

BBK B.S.C - Interim Condensed Consolidated Financial Statements 30 June 2009 (Unaudited)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2009 (Unaudited)
BD '000s

	Unaudited 30 June 2009	Audited 31 December 2008	Unaudited 30 June 2008
ASSETS			
Cash and balances with central banks	165,439	201,493	207,388
Treasury bills	9,978	4,050	47,217
Financial assets at fair value through statement of income	-	861	-
Deposits and amounts due from banks and other financial institutions	172,161	257,099	196,156
Loans and advances to customers	1,349,427	1,352,275	1,294,276
Non-trading investment securities	294,292	286,349	440,177
Investment in associated company and joint venture	27,677	27,007	17,326
Interest receivable and other assets	13,843	15,554	18,517
Premises and equipment	21,896	21,097	20,336
TOTAL ASSETS	2,054,713	2,165,785	2,241,393
LIABILITIES AND EQUITY			
LIABILITIES			
Deposits and amounts due to banks and other financial institutions	206,453	250,584	515,570
Borrowings under repurchase agreements	-	-	27,577
Term borrowings	321,453	329,498	339,300
Customers' current, savings and other deposits	1,277,613	1,336,561	1,096,823
Interest payable and other liabilities	39,409	39,871	31,969
TOTAL LIABILITIES	1,844,928	1,956,514	2,011,239
EQUITY			
Share capital	85,135	81,081	81,081
Treasury stock	(1,357)	(1,357)	(1,357)
Share premium	39,919	39,919	39,919
Statutory reserve	35,500	35,500	32,792
General reserve	20,000	20,000	20,000
Cumulative changes in fair values	(8,775)	(8,902)	14,330
Foreign currency translation adjustments	(681)	3,692	4,248
Retained earnings	39,951	17,626	39,013
Proposed appropriations	-	21,605	-
ATTRIBUTABLE TO THE SHAREHOLDERS OF THE PARENT	209,692	209,164	230,026
Non controlling interest	93	107	128
TOTAL EQUITY	209,785	209,271	230,154
TOTAL LIABILITIES AND EQUITY	2,054,713	2,165,785	2,241,393

CONSOLIDATED STATEMENT OF INCOME

Six months ended 30 June 2009 (Unaudited)
BD '000s

	Unaudited 3 months ended 30 June 2009	Unaudited 3 months ended 30 June 2008	Unaudited 6 months ended 30 June 2009	Unaudited 6 months ended 30 June 2008
Interest income	20,386	25,890	42,101	57,114
Interest expense	(4,832)	(12,855)	(13,246)	(29,624)
Net interest income	15,554	13,035	28,855	27,490
Share of profit in associated company and joint venture	1,243	759	1,851	1,495
Other income	6,947	7,712	15,893	25,976
	23,744	21,506	46,599	54,961
OPERATING EXPENSES				
Staff Costs	6,728	5,059	13,426	10,141
Other operating expenses	3,190	2,749	5,729	5,359
Depreciation	642	536	1,262	1,061
Net provision for (write-back of) impairment on loans & advances to customers	2,552	(36)	3,018	396
Net provision for impairment of non-trading investment securities	250	89	548	13,709
	13,362	8,397	23,983	30,666
PROFIT BEFORE TAXATION	10,382	13,109	22,616	24,295
Kuwait National Labour Support Tax	66	(48)	-	(121)
Net provision of taxation - Indian Branches	(64)	(21)	(326)	(50)
PROFIT FOR THE PERIOD	10,384	13,040	22,290	24,124
Attributable to:				
SHAREHOLDERS OF THE PARENT	10,403	13,086	22,304	24,174
Non controlling interest	(19)	(46)	(14)	(50)
	10,384	13,040	22,290	24,124
Basic and diluted earnings per share (BD)	0.012	0.015	0.026	0.029

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 2008.
- For the six months ended 30 June 2009, other income includes BD 2,587 thousand (30 June 2008: BD 1,978 thousand) of dividend income, which is of a seasonal nature.
- Interest income for the six months ended 30 June 2009 includes a gain on partial redemption of term borrowings of BD 2,899 thousand (30 June 2008: nil).
'Other income for the six months ended 30 June 2009, includes one off exceptional income of BD nil (30 June 2008: BD 2,780 thousand) relating to the partial, mandatory redemption of the Group's membership interest in VISA, consequent to VISA's global restructuring and IPO.
- 'At the annual general meeting of the shareholders held on 2 March 2009, a cash dividend of BD 0.020 per share (2008: BD 0.27 per share) amounting to BD 16,096 thousand was approved and paid (2008: BD 20,694 thousand). Director's remuneration BD 1,455 thousand (2008: BD 1,455 thousand) was approved and paid. A bonus issue of one share for every twenty shares was also approved relating to 2008 (approved in 2008 relating to 2007: one share for every twenty shares) and resulted in an increase of share capital relating to 2008 by BD 4,054 thousand (relating to 2007: BD 3,861 thousand) due to the issue of bonus shares.

