

## BBK's Interim Condensed Consolidated Financial Statements 30 June 2007 (Unaudited)

### Consolidated Balance Sheet

30 June 2007 (Unaudited)  
BD '000s

	Unaudited 30 June 2007	Audited 31 December 2006	Unaudited 30 June 2006
<b>Assets</b>			
Cash and balances with central banks	110,506	55,455	132,994
Treasury bills	42,693	39,784	34,011
Deposits and due from banks and other financial institutions	404,174	164,117	188,533
Loans and advances to customers	1,002,539	938,042	884,449
Non-trading investment securities	483,530	445,623	444,434
Investment in associated company and joint venture	9,030	9,522	9,134
Interest receivable and other assets	23,868	22,335	21,315
Premises and equipment	19,171	18,888	17,101
<b>Total Assets</b>	<b>2,095,511</b>	<b>1,693,766</b>	<b>1,731,971</b>
<b>Liabilities And Equity</b>			
<b>Liabilities</b>			
Deposits and due to banks and other financial institutions	455,323	263,758	266,942
Borrowings under repurchase agreements	38,981	16,418	29,276
Term borrowings	339,300	235,625	235,625
Customers' current, savings and other deposits	1,054,530	963,884	1,002,660
Interest payable and other liabilities	28,645	26,123	31,522
<b>Total Liabilities</b>	<b>1,916,779</b>	<b>1,505,808</b>	<b>1,566,025</b>
<b>Equity</b>			
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	28,914	31,658	26,369
Foreign currency translation adjustments	718	146	(102)
Retained earnings	33,264	13,783	30,215
Proposed appropriations	-	29,645	-
Equity Attributable To The Shareholders Of The Parent	178,547	187,682	165,651
Minority Interest	185	276	295
<b>Total Equity</b>	<b>178,732</b>	<b>187,958</b>	<b>165,946</b>
<b>Total Liabilities And Equity</b>	<b>2,095,511</b>	<b>1,693,766</b>	<b>1,731,971</b>

### Consolidated Statement of changes in equity

Six month period ended 30 June 2007 (Unaudited)  
BD '000s

	2007	2006
Balance at 31 December	187,958	173,393
Foreign exchange translation adjustments	572	289
Approval of directors remuneration and donations	(1,055)	(990)
Net movement in cumulative changes in fair values	(2,744)	(3,281)
Total income and expenses for the period recognised directly in equity	(3,227)	(3,982)
Net profit for the period	19,390	16,282
<b>Total income and expenses for the period</b>	<b>16,163</b>	<b>12,300</b>
Approval of dividend	(25,389)	(19,747)
<b>Balance at 30 June</b>	<b>178,732</b>	<b>165,946</b>

### 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. Adoption of this Interpretation did not have any effect on the financial position or performance of the Bank.

The consolidated balance sheet, consolidated income statement, consolidated statement of changes in equity, segmental information, accounting policies and notes has been extracted from the interim condensed consolidated financial statements of BBK B.S.C. for the six month period ended 30 June 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

### Consolidated Income Statement

Six month period ended 30 June 2007 (Unaudited)  
BD '000s

	3 months ended 30 June 2007	3 months ended 30 June 2006	6 months ended 30 June 2007	6 months ended 30 June 2006
Net interest income	12,543	10,296	24,084	19,958
Other income	6,561	4,900	12,432	11,090
<b>Net interest and other income</b>	<b>19,104</b>	<b>15,196</b>	<b>36,516</b>	<b>31,048</b>
Net provisions	(1,311)	(1,905)	(2,244)	(2,561)
<b>Net operating income after provisions</b>	<b>17,793</b>	<b>13,291</b>	<b>34,272</b>	<b>28,487</b>
Total operating expenses	7,885	5,996	14,839	11,997
<b>Profit before taxation</b>	<b>9,908</b>	<b>7,295</b>	<b>19,433</b>	<b>16,490</b>
Taxation - Indian Branches	(29)	(7)	(43)	(208)
<b>Net profit for the period</b>	<b>9,879</b>	<b>7,288</b>	<b>19,390</b>	<b>16,282</b>
Attributable to:				
Shareholders of the parent	9,935	7,311	19,481	16,316
Loss attributable to minority interests	(56)	(23)	(91)	(34)
	<b>9,879</b>	<b>7,288</b>	<b>19,390</b>	<b>16,282</b>
<b>Basic earnings per share (BD)</b>	<b>0.015</b>	<b>0.011</b>	<b>0.029</b>	<b>0.024</b>

### 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 conducted at estimated market rates on an arms 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 June 2007	Retail banking	Corporate banking	International banking	Investment, treasury and other activities	Elimination	Total
External-revenue	12,444	14,821	25,619	17,758	-	70,642
Inter-segment revenue	9,765	13,187	3,196	40,643	(66,791)	-
<b>Total revenue</b>	<b>22,209</b>	<b>28,008</b>	<b>28,815</b>	<b>58,401</b>	<b>(66,791)</b>	<b>70,642</b>
Segment revenue	5,169	3,786	4,665	5,462	-	19,082
Share of profit in associated company and joint venture	-	-	-	-	-	399
<b>Net profit for the period attributable to the shareholders of the parent</b>						<b>19,481</b>

  

30 June 2006	Retail banking	Corporate banking	International banking	Investment, treasury and other activities	Elimination	Total
External-revenue	11,092	11,678	21,304	16,683	-	60,757
Inter-segment revenue	7,988	9,792	1,928	29,937	(49,645)	-
<b>Total revenue</b>	<b>19,080</b>	<b>21,470</b>	<b>23,232</b>	<b>46,620</b>	<b>(49,645)</b>	<b>60,757</b>
Segment revenue	5,201	3,130	3,022	4,291	-	15,644
Share of profit in associated company and joint venture	-	-	-	-	-	672
<b>Net profit for the period attributable to the shareholders of the parent</b>						<b>16,316</b>

2- For the three and the six months ended 30 June 2007, other income includes BD 0.6 million (30 June 2006: BD 0.1 million) and BD1.6 million (30 June 2006: BD 1.3 million) respectively of dividend income, which is of a seasonal nature.

3- During the six month period ended 30 June 2007, the Bank has issued subordinated debt amounting to US \$ 275 million as part of its US \$ 1 billion Euro Medium Term Notes Programme. These notes are issued for 10 years with a call option which can be exercised after 5 years and carry a coupon of 3 month LIBOR plus 75 bps.