

# BBK B.S.C- Interim Condensed Consolidated Financial Statements 31 March 2011 (Unaudited)

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 March 2011 (Unaudited)  
BD '000s

	Unaudited 31 March 2011	Audited 31 December 2010	Unaudited 31 March 2010
<b>ASSETS</b>			
Cash and balances with central banks	222,968	358,926	213,251
Treasury bills	211,963	130,172	90,234
Financial assets at fair value through statement of income	-	-	1,670
Deposits and amounts due from banks and other financial institutions	188,576	171,037	224,487
Loans and advances to customers	1,293,389	1,276,316	1,283,428
Non-trading investment securities	411,374	425,428	363,601
Investment in associated companies and joint venture	34,571	35,120	34,469
Interest receivable and other assets	23,016	21,096	16,009
Premises and equipment	29,326	29,082	28,081
<b>TOTAL ASSETS</b>	<b>2,415,183</b>	<b>2,447,177</b>	<b>2,255,230</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
Deposits and amounts due to banks and other financial institutions	175,184	195,501	202,637
Borrowings under repurchase agreement	-	1,678	-
Term borrowings	246,618	370,279	247,995
Customers' current, savings and other deposits	1,721,252	1,593,576	1,547,846
Interest payable and other liabilities	44,819	45,601	34,750
<b>TOTAL LIABILITIES</b>	<b>2,187,873</b>	<b>2,206,635</b>	<b>2,033,228</b>
<b>EQUITY</b>			
Share capital	85,135	85,135	85,135
Treasury stock	(3,755)	(3,742)	(2,845)
Share premium	39,919	39,919	39,919
Statutory reserve	42,568	42,568	39,001
General reserve	36,000	27,000	27,000
Cumulative changes in fair values	(9,604)	(6,465)	2,648
Foreign exchange translation adjustments	1,777	917	(496)
Retained earnings	34,981	23,249	31,525
Proposed appropriations	-	31,680	-
<b>ATTRIBUTABLE TO THE SHAREHOLDERS OF THE BANK</b>	<b>227,021</b>	<b>240,261</b>	<b>221,887</b>
Non-controlling interest	289	281	115
<b>TOTAL EQUITY</b>	<b>227,310</b>	<b>240,542</b>	<b>222,002</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>2,415,183</b>	<b>2,447,177</b>	<b>2,255,230</b>

## CONSOLIDATED STATEMENT OF INCOME

Three months ended 31 March 2011 (Unaudited)  
BD '000s

	Three months ended	
	31-Mar-11	31-Mar-10
Interest and similar income	21,726	20,072
Interest and similar expense	(7,922)	(4,689)
<b>Net interest income</b>	<b>13,804</b>	<b>15,383</b>
Share of profit of associated companies and joint venture	830	758
Other income	9,695	13,581
<b>TOTAL OPERATING INCOME</b>	<b>24,329</b>	<b>29,722</b>
Staff Costs	7,422	7,085
Other expenses	3,236	2,882
Depreciation	855	728
Net provision for impairment on loans and advances to customers	995	1,517
Net provision for impairment on non-trading investment securities	-	4,972
<b>Total operating expenses</b>	<b>12,508</b>	<b>17,184</b>
<b>PROFIT BEFORE TAXATION</b>	<b>11,821</b>	<b>12,538</b>
Net tax provision	(87)	(30)
<b>PROFIT FOR THE PERIOD</b>	<b>11,734</b>	<b>12,508</b>
<b>Attributable to:</b>		
Shareholders of the Bank	11,726	12,504
Non-controlling interest	8	4
	<b>11,734</b>	<b>12,508</b>
<b>Basic and diluted earnings per share (BD)</b>	<b>0.014</b>	<b>0.015</b>

## Accounting policies and Notes :

- The interim condensed consolidated financial statements of the Group for the three month period ended 31 March 2011 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 2010.
- Other income for the three months ended 31 March 2011 includes BD 1,347 thousand (31 March 2010: BD 1,985 thousand) of dividend income, which is of a seasonal nature.
- Net interest income for the three months ended 31 March 2011 includes a gain on partial redemption of term borrowings of BD 283 thousand (three months ended 31 March 2010: BD 2,223 thousand).
- At the Annual General Meeting held on 6 March 2011, the shareholders approved the following appropriations:

	31 December 2010	31 December 2009
	BD '000s	
Dividend BD 0.025 per share (2009: BD 0.025 per share)	20,980	21,033
Transfer to general reserve	9,000	7,000
Donations	1,700	1,800
Director's remuneration *	-	525
	<b>31,680</b>	<b>30,358</b>

