

# BBK B.S.C- Interim Condensed Consolidated Financial Statements 30 September 2012 (Unaudited)

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION 30 September 2012 (Unaudited) BD '000s

	Unaudited 30 September 2012	Audited 31 December 2011	Unaudited 30 September 2011
<b>ASSETS</b>			
Cash and balances with central banks	279,386	227,973	266,058
Treasury bills	143,638	215,286	202,005
Financial assets at fair value through statement of income	347	-	1,926
Deposits and amounts due from banks and other financial institutions	253,825	243,480	268,541
Loans and advances to customers	1,464,322	1,406,719	1,389,672
Non-trading investment securities	723,044	563,915	506,056
Investment in associated companies and joint venture	53,131	51,127	41,549
Interest receivable and other assets	34,961	27,949	27,023
Premises and equipment	28,321	28,605	28,680
<b>TOTAL ASSETS</b>	<b>2,980,975</b>	<b>2,765,054</b>	<b>2,731,510</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
Deposits and amounts due to banks and other financial institutions	222,492	142,361	220,996
Borrowings under repurchase agreement	-	1,067	-
Term borrowings	237,696	236,615	246,155
Customers' current, savings and other deposits	2,178,968	2,076,214	1,978,892
Interest payable and other liabilities	72,517	70,778	56,895
<b>TOTAL LIABILITIES</b>	<b>2,711,673</b>	<b>2,527,035</b>	<b>2,502,938</b>
<b>EQUITY</b>			
Share capital	85,135	85,135	85,135
Treasury stock	(3,261)	(4,445)	(4,233)
Share premium	39,919	39,919	39,919
Statutory reserve	42,568	42,568	42,568
General reserve	39,500	36,000	36,000
Cumulative changes in fair values	5,075	(16,192)	(22,820)
Foreign exchange translation adjustments	(1,837)	(561)	1,211
Retained earnings	61,734	29,306	50,478
Appropriations	-	25,938	-
<b>ATTRIBUTABLE TO THE SHAREHOLDERS OF THE BANK</b>	<b>268,833</b>	<b>237,668</b>	<b>228,258</b>
Non-controlling interest	469	351	314
<b>TOTAL EQUITY</b>	<b>269,302</b>	<b>238,019</b>	<b>228,572</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>2,980,975</b>	<b>2,765,054</b>	<b>2,731,510</b>

## CONSOLIDATED STATEMENT OF INCOME Nine months ended 30 September 2012 (Unaudited) BD '000s

	Three months ended		Nine months ended	
	30-Sep-12	30-Sep-11	30-Sep-12	30-Sep-11
Interest and similar income	26,623	23,656	77,191	67,559
Interest and similar expense	(9,664)	(9,122)	(28,802)	(24,140)
<b>Net interest income</b>	<b>16,959</b>	<b>14,534</b>	<b>48,389</b>	<b>43,419</b>
Share of profit of associated companies and joint venture	1,513	956	4,219	2,414
Other income	9,916	8,675	26,933	26,786
<b>TOTAL OPERATING INCOME</b>	<b>28,388</b>	<b>24,165</b>	<b>79,541</b>	<b>72,619</b>
Staff Costs	7,973	7,695	24,204	22,835
Other expenses	3,589	3,570	10,428	10,338
Depreciation	872	868	2,594	2,602
Net provision for impairment on loans and advances to customers	6,596	7,490	7,504	9,295
Net provision for impairment on non-trading investment securities	694	255	2,208	380
<b>Total operating expenses</b>	<b>19,724</b>	<b>19,878</b>	<b>46,938</b>	<b>45,450</b>
<b>PROFIT BEFORE TAXATION</b>	<b>8,664</b>	<b>4,287</b>	<b>32,603</b>	<b>27,169</b>
Net tax provision	125	(244)	(419)	(17)
<b>PROFIT FOR THE PERIOD</b>	<b>8,789</b>	<b>4,043</b>	<b>32,184</b>	<b>27,152</b>
<b>Attributable to:</b>				
Shareholders of the Bank	8,759	4,035	32,066	27,119
Non-controlling interest	30	8	118	33
	<b>8,789</b>	<b>4,043</b>	<b>32,184</b>	<b>27,152</b>
Basic and diluted earnings per share (BD)	0.010	0.005	0.038	0.032

### Accounting policies and Notes :

- The interim condensed consolidated financial statements of the Group for the nine months period ended 30 September 2012 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 2011.
- Other income for the nine months ended 30 September 2012 includes BD 1,558 thousand (nine months ended 30 September 2011: BD 2,131 thousand) of dividend income, which is of a seasonal nature.
- There was no gain on partial redemption of term borrowings for the nine months ended 30 September 2012 (nine months ended 30 September 2011: BD 543 thousand).
- At the Annual General Meeting held on 11 March 2012, the shareholders approved the following appropriations, which was subsequently paid:

	31 December 2011	31 December 2010
	BD '000	BD '000
Dividend BD 0.025 per share (2010: BD 0.025 per share)	20,938	20,980
Transfer to general reserve	3,500	9,000
Donations	1,500	1,700
	<b>25,938</b>	<b>31,680</b>

