

BBK's Interim Condensed Consolidated Financial Statements 31 March 2008 (Unaudited)

CONSOLIDATED BALANCE SHEET

31 March 2008 (Unaudited)
BD '000s

	Unaudited 31 March 2008	Audited 31 December 2007	Unaudited 31 March 2007
ASSETS			
Cash and balances with central banks	274,805	256,922	133,932
Treasury bills	53,296	25,248	25,703
Financial assets at fair value through income statement	732	4,497	-
Deposits and due from banks and other financial institutions	361,110	169,221	184,191
Loans and advances to customers	1,196,644	1,127,639	956,107
Non-trading investment securities	472,302	455,233	508,528
Investment in associated company and joint venture	13,142	13,633	8,833
Interest receivable and other assets	19,909	20,262	23,104
Premises and equipment	19,553	19,855	18,747
TOTAL ASSETS	2,411,493	2,092,510	1,859,145
LIABILITIES AND EQUITY			
LIABILITIES			
Deposits and due to banks and other financial institutions	653,771	354,246	404,656
Borrowings under repurchase agreements	26,676	12,567	16,000
Term borrowings	339,300	339,300	235,625
Customers' current, savings and other deposits	1,134,855	1,117,595	1,004,036
Interest payable and other liabilities	40,972	31,493	31,545
TOTAL LIABILITY	2,195,574	1,855,201	1,691,862
EQUITY			
Share capital	81,081	77,220	67,220
Treasury stock	(1,357)	(1,357)	(1,357)
Share premium	39,919	39,919	-
Statutory reserve	32,792	32,792	29,788
General reserve	20,000	20,000	20,000
Cumulative changes in fair values	13,469	24,235	27,806
Foreign currency translation adjustments	3,926	3,490	255
Retained earnings	25,915	14,822	23,330
Proposed appropriations	-	26,010	-
EQUITY ATTRIBUTABLE TO THE SHAREHOLDERS OF THE PARENT	215,745	237,131	167,042
Minority Interest	174	178	241
TOTAL EQUITY	215,919	237,309	167,283
TOTAL LIABILITIES AND EQUITY	2,411,493	2,092,510	1,859,145

CONSOLIDATED STATEMENT OF INCOME

Three months ended 31 March 2008 (Unaudited)
BD '000s

	3 months ended 31 March 2008	3 months ended 31 March 2007
Interest income	31,224	27,974
Interest expense	16,769	16,433
Net interest income	14,455	11,541
Share of profit in associated company and joint venture	736	202
Other operating income	18,264	5,669
	33,455	17,412
OPERATING EXPENSES		
Staff Costs	5,082	4,301
Other operating expenses	2,610	2,124
Depreciation	525	493
Net provision for impairment on loans & advances to customers	432	765
Net provision for impairment of non-trading investment securities	13,620	168
	22,269	7,851
PROFIT BEFORE TAXATION	11,186	9,561
Kuwait National Labour Support Tax	(73)	(35)
Net provision of taxation - Indian Branches	(29)	(14)
NET PROFIT FOR THE PERIOD	11,084	9,512
Attributable to:		
SHAREHOLDERS OF THE PARENT	11,088	9,547
Loss attributable to minority interests	(4)	(35)
	11,084	9,512
Basic and diluted earnings per share (BD)	0.014	0.013

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Three months ended 31 March 2008 (Unaudited)
BD '000s

	2008	2007
Balance at 31 December	237,309	187,958
Foreign exchange translation adjustments	436	109
Approval of directors remuneration and donations	(1,455)	(1,055)
Share - based payments	5	-
Net movement in cumulative changes in fair values	(10,766)	(3,852)
Total income and expenses for the period recognised directly in equity	(11,780)	(4,798)
Net profit for the period	11,084	9,512
Total income and expenses for the period	(696)	4,714
Approval of dividend	(20,694)	(25,389)
Balance at 31 March	215,919	167,283

CONSOLIDATED STATEMENT OF CASH FLOWS

Three months ended 31 March 2008 (Unaudited)
BD '000s

	3 months ended 31 March 2008	3 months ended 31 March 2007
Net cash from operating activities	220,661	114,007
Net cash used in investing activities	(28,469)	(66,083)
Net cash used in financing activities	(22,145)	(26,409)
Foreign currency translation adjustment	(436)	109
INCREASE IN CASH AND CASH EQUIVALENTS	169,611	21,624
Cash and cash equivalents at beginning of the period	405,254	235,419
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	574,865	257,043

SEGMENTAL INFORMATION

BD '000s

31 March 2008	Retail banking	Corporate banking	International banking	Investment, treasury and other activities	Total
Operating income before provisions	8,314	5,753	6,275	12,377	32,719
Segment result	4,747	2,935	4,101	(1,431)	10,352
Income from associated company and joint venture					736
Net profit for the period attributable to the shareholders of the Parent					11,088

31 March 2007	Retail banking	Corporate banking	International banking	Investment, treasury and other activities	Total
Operating income before provisions	6,680	3,379	4,006	3,145	17,210
Segment result	2,379	1,791	1,815	3,360	9,345
Income from associated company and joint venture					202
Net profit for the period attributable to the shareholders of the Parent					9,547

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 2007.
- For the three months ended 31 March 2008, other operating income includes BD 1.6 million (31 March 2007: BD 1.0 million) of dividend income, which is of a seasonal nature.
- Other operating income for the three months ended 31 March 2008, includes one off exceptional income of BD 2.8 million (31 March 2007:nil) relating to the partial, mandatory redemption of the Group's membership interest in VISA, consequent to VISA's global restructuring and IPO.
- Proposed appropriations for 2007 were approved by shareholders on 2 March 2008 and have been paid during the three month period ended 31 March 2008. The appropriation also resulted in an increase of share capital by BD 3.861 million (31 March 2007: BD 3.201 million) due to the issue of bonus shares.

The consolidated balance sheet, consolidated income statement, consolidated statement of changes in equity, consolidated statement of cash flows, segmental information, accounting policies and notes have been extracted from the interim condensed consolidated financial statements of BBK B.S.C. for the three month period ended 31 March 2008 which was reviewed by Ernst & Young.

Murad Ali Murad
Chairman

Mrs. Maha Khalid Al-Ghunaim
Deputy Chairman

Abdulkarim Ahmed Bucheery
Chief Executive Officer

Above information available on: www.bbkonline.com