

BBK B.S.C- Interim Condensed Consolidated Financial Statements 30 June 2016 (Reviewed)



CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2016 (Reviewed)
BD '000s

	Reviewed 30 June 2016	Audited 31 December 2015	Reviewed 30 June 2015
ASSETS			
Cash and balances with central banks	338,935	286,750	360,785
Treasury bills	419,286	394,090	437,703
Deposits and amounts due from banks and other financial institutions	315,687	325,096	295,943
Loans and advances to customers	1,734,516	1,764,799	1,812,103
Non-trading investment securities	799,653	758,107	778,597
Investments in associated companies and joint ventures	45,417	35,823	34,476
Interest receivable and other assets	60,158	56,970	52,304
Premises and equipment	24,050	24,806	24,438
TOTAL ASSETS	3,737,702	3,646,441	3,796,349
LIABILITIES AND EQUITY			
Liabilities			
Deposits and amounts due to banks and other financial institutions	169,066	179,404	241,968
Borrowings under repurchase agreement	174,508	174,508	37,704
Term borrowings	205,391	204,677	392,452
Customers' current, savings and other deposits	2,640,910	2,642,892	2,642,878
Interest payable and other liabilities	111,302	84,226	110,097
Total liabilities	3,301,177	3,285,707	3,425,099
Equity			
Share capital	108,165	108,165	108,165
Treasury stock	(1,009)	(4,728)	(6,698)
Perpetual Tier 1 Convertible Capital Securities	86,098	-	-
Share premium	39,919	39,919	39,919
Statutory reserve	54,082	54,082	51,507
General reserve	54,082	51,507	51,507
Cumulative changes in fair values	(29,146)	(12,304)	23,404
Foreign currency translation adjustments	(10,598)	(10,635)	(9,421)
Retained earnings	133,326	102,580	111,354
Appropriations	-	30,586	-
ATTRIBUTABLE TO THE OWNERS OF THE BANK AND CAPITAL SECURITIES' HOLDERS	434,919	359,172	369,737
Non-controlling interest	1,606	1,562	1,513
Total equity	436,525	360,734	371,250
TOTAL LIABILITIES AND EQUITY	3,737,702	3,646,441	3,796,349

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Six-month period ended 30 June 2016 (Reviewed)
BD '000s

	Three-month ended		Six-month ended	
	30-Jun-16	30-Jun-15	30-Jun-16	30-Jun-15
Interest and similar income	33,276	28,106	64,227	55,641
Interest and similar expense	(10,510)	(11,025)	(21,050)	(20,653)
Net interest income	22,766	17,081	43,177	34,988
Share of profit of associated companies and joint ventures	1,173	1,074	2,369	1,799
Other income	10,594	12,239	21,219	23,067
Total operating income	34,533	30,394	66,765	59,854
Staff costs	7,907	7,838	16,500	15,405
Other expenses	3,798	3,747	7,452	7,034
Depreciation	1,021	800	1,767	1,639
Net provision for impairment on loans and advances to customers	5,555	3,973	9,914	6,908
Net write-back for impairment on investments	(21)	(729)	(704)	(729)
Total operating expenses	18,260	15,629	34,929	30,257
PROFIT BEFORE TAXATION	16,273	14,765	31,836	29,597
Net tax provision	(153)	(185)	(391)	(142)
PROFIT FOR THE PERIOD	16,120	14,580	31,445	29,455
Attributable to:				
Owners of the Bank	16,033	14,550	31,308	29,400
Non-controlling interest	87	30	137	55
Basic earnings per share (BD)	0.015	0.014	0.029	0.028
Diluted earnings per share (BD)	0.012	0.011	0.024	0.023

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

Six-month period ended 30 June 2016 (Reviewed)
BD '000s

	Three-month ended		Six-month ended	
	30-Jun-16	30-Jun-15	30-Jun-16	30-Jun-15
Profit for the period	16,120	14,580	31,445	29,455
Other comprehensive income (loss)				
Other comprehensive income (loss) to be reclassified to profit or loss in subsequent periods:				
Foreign currency translation adjustments	(394)	(812)	37	(2,162)
Net movement in cumulative changes in fair values	(216)	10,091	(16,306)	6,400
Fair value changes in cash flow hedges	(275)	11	(536)	(416)
Other comprehensive (loss) income for the period	(885)	9,290	(16,805)	3,822
Total comprehensive income for the period	15,235	23,870	14,640	33,277
Attributable to:				
Owners of the Bank	15,148	23,840	14,503	33,222
Non-controlling interest	87	30	137	55
Total comprehensive income for the period	15,235	23,870	14,640	33,277

The consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of other 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-month period ended 30 June 2016 which were reviewed by Ernst & Young.

