

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

31 March 2018 (Reviewed)



INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2018 (Reviewed)
BD '000s

	Reviewed 31 March 2018	Audited 31 December 2017
ASSETS		
Cash and balances with central banks	257,143	469,436
Treasury bills	448,157	427,130
Deposits and amounts due from banks and other financial institutions	188,108	223,824
Loans and advances to customers	1,799,085	1,740,651
Investment securities	743,599	748,985
Investments in associated companies and joint ventures	48,720	46,958
Interest receivable and other assets	80,755	79,680
Premises and equipment	26,719	26,436
TOTAL ASSETS	3,592,286	3,763,100
LIABILITIES AND EQUITY		
Liabilities		
Deposits and amounts due to banks and other financial institutions	253,377	193,472
Borrowings under repurchase agreement	161,314	161,314
Term borrowings	199,351	199,012
Customers' current, savings and other deposits	2,393,367	2,623,577
Interest payable and other liabilities	111,981	84,890
Total liabilities	3,119,390	3,262,265
Equity		
Share capital	108,165	108,165
Treasury stock	(1,157)	(998)
Perpetual tier 1 convertible capital securities	86,098	86,098
Share premium	41,016	41,016
Statutory reserve	54,082	54,082
General reserve	54,082	54,082
Cumulative changes in fair values	(12,195)	(8,349)
Foreign currency translation adjustments	(9,245)	(9,271)
Retained earnings	149,563	134,632
Appropriations	-	39,161
EQUITY ATTRIBUTABLE TO THE OWNERS OF THE BANK AND CAPITAL SECURITIES' HOLDERS	470,409	498,618
Non-controlling interest	2,487	2,217
Total equity	472,896	500,835
TOTAL LIABILITIES AND EQUITY	3,592,286	3,763,100

INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Three-month period ended 31 March 2018 (Reviewed)
BD '000s

	Three-month ended	
	31-Mar-18	31-Mar-17
Interest and similar income	37,290	33,143
Interest and similar expense	(12,706)	(10,530)
Net interest income	24,584	22,613
Share of profit of associated companies and joint ventures	1,587	1,236
Other income	13,015	11,733
Total operating income	39,186	35,582
Staff costs	9,093	8,468
Other expenses	4,155	3,851
Depreciation	886	843
Net provision for credit impairment	8,304	6,329
Net write back for impairment on investments	(227)	(74)
Total operating expenses	22,211	19,417
PROFIT BEFORE TAXATION	16,975	16,165
Net tax provision	(159)	(282)
PROFIT FOR THE PERIOD	16,816	15,883
Attributable to:		
Owners of the Bank	16,697	15,762
Non-controlling interest	119	121
	16,816	15,883
Basic earnings per share (BD)	0.015	0.015
Diluted earnings per share (BD)	0.013	0.012

INTERIM CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

Three-month period ended 31 March 2018 (Reviewed)
BD '000s

	Three-month ended	
	31-Mar-18	31-Mar-17
Profit for the period	16,816	15,883
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Fair value through other comprehensive income reserve (equity instruments)	2,488	(1,473)
Items that are or may be reclassified subsequently to profit or loss		
Movement in translation reserve:		
Foreign currency translation adjustments	26	1,227
Movement in hedging reserve:		
Effective portion of changes in fair value	110	541
Movement in fair value reserve (debt instruments - IFRS 9):		
Net change in fair value	(5,074)	14,015
Net amount transferred to profit or loss	(2,697)	(938)
Other comprehensive (loss)/income for the period	(5,147)	13,372
Total comprehensive income for the period	11,669	29,255
Attributable to:		
Owners of the Bank	11,550	29,134
Non-controlling interest	119	121
	11,669	29,255

The consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of other comprehensive 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 three-month period ended 31 March 2018 which were reviewed by Ernst & Young.

