

# BBK B.S.C. Interim Condensed Consolidated Financial Statements 30 September 2014 (Reviewed)

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION At 30 September 2014 (Reviewed) BD '000s

	Reviewed 30 September 2014	Audited 31 December 2013	Reviewed 30 September 2013
<b>ASSETS</b>			
Cash and balances with central banks	189,297	224,352	311,047
Treasury bills	288,496	315,125	261,589
Deposits and amounts due from banks and other financial institutions	132,788	202,385	247,591
Loans and advances to customers	1,822,128	1,618,535	1,609,008
Non-trading investment securities	765,293	743,979	744,464
Investments in associated companies and joint venture	54,346	57,869	56,080
Interest receivable and other assets	52,955	42,283	39,933
Premises and equipment	25,216	26,136	26,529
<b>TOTAL ASSETS</b>	<b>3,330,519</b>	<b>3,230,664</b>	<b>3,296,241</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Liabilities</b>			
Deposits and amounts due to banks and other financial institutions	327,158	181,529	319,472
Borrowings under repurchase agreement	56,328	56,307	56,307
Term borrowings	240,575	239,498	239,135
Customers' current, savings and other deposits	2,249,689	2,352,907	2,300,646
Interest payable and other liabilities	81,151	67,496	69,010
<b>Total liabilities</b>	<b>2,954,901</b>	<b>2,897,737</b>	<b>2,984,570</b>
<b>Equity</b>			
Share capital	103,014	93,649	93,649
Treasury stock	(2,366)	(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	40,672	24,902	14,893
Foreign currency translation adjustments	(5,813)	(4,508)	(4,868)
Retained earnings	105,126	67,747	84,877
Appropriations	-	22,989	-
<b>ATTRIBUTABLE TO THE OWNERS OF THE BANK</b>	<b>374,202</b>	<b>332,209</b>	<b>311,015</b>
Non-controlling interest	1,416	718	656
<b>Total equity</b>	<b>375,618</b>	<b>332,927</b>	<b>311,671</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>3,330,519</b>	<b>3,230,664</b>	<b>3,296,241</b>

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS Nine months ended 30 September 2014 (Reviewed) BD '000s

	Three months ended		Nine months ended	
	30-Sep-14	30-Sep-13	30-Sep-14	30-Sep-13
Interest and similar income	29,280	27,063	86,537	82,165
Interest and similar expense	(11,464)	(10,171)	(33,897)	(30,709)
<b>Net interest income</b>	<b>17,816</b>	<b>16,892</b>	<b>52,640</b>	<b>51,456</b>
Share of profit of associated companies and joint venture	1,182	1,181	3,132	4,152
Other income	9,357	9,436	30,259	28,493
<b>Total operating income</b>	<b>28,355</b>	<b>27,509</b>	<b>86,031</b>	<b>84,101</b>
Staff costs	7,503	9,298	22,161	25,344
Other expenses	3,825	4,384	10,859	11,422
Depreciation	827	847	2,503	2,555
Net provision for impairment on loans and advances to customers	6,179	3,242	14,423	10,628
Net (write-back)/provision for impairment on non-trading investment securities	(325)	150	(1,302)	(1,019)
<b>Total operating expenses</b>	<b>18,009</b>	<b>17,921</b>	<b>48,644</b>	<b>48,930</b>
<b>PROFIT BEFORE TAXATION</b>	<b>10,346</b>	<b>9,588</b>	<b>37,387</b>	<b>35,171</b>
Net tax provision	(193)	(202)	77	(480)
<b>PROFIT FOR THE PERIOD</b>	<b>10,153</b>	<b>9,386</b>	<b>37,464</b>	<b>34,691</b>
<b>Attributable to:</b>				
Owners of the Bank	10,108	9,321	37,292	34,537
Non-controlling interest	45	65	172	154
<b>Total</b>	<b>10,153</b>	<b>9,386</b>	<b>37,464</b>	<b>34,691</b>
Basic and diluted earnings per share (BD)	0.010	0.009	0.037	0.034

## Accounting Policies and Notes:

- The interim condensed consolidated financial statements of the Group for the nine months period ended 30 September 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 nine months ended 30 September 2014 includes BD 2,583 thousand (nine months ended 30 September 2013: BD 1,832 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 BD '000	31 December 2012 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
<b>Total</b>	<b>22,989</b>	<b>22,361</b>

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME Nine months ended 30 September 2014 (Reviewed) BD '000s

