

# BBK B.S.C- Interim Condensed Consolidated Financial Statements 30 September 2011 (Unaudited)

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 September 2011 (Unaudited)  
BD '000s

	Unaudited 30 September 2011	Audited 31 December 2010	Unaudited 30 September 2010
<b>ASSETS</b>			
Cash and balances with central banks	266,058	358,926	344,339
Treasury bills	202,005	130,172	187,460
Financial assets at fair value through statement of income	1,926	-	-
Deposits and amounts due from banks and other financial institutions	268,541	171,037	196,448
Loans and advances to customers	1,389,672	1,276,316	1,239,158
Non-trading investment securities	506,056	425,428	434,370
Investment in associated companies and joint venture	41,549	35,120	35,593
Interest receivable and other assets	27,023	21,096	10,299
Premises and equipment	28,680	29,082	28,533
<b>TOTAL ASSETS</b>	<b>2,731,510</b>	<b>2,447,177</b>	<b>2,476,200</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
Deposits and amounts due to banks and other financial institutions	220,996	195,501	162,891
Borrowings under repurchase agreement	-	1,678	-
Term borrowings	246,155	370,279	247,240
Customers- current, savings and other deposits	1,978,892	1,593,576	1,790,454
Interest payable and other liabilities	56,895	45,601	41,734
<b>TOTAL LIABILITIES</b>	<b>2,502,938</b>	<b>2,206,635</b>	<b>2,242,319</b>
<b>EQUITY</b>			
Share capital	85,135	85,135	85,135
Treasury stock	(4,233)	(3,742)	(3,482)
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	(22,820)	(6,465)	(4,799)
Foreign exchange translation adjustments	1,211	917	313
Retained earnings	50,478	23,249	50,525
Appropriations	-	31,680	-
<b>ATTRIBUTABLE TO THE SHAREHOLDERS OF THE BANK</b>	<b>228,258</b>	<b>240,261</b>	<b>233,612</b>
Non-controlling interest	314	281	269
<b>TOTAL EQUITY</b>	<b>228,572</b>	<b>240,542</b>	<b>233,881</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>2,731,510</b>	<b>2,447,177</b>	<b>2,476,200</b>

## CONSOLIDATED STATEMENT OF INCOME

Nine months ended 30 September 2011 (Unaudited)  
BD '000s

	Three months ended		Nine months ended	
	30-Sep-11	30-Sep-10	30-Sep-11	30-Sep-10
Interest and similar income	23,656	21,479	67,559	62,314
Interest and similar expense	(6,912)	(8,150)	(23,597)	(19,499)
<b>Net interest income</b>	<b>16,744</b>	<b>13,329</b>	<b>43,962</b>	<b>42,815</b>
Share of profit of associated companies and joint venture	956	845	2,414	2,623
Other income	6,465	9,584	26,243	42,900
<b>TOTAL OPERATING INCOME</b>	<b>24,165</b>	<b>23,758</b>	<b>72,619</b>	<b>88,338</b>
Staff Costs	7,695	7,386	22,835	21,784
Other expenses	3,570	3,039	10,338	9,173
Depreciation	868	823	2,602	2,321
Net provision for impairment on loans and advances to customers	7,490	4,418	9,295	17,422
Net provision for impairment on non-trading investment securities	255	122	380	6,001
<b>Total operating expenses</b>	<b>19,878</b>	<b>15,788</b>	<b>45,450</b>	<b>56,701</b>
<b>PROFIT BEFORE TAXATION</b>	<b>4,287</b>	<b>7,970</b>	<b>27,169</b>	<b>31,637</b>
Net tax (provision)	(244)	(115)	(17)	(363)
<b>PROFIT FOR THE PERIOD</b>	<b>4,043</b>	<b>7,855</b>	<b>27,152</b>	<b>31,274</b>
<b>Attributable to:</b>				
Shareholders of the Bank	4,035	7,856	27,119	31,279
Non-controlling interest	8	(1)	33	(5)
<b>Basic and diluted earnings per share (BD)</b>	<b>0.005</b>	<b>0.009</b>	<b>0.032</b>	<b>0.037</b>

## Accounting policies and Notes :

- The interim condensed consolidated financial statements of the Group for the nine month period ended 30 September 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 nine months ended 30 September 2011 includes BD 2,131 thousand (30 September 2010: BD 2,717 thousand) of dividend income, which is of a seasonal nature.
- Net interest income for the nine months ended 30 September 2011 includes a gain on partial redemption of term borrowings of BD 543 thousand (nine months ended 30 September 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 '000	BD '000
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
Directors' remuneration *	-	525
	<b>31,680</b>	<b>30,358</b>

