

# BBK B.S.C- Interim Condensed Consolidated Financial Statements

## 31 March 2010 (Unaudited)

### CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 March 2010 (Unaudited)  
BD '000s

	Unaudited 31 March 2010	Audited 31 December 2009	Unaudited 31 March 2009
<b>ASSETS</b>			
Cash and balances with central banks	213,251	162,408	166,966
Treasury bills	90,234	61,655	8,703
Financial assets at fair value through statement of income	1,670	-	-
Deposits and amounts due from banks and other financial institutions	224,487	362,407	156,795
Loans and advances to customers	1,283,428	1,268,561	1,338,649
Non-trading investment securities	363,601	357,151	273,052
Investment in associated company and joint venture	34,469	27,472	26,302
Interest receivable and other assets	16,009	11,235	16,521
Premises and equipment	28,081	28,003	20,282
<b>TOTAL ASSETS</b>	<b>2,255,230</b>	<b>2,278,892</b>	<b>2,007,270</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
Deposits and amounts due to banks and other financial institutions	202,637	239,579	199,436
Term borrowings	247,995	257,173	327,964
Customers' current, savings and other deposits	1,547,846	1,516,909	1,242,769
Interest payable and other liabilities	34,750	34,237	43,424
<b>TOTAL LIABILITIES</b>	<b>2,033,228</b>	<b>2,047,898</b>	<b>1,813,593</b>
<b>EQUITY</b>			
Share capital	85,135	85,135	85,135
Treasury stock	(2,845)	(2,845)	(1,357)
Share premium	39,919	39,919	39,919
Statutory reserve	39,001	39,001	35,500
General reserve	27,000	20,000	20,000
Cumulative changes in fair values	2,648	924	(13,321)
Foreign currency translation adjustments	(496)	(462)	(1,849)
Retained earnings	31,525	18,853	29,538
Proposed appropriations	-	30,358	-
<b>ATTRIBUTABLE TO THE SHAREHOLDERS OF THE BANK</b>	<b>221,887</b>	<b>230,883</b>	<b>193,565</b>
Non-controlling interest	115	111	112
<b>TOTAL EQUITY</b>	<b>222,002</b>	<b>230,994</b>	<b>193,677</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>2,255,230</b>	<b>2,278,892</b>	<b>2,007,270</b>

### CONSOLIDATED STATEMENT OF INCOME

Three months ended 31 March 2010 (Unaudited)  
BD '000s

	Three months ended	
	31-Mar-10	31-Mar-09
Interest and similar income	20,072	21,715
Interest and similar expense	(4,689)	(8,414)
<b>Net interest income</b>	<b>15,383</b>	<b>13,301</b>
Share of profit of associated companies and joint venture	758	608
Other income	13,581	8,946
<b>Total operating income</b>	<b>29,722</b>	<b>22,855</b>
Staff Costs	7,085	6,698
Other expenses	2,882	2,539
Depreciation	728	620
Net provision for impairment on loans and advances to customers	1,517	194
Net provision for impairment on non-trading investment securities	4,972	570
<b>Total operating expenses</b>	<b>17,184</b>	<b>10,621</b>
<b>PROFIT BEFORE TAXATION</b>	<b>12,538</b>	<b>12,234</b>
Kuwait National Labour support tax	-	(66)
Net tax provision relating to Indian branches	(30)	(262)
<b>PROFIT FOR THE PERIOD</b>	<b>12,508</b>	<b>11,906</b>
<b>Attributable to:</b>		
Shareholders of the Bank	12,504	11,901
Non-controlling interest	4	5
<b>Basic and diluted earnings per share (BD)</b>	<b>0.015</b>	<b>0.014</b>

#### Accounting policies and Notes :

- The interim condensed consolidated financial statements of the Group 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 2009.
- For the three months ended 31 March 2010, other income includes BD 1,985 thousand (31 March 2009: BD 2,556 thousand) of dividend income, which is of a seasonal nature.
- Net interest income for the three months ended 31 March 2010 includes a gain on partial redemption of term borrowings of BD 2,223 thousand (31 March 2009: BD 240 thousand).
- At the Annual General Assembly of Shareholders Meeting held on 7 March 2010, the shareholders approved the following:

	BD '000
Dividend	21033
Transfer to general reserve	7000
Donations	1800
Director's remuneration	525
	30,358

### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Three months ended 31 March 2010 (Unaudited)  
BD '000s

	Three months ended	
	31-Mar-10	31-Mar-09
Profit for the period	12,508	11,906
Foreign exchange translation adjustments	(34)	(5,541)
Net movement in cumulative changes in fair values	1,977	(4,620)
Cash flow hedges	(253)	201
Directors' remuneration and donations	(2,325)	(1,455)
<b>Other comprehensive loss for the period</b>	<b>(635)</b>	<b>(11,415)</b>
<b>Total Comprehensive income for the period</b>	<b>11,873</b>	<b>491</b>
<b>Attributable to:</b>		
Shareholders of the Bank	11,869	486
Non-controlling interest	4	5
	11,873	491

### CONSOLIDATED STATEMENT OF CASH FLOWS

Three months ended 31 March 2010 (Unaudited)  
BD '000s

	Three months ended	
	31-Mar-10	31-Mar-09
Net cash used in operating activities	(42,245)	(130,754)
Net cash (used in) from investing activities	(11,319)	9,303
Net cash used in financing activities	(32,536)	(19,090)
Foreign currency translation adjustment	(34)	(5,541)
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>(86,134)</b>	<b>(146,082)</b>
Cash and cash equivalents at beginning of the period	475,190	399,828
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	<b>389,056</b>	<b>253,746</b>

### CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Three months ended 31 March 2010 (Unaudited)  
BD '000s

	Attributable to shareholders of the Bank				Total	Non controlling interest	Total equity
	Share capital	Other reserves	Retained earnings	Proposed appropriations			
Balance at 31 December 2009	85,135	96,537	18,853	30,358	230,883	111	230,994
Share - based payments	-	-	168	-	168	-	168
Approval of general reserve - 2009	-	7,000	-	(7,000)	-	-	-
Approval of dividend - 2009	-	-	-	(21,033)	(21,033)	-	(21,033)
Profit for the period	-	-	12,504	-	12,504	4	12,508
Other comprehensive loss for the period	-	(1,690)	-	(2,325)	(635)	-	(635)
<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>
Balance at 31 December 2008	81,081	88,852	17,626	21,605	209,164	107	209,271
Share - based payments	-	-	11	-	11	-	11
Approval of dividend - 2008	-	-	-	(16,096)	(16,096)	-	(16,096)
Issue of bonus shares	4,054	-	-	(4,054)	-	-	-
Profit for the period	-	-	11,901	-	11,901	5	11,906
Other comprehensive loss for the period	-	(9,960)	-	(1,455)	(11,415)	-	(11,415)
<b>Balance at 31 March 2009</b>	<b>85,135</b>	<b>78,892</b>	<b>29,538</b>	<b>-</b>	<b>193,565</b>	<b>112</b>	<b>193,677</b>

### SEGMENTAL INFORMATION

BD '000s

	Retail banking	Corporate banking	International banking	Investment, treasury and other activities	Total
<b>31 March 2010</b>					
Operating income before share of profit of associated company 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 company and joint venture					758
Profit for the period					12,508
Loss attributable to non controlling interest					(4)
<b>Profit attributable to the shareholders of the Bank</b>					<b>12,504</b>
<b>31 March 2009</b>					
Operating income before share of profit of associated company and joint venture	7,381	5,652	6,302	2,912	22,247
Segment result	3,800	2,751	4,108	639	11,298
Income from associated company and joint venture					608
Profit for the period					11,906
Loss attributable to non controlling interest					(5)
<b>Profit attributable to the shareholders of the Bank</b>					<b>11,901</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 2010 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

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