Above information available on www.bbkonline.com

Reviewed by Ernst & Young

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Six-month period ended 30 June 2016 (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 2016	108,165	117,841	102,580	30,586	359,172	1,562	360,734
Profit for the period	-	-	31,308	-	31,308	137	31,445
Other comprehensive loss	-	(16,805)	-	-	(16,805)	-	(16,805)
Total comprehensive income	-	(16,805)	31,308	-	14,503	137	14,640
Share - based payments	-	-	(382)	-	(382)	-	(382)
Perpetual Tier 1 Convertible Capital Securities issued	-	86,098	-	-	86,098	-	86,098
Expenses related to Perpetual Tier 1 Convertible Capital Securities issued	-	-	(180)	-	(180)	-	(180)
Dividends paid	-	-	-	(26,611)	(26,611)	(93)	(26,704)
Donations	-	-	-	(1,400)	(1,400)	-	(1,400)
Movement in treasury stock	-	3,719	-	-	3,719	-	3,719
Transfer to general reserve 2015	-	2,575	-	(2,575)	-	-	-
Balance at 30 June 2016	108,165	193,428	133,326	-	434,919	1,606	436,525
Balance at 1 January 2015	103,014	141,461	82,017	31,402	357,894	1,458	359,352
Profit for the period	-	-	29,400	-	29,400	55	29,455
Other comprehensive income	-	3,822	-	-	3,822	-	3,822
Total comprehensive income	-	3,822	29,400	-	33,222	55	33,277
Share - based payments	-	-	(63)	-	(63)	-	(63)
Dividends paid	-	-	-	(20,179)	(20,179)	-	(20,179)
Stock dividends	5,151	-	-	(5,151)	-	-	-
Donations	-	-	-	(1,390)	(1,390)	-	(1,390)
Movement in treasury stock	-	253	-	-	253	-	253
Transfer to general reserve 2014	-	4,682	-	(4,682)	-	-	-
Balance at 30 June 2015	108,165	150,218	111,354	-	369,737	1,513	371,250

CONSOLIDATED STATEMENT OF CASH FLOWS

Six-month period ended 30 June 2016 (Reviewed)
BD '000s

	Six-month ended	
	30-Jun-16	30-Jun-15
Net cash from operating activities	25,702	60,941
Net cash (used in) from investing activities	(64,666)	21,487
Net cash from financing activities	61,626	129,484
Foreign currency translation adjustments	37	(2,162)
NET CHANGE IN CASH AND CASH EQUIVALENTS	22,699	209,750
Cash and cash equivalents at beginning of the period	533,116	352,639
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	555,815	562,389

SEGMENTAL INFORMATION

Six-month period ended 30 June 2016 (Reviewed)
BD '000s

30 June 2016	Retail banking	Corporate banking	International banking	Investment, treasury and other activities	Total
	Operating income before share of profit of associated companies and joint ventures	20,194	15,218	12,536	16,448
Segment result	5,551	2,270	4,919	16,336	29,076
Share of profit of associated companies and joint ventures	2,369	-	-	-	2,369
Profit for the period					31,445
Profit attributable to non-controlling interest					(137)
Profit attributable to the owners of the Bank					31,308
30 June 2015	Retail banking	Corporate banking	International banking	Investment, treasury and other activities	Total
Operating income before share of profit of associated companies and joint ventures	17,618	13,432	13,329	13,676	58,055
Segment result	6,591	7,472	4,267	9,326	27,656
Share of profit of associated companies and joint ventures	1,799	-	-	-	1,799
Profit for the period					29,455
Profit attributable to non-controlling interest					(55)
Profit attributable to the owners of the Bank					29,400

Accounting policies and Notes :

- The Interim condensed consolidated financial statements of the Group for the six-month period ended 30 June 2016 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 2015.
- Other income for the six-month period ended 30 June 2016 includes BD 2,213 thousand (30 June 2015: BD 2,362 thousand) of dividend income, which is of a seasonal nature.
- During the six months period ended 30 June 2016, the Bank completed an issue of BD 86,098 thousand Basel III compliant Additional Tier 1 Convertible Perpetual Capital Securities. These securities are recognised under equity in the consolidated statement of financial position and the corresponding coupon on those securities are accounted as appropriation of profits. Expenses relating to this issuance have been included in retained earnings. Securities' holders will not have a right to claim the coupon and such event will not be considered as event of default.
- At the Annual General Meeting held on 28 March 2016, the shareholders approved the following proposed appropriations:

	31 December 2015	31 December 2014
	BD '000	BD '000
Cash dividend	26,611	20,179
Stock dividend	-	5,151
Transfer to general reserve	2,575	4,682
Donations	1,400	1,390
Total	30,586	31,402

Murad Ali Murad
Chairman

Aref Saleh Khamis
Deputy Chairman

Reyadh Yousif Sater
Chief Executive