail banking	Corporate banking	International banking	Investment, treasury and other activities	Total
30 June 2014					
Operating income before share of profit of associated companies and joint venture	15,224	13,558	11,309	15,635	55,726
Segment result	3,089	3,820	3,402	15,050	25,361
Share of profit of associated companies and joint venture	1,979	-	-	(29)	1,950
Profit for the period					27,311
Profit attributable to non-controlling interest					(127)
Profit attributable to the owners of the Bank					27,184

	Retail banking	Corporate banking	International banking	Investment, treasury and other activities	Total
30 June 2013					
Operating income before share of profit of associated companies and joint venture	13,939	14,688	12,594	12,400	53,621
Segment result	3,189	3,004	5,338	10,803	22,334
Share of profit of associated companies and joint venture	1,863	-	-	1,108	2,971
Profit for the period					25,305
Profit attributable to non-controlling interest					(89)
Profit attributable to the owners of the Bank					25,216

The consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of 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 months period ended 30 June 2014 which were reviewed by Ernst & Young.

Murad Ali Murad
Chairman

Aref Saleh Khamis
Deputy Chairman

Abdulkarim Ahmed Bucheery
Chief Executive

Reviewed by Ernst & Young

Above information available on www.bbkonline.com