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME Nine months ended 30 September 2012 (Unaudited) BD '000s

	Three months ended		Nine months ended	
	30-Sep-12	30-Sep-11	30-Sep-12	30-Sep-11
<b>Profit for the period</b>	<b>8,789</b>	<b>4,043</b>	<b>32,184</b>	<b>27,152</b>
Foreign exchange translation adjustments	(85)	(1,200)	(1,276)	294
Net movement in cumulative changes in fair values	10,816	(13,507)	20,799	(16,937)
Share of changes in fair value reserve of associates	95	582	468	582
<b>Other comprehensive income for the period</b>	<b>10,826</b>	<b>(14,125)</b>	<b>19,991</b>	<b>(16,061)</b>
<b>Total Comprehensive income for the period</b>	<b>19,615</b>	<b>(10,082)</b>	<b>52,175</b>	<b>11,091</b>
<b>Attributable to:</b>				
Shareholders of the Bank	19,585	(10,090)	52,057	11,058
Non-controlling interest	30	8	118	33
	<b>19,615</b>	<b>(10,082)</b>	<b>52,175</b>	<b>11,091</b>

## CONSOLIDATED STATEMENT OF CASH FLOWS Nine months ended 30 September 2012 (Unaudited) BD '000s

	Nine months ended	
	30-Sep-12	30-Sep-11
Net cash from operating activities	260,824	241,177
Net cash used in investing activities	(138,943)	(101,248)
Net cash used in financing activities	(21,254)	(147,295)
Foreign exchange translation adjustments	(1,276)	294
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>99,351</b>	<b>(7,072)</b>
Cash and cash equivalents at beginning of the period	313,769	507,863
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	<b>413,120</b>	<b>500,791</b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY Nine months ended 30 September 2012 (Unaudited) BD '000s

	Attributable to the shareholders of the Bank						
	Share capital	Other reserves	Retained earnings	Proposed appropriations	Total	Non controlling interest	Total equity
Balance at 1 January 2012	85,135	97,289	29,306	25,938	237,668	351	238,019
General reserve transfer - 2011	-	3,500	-	(3,500)	-	-	-
Dividend - 2011	-	-	-	(20,938)	(20,938)	-	(20,935)
Donations - 2011	-	-	-	(1,500)	(1,500)	-	(1,500)
Profit for the period	-	-	32,066	-	32,066	118	32,184
Other comprehensive income for the period	-	19,991	-	-	19,991	-	19,991
Total comprehensive income	-	19,991	32,066	-	52,057	118	52,175
Purchase of treasury stock	-	1,184	-	-	1,184	-	1,184
Share - based payments	-	-	362	-	362	-	362
<b>Balance at 30 September 2012</b>	<b>85,135</b>	<b>121,964</b>	<b>61,734</b>	<b>-</b>	<b>268,833</b>	<b>469</b>	<b>269,302</b>
Balance at 1 January 2011	85,135	100,197	23,249	31,680	240,261	281	240,542
General reserve transfer - 2010	-	9,000	-	(9,000)	-	-	-
Dividend - 2010	-	-	-	(20,980)	(20,980)	-	(20,980)
Donations - 2010	-	-	-	(1,700)	(1,700)	-	(1,700)
Profit for the period	-	-	27,119	-	27,119	33	27,152
Other comprehensive income for the period	-	(16,061)	-	-	(16,061)	-	(16,061)
Total comprehensive income	-	(16,061)	27,119	-	11,058	33	11,091
Purchase of treasury stock	-	(491)	-	-	(491)	-	(491)
Share - based payments	-	-	110	-	110	-	110
<b>Balance at 30 September 2011</b>	<b>85,135</b>	<b>92,645</b>	<b>50,478</b>	<b>-</b>	<b>228,258</b>	<b>314</b>	<b>228,572</b>

## SEGMENTAL INFORMATION BD '000s

	Retail banking	Corporate banking	International banking	Investment, treasury and other activities	Total
<b>Nine months ended 30 September 2012</b>					
Operating income before share of profit of associated companies and joint venture	26,364	22,340	19,958	6,660	75,322
Segment result	10,834	10,811	7,887	(1,567)	27,965
Share of profit of associated companies and joint venture	-	-	-	-	4,219
Profit for the period	-	-	-	-	32,184
Profit attributable to non-controlling interest	-	-	-	-	(118)
Profit attributable to the shareholders of the Bank	-	-	-	-	32,066

	Retail banking	Corporate banking	International banking	Investment, treasury and other activities	Total
<b>Nine months ended 30 September 2011</b>					
Operating income before share of profit of associated companies and joint venture	23,225	18,857	17,168	10,955	70,205
Segment result	6,161	8,674	7,807	2,096	24,738
Share of profit of associated companies and joint venture	-	-	-	-	2,414
Profit for the period	-	-	-	-	27,152
Profit attributable to non-controlling interest	-	-	-	-	(33)
Profit attributable to the shareholders of the Bank	-	-	-	-	27,119

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 nine months period ended 30 September 2012 which was reviewed by Ernst & Young.

Murad Ali Murad  
Chairman

Aref Saleh Khamis  
Deputy Chairman

Abdulkarim Ahmed Bucheery  
Chief Executive