

BBK's Interim Condensed Consolidated Financial Statements

30 September 2007 (Unaudited)

Consolidated Balance Sheet

30 September 2007 (Unaudited)
BD '000s

	Unaudited 30 Sept 2007	Audited 31 December 2006	Unaudited 30 Sept 2006
Assets			
Cash and balances with central banks	59,372	55,455	64,277
Treasury bills	31,779	39,784	43,922
Deposits and due from banks and other financial institutions	339,650	164,117	156,308
Trading investments	462	-	815
Financial assets carried at fair value through income statement	2,507	-	-
Loans and advances to customers	1,134,468	938,042	914,731
Non-trading investment securities	459,492	445,623	453,713
Investment in associated company and joint venture	13,393	9,522	9,470
Interest receivable and other assets	22,082	22,335	21,564
Premises and equipment	19,379	18,888	18,170
Total Assets	2,082,584	1,693,766	1,682,970
Liabilities And Equity			
Liabilities			
Deposits and due to banks and other financial institutions	368,569	263,758	311,100
Borrowings under repurchase agreements	49,420	16,418	28,929
Term borrowings	339,300	235,625	235,625
Customers' current, savings and other deposits	1,112,467	963,884	898,275
Interest payable and other liabilities	33,510	26,123	30,114
Total Liabilities	1,903,266	1,505,808	1,504,043
Equity			
Share capital	67,220	64,019	64,019
Treasury stock	(1,357)	(1,357)	(1,357)
Statutory reserve	29,788	29,788	26,507
General reserve	20,000	20,000	20,000
Cumulative changes in fair values	21,812	31,658	31,632
Foreign currency translation adjustments	2,250	146	(49)
Retained earnings	39,514	13,783	37,901
Proposed appropriations	-	29,645	-
Equity Attributable To The Shareholders Of The Parent	179,227	187,682	178,653
Minority Interest	91	276	274
Total Equity	179,318	187,958	178,927
Total Liabilities And Equity	2,082,584	1,693,766	1,682,970

Consolidated Statement of changes in equity

Nine month period ended 30 September 2007 (Unaudited)
BD '000s

	2007	2006
Balance at 31 December	187,958	173,393
Foreign exchange translation adjustments	2,104	342
Approval of directors remuneration and donations	(1,055)	(990)
Net movement in cumulative changes in fair values	(9,846)	1,982
Total income and expenses for the period recognised directly in equity	(8,797)	1,334
Net profit for the period	25,546	23,947
Total income and expenses for the period	16,749	25,281
Approval of dividend	(25,389)	(19,747)
Balance at 30 September	179,318	178,927

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 2006, except for the adoption of IFRIC Interpretation 10 as of 1 January 2007, which requires that an entity must not reverse an impairment loss recognised in a previous interim period in respect of an investment in either an equity instrument or a financial asset carried at cost and the new accounting policy for financial assets carried at fair value through income statement. The adoption of IFRIC Interpretation 10 did not have any effect on the financial position or performance of the Bank.

Consolidated Statement of Income

Nine month period ended 30 September 2007 (Unaudited)
BD '000s

	3 months ended 30 Sept 2007	3 months ended 30 Sept 2006	9 months ended 30 Sept 2007	9 months ended 30 Sept 2006
Net interest income	13,043	10,161	37,127	30,119
Other income	7,658	5,559	20,090	16,649
Net interest and other income	20,701	15,720	57,217	46,768
Net provisions	(7,348)	(995)	(9,592)	(3,556)
Net operating income after provisions	13,353	14,725	47,625	43,212
Total operating expenses	7,870	7,047	22,709	19,044
Profit before taxation	5,483	7,678	24,916	24,168
Taxation - Indian Branches	673	(13)	630	(221)
Net profit for the period	6,156	7,665	25,546	23,947
Attributable to:				
Shareholders of the parent	6,250	7,686	25,731	24,002
Loss attributable to minority interests	(94)	(21)	(185)	(55)
Net profit for the period	6,156	7,665	25,546	23,947
Basic and diluted earnings per share (BD)	0.009	0.012	0.039	0.037

Segmental information

BD '000s

For management purposes, the Group is organized into four major business segments: retail banking, corporate banking, international banking and investment, treasury and other activities. These segments are the basis on which the Group reports its primary segment information. Transactions between segments are generally recorded at estimated market rates on an arm's length basis. Interest is charged/credited to business segments based on a transfer pricing rate which approximates the marginal cost of funds on a matched funded basis.

30 Sept 2007	Retail banking	Corporate banking	International banking	Investment, treasury and other activities	Elimination	Total
External revenue	19,214	23,146	39,711	29,812	-	111,883
Inter-segmental revenue	14,574	21,131	5,005	64,435	(105,145)	-
Total revenue	33,788	44,277	44,716	94,247	(105,145)	111,883
Segment result	7,883	6,721	7,726	2,295	-	24,625
Share of profit in associated company and joint venture	-	-	-	-	-	1,106
Net profit for the period attributable to the shareholders of the parent						25,731

30 Sept 2006	Retail banking	Corporate banking	International banking	Investment, treasury and other activities	Elimination	Total
External revenue	16,880	18,439	32,669	24,843	-	92,831
Inter-segmental revenue	12,452	15,841	2,963	48,428	(79,684)	-
Total revenue	29,332	34,280	35,632	73,271	(79,684)	92,831
Segment result	7,769	4,016	4,128	7,081	-	22,994
Share of profit in associated company and joint venture	-	-	-	-	-	1,008
Net profit for the period attributable to the shareholders of the parent						24,002

The consolidated balance sheet, consolidated statement of income, 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 2007 which was reviewed by Ernst & Young.

Murad Ali Murad
Chairman

Jassem Hassan Ali Zainal
Deputy Chairman

Dr. Farid Ahmed Al Mulla
General Manager Chief Executive Officer

Reviewed by Ernst & Young
Above information available on www.bbkonline.com