\* For the year ended 31 December 2010, the Bank has charged Director's remuneration of BD 525 thousand to the statement of income which is included in operating expenses

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

ended 31 March 2011 (Unaudited)  
BD '000s

Three months

	Three months ended	
	31-Mar-11	31-Mar-10
Profit for the period	11,734	12,508
Foreign exchange translation adjustments	860	(34)
Net movement in cumulative changes in fair values	(3,139)	1,724
Directors' remuneration and donations	(1,700)	(2,325)
<b>Other comprehensive income for the period</b>	<b>(3,979)</b>	<b>(635)</b>
<b>Total Comprehensive income for the period</b>	<b>7,755</b>	<b>11,873</b>
<b>Attributable to:</b>		
Shareholders of the Bank	7,747	11,869
Non-controlling interest	8	4
	<b>7,755</b>	<b>11,873</b>

## CONSOLIDATED STATEMENT OF CASH FLOWS

Three months ended 31 March 2011 (Unaudited)  
BD '000s

	Three months ended	
	31-Mar-11	31-Mar-10
Net cash from (used in) operating activities	43,097	(42,245)
Net cash from (used in) investing activities	12,929	(11,319)
Net cash used in financing activities	(146,354)	(32,536)
Foreign exchange translation adjustments	860	(34)
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>(89,468)</b>	<b>(86,134)</b>
Cash and cash equivalents at beginning of the period	507,863	475,190
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	<b>418,395</b>	<b>389,056</b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Three months ended 31 March 2011 (Unaudited)  
BD '000s

	Attributable to shareholders of the Bank				Non-controlling interest	Total equity	
	Share capital	Other reserves	Retained earnings	Proposed appropriations			
Balance at 1 January 2011	85,135	100,197	23,249	31,680	240,261	281	240,542
Share - based payments	-	-	6	-	6	-	6
General reserve transfer - 2010	-	9,000	-	(9,000)	-	-	-
Dividend - 2010	-	-	-	(20,980)	(20,980)	-	(20,980)
Profit for the period	-	-	11,726	-	11,726	8	11,734
Other comprehensive income for the period	-	(2,279)	-	(1,700)	(3,979)	-	(3,979)
Total comprehensive income	-	(2,279)	11,726	(1,700)	7,747	8	7,755
Purchase of treasury stock	-	(13)	-	-	(13)	-	(13)
<b>Balance at 31 March 2011</b>	<b>85,135</b>	<b>106,905</b>	<b>34,981</b>	<b>-</b>	<b>227,021</b>	<b>289</b>	<b>227,310</b>
Balance at 1 January 2010	85,135	96,537	18,853	30,358	230,883	111	230,994
Share - based payments	-	-	168	-	168	-	168
General Reserve transfers - 2009	-	7,000	-	(7,000)	-	-	-
Dividend - 2009	-	-	-	(21,033)	(21,033)	-	(21,033)
Profit for the period	-	-	12,504	-	12,504	4	12,508
Other comprehensive income for the period	-	1,690	-	(2,325)	(635)	-	(635)
Total comprehensive income	-	1,690	12,504	(2,325)	11,869	4	11,873
<b>Balance at 31 March 2010</b>	<b>85,135</b>	<b>105,227</b>	<b>31,525</b>	<b>-</b>	<b>221,887</b>	<b>115</b>	<b>222,002</b>

## SEGMENTAL INFORMATION

BD '000s

	Retail banking	Corporate banking	International banking	Investment, treasury and other activities	Total
31 March 2011					
Operating income before share of profit of associated companies and joint venture	7,171	5,688	5,388	5,252	23,499
Segment result	1,775	2,544	3,220	3,365	10,904
Income from associated companies and joint venture					830
Profit for the period					11,734
Profit attributable to non-controlling interest					(8)
<b>Profit attributable to the shareholders of the Bank</b>					<b>11,726</b>
31 March 2010					
Operating income before share of profit of associated companies and joint venture	7,085	4,920	5,477	11,482	28,964
Segment result	2,459	1,269	3,327	4,695	11,750
Income from associated companies and joint venture					758
Profit for the period					12,508
Profit attributable to non-controlling interest					(4)
<b>Profit attributable to the shareholders of the Bank</b>					<b>12,504</b>

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 three months period ended 31 March 2011 which was reviewed by Ernst & Young

Murad Ali Murad  
Chairman

Sh. Mohammed bin Isa Al Khalifa  
Deputy Chairman

Abdulkarim Ahmed Bucheery  
Chief Executive

Reviewed by Ernst & Young

Above information available on www.bbkonline.com