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 six months period ended 30 June 2009 which was reviewed by Ernst & Young

Murad Ali Murad
Chairman

Abdulkarim Ahmed Bucheery
Chief Executive

Reviewed by Ernst & Young

Above information available on www.bbkonline.com

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Six months ended 30 June 2009 (Unaudited)
BD '000s

	3 months ended		6 months ended	
	Unaudited 30 June 2009	Unaudited 30 June 2008	Unaudited 30 June 2009	Unaudited 30 June 2008
Net profit for the period	10,384	13,040	22,290	24,124
Foreign Exchange translation adjustments	1,168	322	(4,373)	758
Net movement in cumulative changes in fair values	4,968	482	348	(8,796)
Cash flow hedges	(422)	379	(221)	(1,109)
Directors' remuneration and donations	-	-	(1,455)	(1,455)
Other Comprehensive income for the period	5,714	1,183	(5,701)	(10,602)
Total Comprehensive income for the period	16,098	14,223	16,589	13,522
Attributable to:				
Shareholders of the parent	16,117	14,269	16,603	13,572
Non controlling interests	(19)	(46)	(14)	(50)
	16,098	14,223	16,589	13,522

CONSOLIDATED STATEMENT OF CASH FLOWS

Six months ended 30 June 2009 (Unaudited)
BD '000s

	Unaudited 30 June 2009	Unaudited 30 June 2008
Net cash used in operating activities	(114,068)	(38,811)
Net cash (used in)/from investing activities	(8,878)	105
Net cash used in financing activities	(25,596)	(22,149)
Foreign currency translation adjustment	(4,373)	(758)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(152,915)	(61,613)
Cash and cash equivalents at beginning of the period	399,828	405,254
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	246,913	343,641

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Six months ended 30 June 2009 (Unaudited)
BD '000s

	Attributable to shareholders of the parent				Non controlling interest	Total equity
	Share capital	Other reserves	Retained earnings	Proposed appropriations	Total	
Balance at 31 December 2008	81,081	88,852	17,626	21,605	209,164	107
Share - based payments	-	-	21	-	21	-
Approval of dividend for 2008	-	-	(16,096)	(16,096)	(16,096)	-
Issue of bonus shares	4,054	-	(4,054)	-	-	-
Total comprehensive income for the period	-	(4,246)	22,304	(1,455)	16,603	(14)
Balance at 30 June 2009	85,135	84,606	39,951	-	209,692	93
Balance at 31 December 2007	77,220	119,079	14,822	26,010	237,131	178
Share - based payments	-	-	17	-	17	-
Approval of dividend for 2007	-	-	(20,694)	(20,694)	(20,694)	-
Issue of bonus shares	3,861	-	(3,861)	-	-	-
Total comprehensive income for the period	-	(9,147)	24,174	(1,455)	13,572	(50)
Balance at 30 June 2008	81,081	109,932	39,013	-	230,026	128

SEGMENTAL INFORMATION

BD '000s
30 June 2009

	Retail banking	Corporate banking	International banking	Investment, treasury and other activities	Total
Operating income before share of profit of associated company and joint venture	14,480	11,416	11,248	7,604	44,748
Segment result	6,617	5,128	4,687	4,007	20,439
Income from associated company and joint venture					1,851
Profit for the period					22,290
Loss attributable to non controlling interests					14
Profit attributable to the shareholders of the parent					22,304
30 June 2008					
Operating income before share of profit of associated company and joint venture	15,279	10,465	11,640	16,082	53,466
Segment result	8,658	4,844	7,319	1,808	22,629
Income from associated company and joint venture					1,495
Profit for the period					24,124
Loss attributable to non controlling interests					50
Profit attributable to the shareholders of the parent					24,174