

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

31 March 2009 (Unaudited)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 March 2009 (Unaudited)
BD '000s

	Unaudited 31 March 2009	Audited 31 December 2008	Unaudited 31 March 2008
ASSETS			
Cash and balances with central banks	166,966	201,493	274,805
Treasury bills	8,703	4,050	53,296
Financial assets at fair value through statement of income	-	861	732
Deposits and amounts due from banks and other financial institutions	156,795	257,099	361,110
Loans and advances to customers	1,338,649	1,352,275	1,196,644
Non-trading investment securities	273,052	286,349	472,302
Investment in associated company and joint venture	26,302	27,007	13,142
Interest receivable and other assets	16,521	15,554	19,909
Premises and equipment	20,282	21,097	19,553
TOTAL ASSETS	2,007,270	2,165,785	2,411,493
LIABILITIES AND EQUITY			
LIABILITIES			
Deposits and amounts due to banks and other financial institutions	199,436	250,584	653,771
Borrowings under repurchase agreements	-	-	26,676
Term borrowings	327,964	329,498	339,300
Customers' current, savings and other deposits	1,242,769	1,336,561	1,134,855
Interest payable and other liabilities	43,424	39,871	40,972
TOTAL LIABILITIES	1,813,593	1,956,514	2,195,574
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	(13,321)	(8,902)	13,469
Foreign currency translation adjustments	(1,849)	3,692	3,926
Retained earnings	29,538	17,626	25,915
Proposed appropriations	-	21,605	-
EQUITY ATTRIBUTABLE TO THE SHAREHOLDERS OF THE PARENT	193,565	209,164	215,745
Non controlling interest	112	107	174
TOTAL EQUITY	193,677	209,271	215,919
TOTAL LIABILITIES AND EQUITY	2,007,270	2,165,785	2,411,493

CONSOLIDATED STATEMENT OF INCOME

Three months ended 31 March 2009 (Unaudited)
BD '000s

	Unaudited 31 March 2009	Unaudited 31 March 2008
Interest income	21,715	31,224
Interest expense	8,414	16,769
Net interest income	13,301	14,455
Share of profit in associated company and joint venture	608	736
Other income	8,946	18,264
	22,855	33,455
OPERATING EXPENSES		
Staff Costs	6,698	5,082
Other operating expenses	2,539	2,610
Depreciation	620	525
Net provision for impairment on loans and advances to customers	194	432
Net provision for impairment on non-trading investment securities	570	13620
Total operating expenses	10,621	22,269
PROFIT BEFORE TAXATION	12,234	11,186
Kuwait National Labour support tax	(66)	(73)
Net provision for taxation -Indian branches	(262)	(29)
NET PROFIT FOR THE PERIOD	11,906	11,084
Attributable to:		
SHAREHOLDERS OF THE PARENT	11,901	11,088
Gain/(Loss) attributable to non controlling interest	5	(4)
	11,906	11,084
Basic and diluted earnings per share (BD)	0.014	0.013

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 three months ended 31 March 2009, other operating income includes BD 2.4 million (31 March 2008: BD 1.6 million) of dividend income, which is of a seasonal nature.
- Interest income for the period ended 31 March 2009 includes gain on partial redemption of Euro Medium Term Deposits Notes (EMTDN) of BD 240 thousands (31 March 2008: nil).
- At the annual general meeting of the shareholders held on 2 March 2009, a cash dividend of BD 0.020 per share (2008: BD 0.027 per share) amounting to BD 16,096 thousand was approved and paid (2008: BD 20,694 thousand). A bonus issue of one share for every twenty shares was also approved (2008: one share for every twenty shares) and resulted in an increase of share capital by BD 4.054 million (31 March 2008: BD 3.861 million) 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 three month period ended 31 March 2009 which was reviewed by Ernst & Young

Murad Ali Murad
Chairman

Abdulkarim Ahmed Bucheery
Chief Executive

Above information available on www.bbkonline.com

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Three months ended 31 March 2009 (Unaudited)
BD '000s

	Unaudited 31 March 2009	Unaudited 31 March 2008
Net profit for the period	11,906	11,084
Other Comprehensive income		
Foreign Exchange translation adjustments	(5,541)	436
Net movement in cumulative changes in fair values	(4,620)	(9,278)
Cash flow hedges	201	(1,488)
Other Comprehensive income for the period	(9,960)	(10,330)
Total Comprehensive income for the period	1,946	754
Attributable to:		
Shareholders of the parent	1,941	758
Gain/(Loss) attributable to non controlling interests	5	(4)
	1,946	754

CONSOLIDATED STATEMENT OF CASH FLOWS

Three months ended 31 March 2009 (Unaudited)
BD '000s

	Unaudited 31 March 2009	Unaudited 31 March 2008
Net cash (used in)/from operating activities	(130,754)	220,661
Net cash from/(used in) investing activities	9,303	(28,469)
Net cash used in financing activities	(19,090)	(22,145)
Foreign currency translation adjustment	(5,541)	(436)
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(146,082)	169,611
Cash and cash equivalents at beginning of the period	399,828	405,254
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	253,746	574,865

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Three months ended 31 March 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	209,271
Approval of directors' remuneration and donations for 2008	-	-	-	(1,455)	(1,455)	-	(1,455)
Share - based payments	-	-	11	-	11	-	11
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	-	(9,960)	11,901	-	1,941	5	1,946
Balance at 31 March 2009	85,135	78,892	29,538	-	193,565	112	193,677
Balance at 31 December 2007	77,220	119,079	14,822	26,010	237,131	178	237,309
Approval of directors' remuneration and donations for 2007	-	-	-	(1,455)	(1,455)	-	(1,455)
Share - based payments	-	-	5	-	5	-	5
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	-	(10,330)	11,088	-	758	(4)	754
Balance at 31 March 2008	81,081	108,749	25,915	-	215,745	174	215,919

SEGMENTAL INFORMATION

BD '000s

31 March 2009	Retail banking	Corporate banking	International banking	Investment, treasury and other activities	Total
Operating income before provisions	7,380	5,652	6,302	2,913	22,247
Segment result	3,800	2,751	4,108	639	11,298
Income from associated company and joint venture					608
Net profit for the period					11,906
Gain attributable to non controlling interests					(5)
Profit attributable to the Bank's equity shareholders					11,901
31 March 2008	Retail banking	Corporate banking	International banking	Investment, treasury and other activities	Total
Operating income before provisions	8,314	5,753	6,275	12,377	32,719
Segment result	4,747	2,935	4,101	(1,435)	10,348
Income from associated company and joint venture					736
Net profit for the period					11,084
Loss attributable to non controlling interests					4
Profit attributable to the Bank's equity shareholders					11,088