

BBK's Interim Condensed Consolidated Financial Statements 30 September 2008 (Unaudited)

CONSOLIDATED BALANCE SHEET

30 September 2008 (Unaudited)
BD '000s

	Unaudited 30 September 2008	Audited 31 December 2007	Unaudited 30 September 2007
ASSETS			
Cash and balances with central banks	88,223	256,922	59,372
Treasury bills	34,671	25,248	31,779
Financial assets at fair value through statement of income	1,759	4,497	2,507
Deposits and due from banks and other financial institutions	320,931	169,221	339,650
Loans and advances to customers	1,349,003	1,127,639	1,134,468
Trading investments	-	-	462
Non-trading investment securities	326,845	455,233	459,492
Investment in associated company and joint venture	18,303	13,633	13,393
Interest receivable and other assets	18,709	20,262	22,082
Premises and equipment	21,016	19,855	19,379
TOTAL ASSETS	2,179,460	2,092,510	2,082,584

LIABILITIES AND EQUITY

LIABILITIES

Deposits and due to banks and other financial institutions	436,673	354,246	368,569
Borrowings under repurchase agreements	25,518	12,567	49,420
Term borrowings	339,300	339,300	339,300
Customers' current, savings and other deposits	1,127,316	1,117,595	1,112,467
Interest payable and other liabilities	34,730	31,493	33,510
TOTAL LIABILITY	1,963,537	1,855,201	1,903,266

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	4,214	24,235	21,812
Foreign currency translation adjustments	4,174	3,490	2,250
Retained earnings	34,946	14,822	39,514
Proposed appropriations	-	26,010	-

EQUITY ATTRIBUTABLE TO THE SHAREHOLDERS OF THE PARENT	215,769	237,131	179,227
Minority Interest	154	178	91
TOTAL EQUITY	215,923	237,309	179,318

TOTAL LIABILITIES AND EQUITY

CONSOLIDATED STATEMENT OF INCOME

Nine months ended 30 September 2008 (Unaudited)
BD '000s

	3 months ended 30 Sep 2008	3 months ended 30 Sep 2007	9 months ended 30 Sep 2008	9 months ended 30 Sep 2007
Interest income	24,964	34,290	82,078	92,899
Interest expense	12,364	21,247	41,988	55,772
Net interest income	12,600	13,043	40,090	37,127
Share of profit in associated company and joint venture	977	707	2,472	1,106
Other operating income	7,533	6,951	33,509	18,984
	21,110	20,701	76,071	57,217

OPERATING EXPENSES

Staff Costs	5,261	4,528	15,402	13,261
Other operating expenses	2,459	2,797	7,818	7,846
Depreciation	553	506	1,614	1,478
Net provision for impairment on loans & advances to customers	168	948	564	2,760
Net provision for impairment on non-trading investment securities	16,637	6,400	30,346	6,832

	25,078	15,179	55,744	32,177
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PROFIT BEFORE TAXATION	(3,968)	5,522	20,327	25,040
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Kuwait National Labour support tax	(33)	(39)	(154)	(124)
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Net provision of taxation - Indian branches	(47)	673	(97)	630
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PROFIT FOR THE PERIOD	(4,048)	6,156	20,076	25,546
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Attributable to:

SHAREHOLDERS OF THE PARENT	(4,074)	6,250	20,100	25,731
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Loss attributable to minority interests	26	(94)	(24)	(185)
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	(4,048)	6,156	20,076	25,546
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Basic and diluted earnings per share (BD)	(0,005)	0.009	0.025	0.039
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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Nine months ended 30 September 2008 (Unaudited)
BD '000s

	2008	2007
Balance at 31 December	237,309	187,958
Foreign exchange translation adjustments	684	2,104
Approval of directors' remuneration and donations	(1,455)	(1,055)
Share - based payments	24	16
Net movement in cumulative changes in fair values	(20,021)	(9,862)
Total income and expenses for the period recognised directly in equity	(20,768)	(8,797)
Net profit for the period	20,076	25,546
Total income and expenses for the period	(692)	16,749
Approval of dividend	(20,694)	(25,389)
Balance at 30 September	215,923	179,318

CONSOLIDATED STATEMENT OF CASH FLOWS

Nine months ended 30 September 2008 (Unaudited)

BD '000s

	9 months ended 30 Sep 2008	9 months ended 30 Sep 2007
Net cash (used in) from operating activities	(136,651)	32,626
Net cash from (used in) investing activities	85,408	(28,464)
Net cash (used in) from financing activities	(22,149)	77,231
Foreign currency translation adjustment	(683)	(2,104)
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(74,075)	79,289
Cash and cash equivalents at beginning of the period	405,254	235,419
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	331,179	314,708

SEGMENTAL INFORMATION

BD '000s

30 September 2008	Retail banking	Corporate banking	International banking	Investment, treasury and other activities	Total
Operating income before share of profit in associated company & joint venture	23,617	15,485	16,453	18,044	73,599
Segment result	13,791	7,849	7,431	(11,443)	17,628
Income from associated company & joint venture					2,472
Net profit for the period attributable to the shareholders of the Parent					20,100

30 September 2007	Retail banking	Corporate banking	International banking	Investment, treasury and other activities	Total
Operating income before share of profit in associated company & joint venture	20,579	12,352	14,175	9,005	56,111
Segment result	7,883	6,721	7,726	2,295	24,625
Income from associated company & joint venture					1,106
Net profit for the period attributable to the shareholders of the Parent					25,731

Accounting policies and Notes:

1- 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.

2- For the three and nine-month ended 30 September 2008, other operating income includes BD 0.7 million (30 September 2007: BD 0.5 million) and BD 2.6 million (30 September 2007: BD 2.2 million) respectively of dividend income, which is of a seasonal nature.

3- Other operating income for the nine-months ended 30 September 2008, includes one off exceptional income of BD 2.8 million (30 September 2007:nil) relating to the partial, mandatory redemption of the Group's membership interest in VISA, consequent to VISA's global restructuring and IPO.

4- Proposed appropriations for 2007 were approved by shareholders on 2 March 2008 and have been paid during the nine-month period ended 30 September 2008. The appropriation also resulted in an increase of share capital by BD 3.861 million (30 September 2007: BD 3.201 million) due to the issue of bonus shares.

The consolidated balance sheet, consolidated statement of income, 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 nine months period ended 30 September 2008 which was reviewed by Ernst & Young

Murad Ali Murad
Chairman

Mrs. Maha Khalid Al-Ghunaim
Deputy Chairman

Abdulkarim Ahmed Bucheery
Chief Executive

Above information available on: www.bbkonline.com