	Three months ended		Nine months ended	
	30-Sep-14	30-Sep-13	30-Sep-14	30-Sep-13
<b>Profit for the period</b>	<b>10,153</b>	<b>9,386</b>	<b>37,464</b>	<b>34,691</b>
<b>Other comprehensive income</b>				
Other comprehensive income to be reclassified to profit or loss in subsequent periods				
Foreign currency translation adjustments	(1,766)	(496)	(1,305)	(2,756)
Net movement in cumulative changes in fair values	1,496	6,963	15,681	(1,074)
Fair value changes in cash flow hedges	416	(136)	89	452
<b>Other comprehensive income for the period</b>	<b>146</b>	<b>6,331</b>	<b>14,465</b>	<b>(3,378)</b>
<b>Total comprehensive income for the period</b>	<b>10,299</b>	<b>15,717</b>	<b>51,929</b>	<b>31,313</b>
<b>Attributable to:</b>				
Owners of the Bank	10,254	15,652	51,757	31,159
Non-controlling interest	45	65	172	154
<b>Total</b>	<b>10,299</b>	<b>15,717</b>	<b>51,929</b>	<b>31,313</b>

## CONSOLIDATED STATEMENT OF CASH FLOWS Nine months ended 30 September 2014 (Reviewed) BD '000s

	Nine months ended	
	30-Sep-14	30-Sep-13
Net cash (used in) from operating activities	(124,471)	15,191
Net cash from (used in) investing activities	4,848	(21,033)
Net cash used in financing activities	(9,851)	(9,809)
Foreign currency translation adjustments	(1,305)	(2,756)
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>(130,779)</b>	<b>(18,407)</b>
Cash and cash equivalents at beginning of the period	349,536	506,140
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	<b>218,757</b>	<b>487,733</b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY Nine months ended 30 September 2014 (Reviewed) BD '000s

	Attributable to the owners of the Bank						Total equity
	Share capital	Others	Retained earnings	Proposed appropriations	Total	Non-controlling interest	
Balance at 1 January 2014	93,649	147,824	67,747	22,989	332,209	718	332,927
Profit for the period	-	-	37,292	-	37,292	172	37,464
Other comprehensive income for the period	-	14,465	-	-	14,465	-	14,465
Total comprehensive income	-	14,465	37,292	-	51,757	172	51,929
Share-based payments	-	-	87	-	87	-	87
Dividends paid	-	-	-	(9,249)	(9,249)	-	(9,249)
Stock dividends	9,365	-	-	(9,365)	-	-	-
Donations	-	-	-	(1,250)	(1,250)	-	(1,250)
Movement in treasury stock	-	648	-	-	648	-	648
Movement in non-controlling interest	-	-	-	-	-	526	526
Transfer to general reserve 2013	-	3,125	-	(3,125)	-	-	-
<b>Balance at 30 September 2014</b>	<b>103,014</b>	<b>166,062</b>	<b>105,126</b>	<b>-</b>	<b>374,202</b>	<b>1,416</b>	<b>375,618</b>
Balance at 1 January 2013	85,135	131,829	49,840	22,361	289,165	502	289,667
Profit for the period	-	-	34,537	-	34,537	154	34,691
Other comprehensive income for the period	-	(3,378)	-	-	(3,378)	-	(3,378)
Total comprehensive income	-	(3,378)	34,537	-	31,159	154	31,313
Share-based payments	-	-	500	-	500	-	500
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)	-	-	-
<b>Balance at 30 September 2013</b>	<b>93,649</b>	<b>132,489</b>	<b>84,877</b>	<b>-</b>	<b>311,015</b>	<b>656</b>	<b>311,671</b>

## SEGMENTAL INFORMATION Nine months ended 30 September 2014 (Reviewed) BD '000s

	Retail banking	Corporate banking	International banking	Investment, treasury and other activities	Total
<b>30 September 2014</b>					
Operating income before share of profit of associated companies and joint venture	23,168	20,262	17,231	22,238	82,899
Segment result	4,632	4,227	4,443	21,030	34,332
Share of profit of associated companies and joint venture	2,990	-	-	142	3,132
Profit for the period					37,464
Profit attributable to non-controlling interest					(172)
<b>Profit attributable to the owners of the Bank</b>					<b>37,292</b>

	Retail banking	Corporate banking	International banking	Investment, treasury and other activities	Total
<b>30 September 2013</b>					
Operating income before share of profit of associated companies and joint venture	21,230	21,417	18,303	18,999	79,949
Segment result	3,506	5,488	6,848	14,697	30,539
Share of profit of associated companies and joint venture	2,703	-	-	1,449	4,152
Profit for the period					34,691
Profit attributable to non-controlling interest					(154)
<b>Profit attributable to the owners of the Bank</b>					<b>34,537</b>

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 nine months period ended 30 September 2014 which were reviewed by Ernst & Young.

Murad Ali Murad  
Chairman

Aref Saleh Khamis  
Deputy Chairman

Abdulkarim Ahmed Bucheery  
Chief Executive

Above information available on www.bbkonline.com

Reviewed by Ernst & Young