

BBK B.S.C- Interim Condensed Consolidated Financial Statements 30 June 2013 (Unaudited)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2013 (Unaudited)
BD '000s

	Unaudited 30 June 2013	Audited 31 December 2012	Unaudited 30 June 2012
ASSETS			
Cash and balances with central banks	187,679	262,741	258,235
Treasury bills	254,651	165,168	159,121
Financial assets at fair value through statement of income	669	346	-
Deposits and amounts due from banks and other financial institutions	372,397	349,850	219,424
Loans and advances to customers	1,549,688	1,498,745	1,459,762
Non-trading investment securities	723,961	717,325	695,315
Investment in associated companies and joint venture	54,917	54,566	51,844
Interest receivable and other assets	39,661	30,947	30,341
Premises and equipment	26,970	27,873	28,729
TOTAL ASSETS	3,210,593	3,107,561	2,902,771
LIABILITIES AND EQUITY			
LIABILITIES			
Deposits and amounts due to banks and other financial institutions	280,274	255,079	287,401
Borrowings under repurchase agreement	56,307	47,913	-
Term borrowings	238,773	238,059	237,333
Customers' current, savings and other deposits	2,276,066	2,204,793	2,064,549
Interest payable and other liabilities	63,386	72,050	64,404
TOTAL LIABILITIES	2,914,806	2,817,894	2,653,687
EQUITY			
Share capital	93,649	85,135	85,135
Treasury stock	(3,723)	(3,561)	(3,711)
Share premium	39,919	39,919	39,919
Statutory reserve	42,568	42,568	42,568
General reserve	43,700	39,500	39,500
Cumulative changes in fair values	8,066	15,515	(5,836)
Foreign currency translation adjustments	(4,372)	(2,112)	(1,752)
Retained earnings	75,389	49,840	52,822
Appropriations	-	22,361	-
ATTRIBUTABLE TO THE OWNERS OF THE BANK	295,196	289,165	248,645
Non-controlling interest	591	502	439
TOTAL EQUITY	295,787	289,667	249,084
TOTAL LIABILITIES AND EQUITY	3,210,593	3,107,561	2,902,771

CONSOLIDATED STATEMENT OF INCOME

Six months ended 30 June 2013 (Unaudited)
BD '000s

	Three months ended		Six months ended	
	30-Jun-13	30-Jun-12	30-Jun-13	30-Jun-12
Interest and similar income	27,955	25,821	55,102	50,568
Interest and similar expense	(10,378)	(9,530)	(20,538)	(19,138)
Net interest income	17,577	16,291	34,564	31,430
Share of profit of associated companies and joint venture	1,719	1,292	2,971	2,706
Other income	8,267	8,641	19,057	17,017
TOTAL OPERATING INCOME	27,563	26,224	56,592	51,153
Staff Costs	8,203	8,087	16,046	16,231
Other expenses	3,378	3,812	7,038	6,839
Depreciation	858	867	1,708	1,722
Net provision for impairment on loans and advances to customers	3,305	332	7,386	908
Net (write back) provision for impairment on non-trading investment securities	(271)	1,551	(1,169)	1,514
Total operating expenses	15,473	14,649	31,009	27,214
PROFIT BEFORE TAXATION	12,090	11,575	25,583	23,939
Net tax provision	82	(247)	(278)	(544)
PROFIT FOR THE PERIOD	12,172	11,328	25,305	23,395
Attributable to:				
Owners of the Bank	12,128	11,290	25,216	23,307
Non-controlling interest	44	38	89	88
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 2013 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 2012.
- Other income for the six months ended 30 June 2013 includes BD 1,253 thousand (six months ended 30 June 2012: BD 1,010 thousand) of dividend income, which is of a seasonal nature.
- At the Annual General Meeting held on 4 March 2013, the shareholders approved the following appropriations, which was subsequently paid:

	31 December 2012	31 December 2011
	BD '000	BD '000
Cash dividend	8,397	20,938
Stock dividend	8,514	-
Transfer to general reserve	4,200	3,500
Donations	1,250	1,500
	22,361	25,938

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Six months ended 30 June 2013 (Unaudited)
BD '000s

	Three months ended		Six months ended	
	30-Jun-13	30-Jun-12	30-Jun-13	30-Jun-12
Profit for the period	12,172	11,328	25,305	23,395
Items that could be reclassified subsequently to consolidated statement of income				
Net movement in cumulative changes in fair values	(12,181)	(1,453)	(8,037)	9,983
Foreign currency translation adjustments	(1,922)	(1,893)	(2,260)	(1,191)
Share of changes in fair value reserve of associates	61	184	165	373
Fair value changes in cash flow hedges	423	-	423	-
Other comprehensive income for the period	(13,619)	(3,162)	(9,709)	9,165
Total Comprehensive income for the period	(1,447)	8,166	15,596	32,560
Attributable to:				
Owners of the Bank	(1,491)	8,128	15,507	32,472
Non-controlling interest	44	38	89	88
	(1,447)	8,166	15,596	32,560

CONSOLIDATED STATEMENT OF CASH FLOWS

Six months ended 30 June 2013 (Unaudited)
BD '000s

	Six months ended	
	30-Jun-13	30-Jun-12
Net cash (used in) from operating activities	(22,798)	171,592
Net cash used in investing activities	(8,095)	(122,055)
Net cash used in financing activities	(9,809)	(21,704)
Foreign currency translation adjustments	(2,260)	(1,191)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(42,962)	26,642
Cash and cash equivalents at beginning of the period	506,140	313,769
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	463,178	340,411

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Six months ended 30 June 2013 (Unaudited)
BD '000s

	Attributable to the owners of the Bank					Non controlling interest	Total equity
	Share capital	Other	Retained earnings	Proposed appropriations	Total		
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)
Purchase of 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
Balance at 1 January 2012	85,135	97,289	29,306	25,938	237,668	351	238,019
Profit for the period	-	-	23,307	-	23,307	88	23,395
Other comprehensive income for the period	-	9,165	-	-	9,165	-	9,165
Total comprehensive income	-	9,165	23,307	-	32,472	88	32,560
Share - based payments	-	-	209	-	209	-	209
Dividends paid	-	-	-	(20,938)	(20,938)	-	(20,938)
Stock dividends	-	-	-	-	-	-	-
Donations	-	-	-	(1,500)	(1,500)	-	(1,500)
Sale of treasury stock	-	734	-	-	734	-	734
Transfer to general reserve 2011	-	3,500	-	(3,500)	-	-	-
Balance at 30 June 2012	85,135	110,688	52,822	-	248,645	439	249,084

SEGMENTAL INFORMATION

BD '000s

	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	167,64	15,623	14,600	6,634	53,621
Segment result	5,026	5,221	7,535	4,552	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

	Retail banking	Corporate banking	International banking	Investment, treasury and other activities	Total
30 June 2012					
Operating income before share of profit of associated companies and joint venture	17,123	14,318	13,464	3,542	48,447
Segment result	7,364	6,671	5,974	680	20,689
Share of profit of associated companies and joint venture	1,617	-	-	1,089	2,706
Profit for the period					23,395
Profit attributable to non-controlling interest					(88)
Profit attributable to the owners of the Bank					23,307

The consolidated statement of financial position, consolidated statement of income, 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 2013 which were approved by the Board of Directors and on which an unqualified review conclusion was issued by Ernst & Young Bahrain on 22 July 2013.

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