Above information available on www.bbkonline.com

Reviewed by Ernst & Young

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Three-month period ended 31 March 2018 (Reviewed)
BD '000s

	Attributable to the owners of the Bank and capital securities' holders					Non-controlling interest	Total equity
	Share capital	Others	Retained earnings	Appropriations	Total		
Balance at 1 January 2018	108,165	216,660	134,632	39,161	498,618	2,217	500,835
Profit for the period	-	-	16,697	-	16,697	119	16,816
Other comprehensive loss for the period	-	(3,820)	(1,327)	-	(5,147)	-	(5,147)
Total comprehensive income	-	(3,820)	15,370	-	11,550	119	11,669
Share - based payments	-	-	(439)	-	(439)	-	(439)
Dividends paid	-	-	-	(37,761)	(37,761)	-	(37,761)
Movement in non-controlling interest	-	-	-	-	-	151	151
Donations	-	-	-	(1,400)	(1,400)	-	(1,400)
Movement in treasury stock	-	(159)	-	-	(159)	-	(159)
Balance at 31 March 2018	108,165	212,681	149,563	-	470,409	2,487	472,896
Balance at 1 January 2017	108,165	207,748	122,830	33,666	472,409	1,806	474,215
Profit for the period	-	-	15,762	-	15,762	121	15,883
Other comprehensive income for the period	-	13,372	-	-	13,372	-	13,372
Total comprehensive income	-	13,372	15,762	-	29,134	121	29,255
Share-based payments	-	-	174	-	174	-	174
Dividends paid	-	-	-	(32,266)	(32,266)	-	(32,266)
Donations	-	-	-	(1,400)	(1,400)	-	(1,400)
Movement in treasury stock	-	(26)	-	-	(26)	-	(26)
Balance at 31 March 2017	108,165	221,094	138,766	-	468,025	1,927	469,952

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

Three-month period ended 31 March 2018 (Reviewed)
BD '000s

	Three-month ended	
	31-Mar-18	31-Mar-17
Net cash used in operating activities	(241,528)	(57,657)
Net cash from/(used in) investing activities	1,292	(11,345)
Net cash used in financing activities	(39,320)	(33,692)
Foreign currency translation adjustments	26	1,227
NET CHANGE IN CASH AND CASH EQUIVALENTS	(279,530)	(101,467)
Cash and cash equivalents at beginning of the year	612,958	537,604
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	333,428	436,137

SEGMENTAL INFORMATION

Three-month period ended 31 March 2018 (Reviewed)
BD '000s

	Retail banking	Corporate banking	International banking	Investment, treasury and other activities	Total
31 March 2018					
Operating income before share of profit of associated companies and joint ventures	12,166	7,527	6,116	11,790	37,599
Segment result	5,167	(3,114)	1,383	11,793	15,229
Share of profit of associated companies and joint ventures	1,687	-	-	(100)	1,587
Profit for the period					16,816
Profit attributable to non-controlling interest					(119)
Profit attributable to the owners of the Bank					16,697

	Retail banking	Corporate banking	International banking	Investment, treasury and other activities	Total
31 March 2017					
Operating income before share of profit of associated companies and joint ventures	11,044	7,204	5,801	10,297	34,346
Segment result	2,545	1,069	681	10,352	14,647
Share of profit of associated companies and joint ventures	1,240	-	-	(4)	1,236
Profit for the period					15,883
Profit attributable to non-controlling interest					(121)
Profit attributable to the owners of the Bank					15,762

Accounting policies and Notes :

- The interim condensed consolidated financial statements of the Group for the three-month period ended 31 March 2018 are prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2017. In addition, results for the three-month period ended 31 March 2018 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2018.
- Other income for the three-month period ended 31 March 2018 includes BD 1,123 thousand (31 March 2017: BD 1,252 thousand) of dividend income, which is of a seasonal nature.
- At the Annual General Meeting held on 20 March 2018, the shareholders approved the proposed appropriations of the year ended 31 December 2017.

Murad Ali Murad
Chairman

Aref Saleh Khamis
Deputy Chairman

Reyadh Yousef Sater
Chief Executive