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

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Nine months ended 30 September 2011 (Unaudited)  
BD '000s

	Three months ended		Nine months ended	
	30-Sep-11	30-Sep-10	30-Sep-11	30-Sep-10
Profit for the period	4,043	7,855	27,152	31,274
Foreign exchange translation adjustments	(1,200)	1,427	294	775
Net movement in cumulative changes in fair values	(13,507)	3,420	(16,937)	(5,723)
Share of changes in fair value reserve of associates	582	-	582	-
Directors' remuneration and donations	-	-	(1,700)	(2,325)
Other comprehensive income for the period	(14,125)	4,847	(17,761)	(7,273)
<b>Total Comprehensive income for the period</b>	<b>(10,082)</b>	<b>12,702</b>	<b>9,391</b>	<b>24,001</b>
<b>Attributable to:</b>				
Shareholders of the Bank	(10,090)	12,703	9,358	24,006
Non-controlling interest	8	(1)	33	(5)
	<b>(10,082)</b>	<b>12,702</b>	<b>9,391</b>	<b>24,001</b>

## CONSOLIDATED STATEMENT OF CASH FLOWS

Nine months ended 30 September 2011 (Unaudited)  
BD '000s

	Nine months ended	
	30-Sep-11	30-Sep-10
Net cash from operating activities	241,177	182,271
Net cash used in investing activities	(101,248)	(71,759)
Net cash used in financing activities	(147,295)	(33,928)
Foreign exchange translation adjustments	294	775
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>(7,072)</b>	<b>77,359</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>500,791</b>	<b>552,549</b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Nine months ended 30 September 2011 (Unaudited)  
BD '000s

	Attributable to the shareholders of the Bank					
	Share capital	Other reserves	Retained earnings	Proposed appropriations	Total	Non controlling interest
Balance at 1 January 2011	85,135	100,197	23,249	31,680	240,261	281
Share - based payments	-	-	110	-	110	-
General reserve transfer - 2010	-	9,000	-	(9,000)	-	-
Dividend - 2010	-	-	-	(20,980)	(20,980)	-
Profit for the period	-	-	27,119	-	27,119	33
Other comprehensive income for the period	-	(16,061)	-	(1,700)	(17,761)	-
Total comprehensive income	-	(16,061)	27,119	(1,700)	9,358	33
Purchase of treasury stock	-	(491)	-	-	(491)	-
Balance at 30 September 2011	85,135	92,645	50,478	-	228,258	314
Balance at 1 January 2010	85,135	96,537	18,853	30,358	230,883	111
Share - based payments	-	-	393	-	393	-
General reserve transfer - 2009	-	7,000	-	(7,000)	-	-
Dividend - 2009	-	-	-	(21,033)	(21,033)	-
Profit for the period	-	-	31,279	-	31,279	(5)
Other comprehensive income for the period	-	(4,948)	-	(2,325)	(7,273)	-
Total comprehensive income	-	(4,948)	31,279	(2,325)	24,006	(5)
Purchase of treasury stock	-	(637)	-	-	(637)	-
Additional capital in subsidiaries- non-controlling interest	-	-	-	-	-	163
Balance at 30 September 2010	85,135	97,952	50,525	-	233,612	269

## SEGMENTAL INFORMATION

BD '000s

	Retail banking	Corporate banking	International banking	Investment, treasury and other activities	Total
<b>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
Income from associated companies and joint venture	-	-	-	-	2,414
Profit for the period	-	-	-	-	27,152
Profit attributable to non-controlling interest	-	-	-	-	(33)
<b>Profit attributable to the shareholders of the Bank</b>					<b>27,119</b>

	Retail banking	Corporate banking	International banking	Investment, treasury and other activities	Total
<b>30 September 2010</b>					
Operating income before share of profit of associated companies and joint venture	22,680	14,241	28,162	20,632	85,715
Segment result	8,302	3,338	5,021	11,990	28,651
Income from associated companies and joint venture	-	-	-	-	2,623
Profit for the period	-	-	-	-	31,274
Loss attributable to non-controlling interest	-	-	-	-	5
<b>Profit attributable to the shareholders of the Bank</b>					<b>31,279</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 nine month period ended 30 September 2011 which was reviewed by Ernst & Young

Murad Ali Murad  
Chairman

Sh Mohammed bin Isa AL Khalifa  
Deputy Chairman

Abdulkarim Ahmed Bucheery  
Chief Executive

Above information available on www.bbkonline.com