

## Interim Condensed Consolidated Financial Statements - 30 June 2005 (Unaudited)

### CONSOLIDATED BALANCE SHEET

30 June 2005

BD '000s	Unaudited 30 June 2005	Audited 31 December 2004
<b>ASSETS</b>		
Cash and balances with central banks	43,882	35,682
Treasury bills	53,297	25,435
Trading investments	2,143	2
Deposits and due from banks and other financial institutions	330,608	187,153
Loans and advances to customers	798,858	764,689
Non-trading investment securities	403,569	376,175
Investment in associated company	5,563	5,812
Interest receivable and other assets	19,261	11,291
Premises and equipment	14,703	14,580
<b>TOTAL ASSETS</b>	<b>1,671,884</b>	<b>1,420,819</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>LIABILITIES</b>		
Deposits due to banks and other financial institutions	392,677	228,852
Borrowings under repurchase agreements	71,131	72,176
Medium term deposits from banks	94,250	94,250
Customers' current, savings and other deposits	926,193	844,502
Interest payable and other liabilities	24,006	23,217
<b>TOTAL LIABILITIES</b>	<b>1,508,257</b>	<b>1,262,997</b>
<b>SHAREHOLDERS' EQUITY</b>		
Share capital	56,906	56,906
Treasury stock	(1,053)	(1,053)
Statutory reserve	23,574	23,574
General reserve	20,000	20,000
Cumulative changes in fair values	35,525	22,925
Foreign currency translation adjustments	(171)	(508)
Retained earnings	28,846	15,354
Proposed appropriations	-	20,624
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>163,627</b>	<b>157,822</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>1,671,884</b>	<b>1,420,819</b>

### CONSOLIDATED STATEMENT OF INCOME

Six month period ended 30 June 2005 (Unaudited)

BD '000s	3 months ended 30 June 2005	3 months ended 30 June 2004	6 months ended 30 June 2005	6 months ended 30 June 2004
Net interest income	9,093	7,485	16,465	14,594
Other income	4,465	6,847	9,917	14,096
<b>NET INTEREST AND OTHER INCOME</b>	<b>13,558</b>	<b>14,332</b>	<b>26,382</b>	<b>28,690</b>
Net provisions	(751)	(1,072)	(1,146)	(2,691)
<b>NET OPERATING INCOME AFTER PROVISIONS</b>	<b>12,807</b>	<b>13,260</b>	<b>25,236</b>	<b>25,999</b>
Total operating expenses	6,093	5,643	11,832	11,167
<b>PROFIT BEFORE TAXATION</b>	<b>6,714</b>	<b>7,617</b>	<b>13,404</b>	<b>14,832</b>
Taxation - foreign units	96	162	88	282
<b>NET PROFIT FOR THE PERIOD</b>	<b>6,810</b>	<b>7,779</b>	<b>13,492</b>	<b>15,114</b>
Basic earnings per share (BD)	0.012	0.014	0.024	0.027

### SEGMENTAL INFORMATION

BD '000s

For management purposes, the Group is organised 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 2005	Retail banking	Corporate banking	International banking	Investment treasury and other activities	Elimination	Total
External revenue	10,420	8,421	14,352	8,999	-	42,192
Inter - segmental revenue	4,702	5,011	1,410	16,150	(27,273)	-
<b>Total revenue</b>	<b>15,122</b>	<b>13,432</b>	<b>15,762</b>	<b>25,149</b>	<b>(27,273)</b>	<b>42,192</b>
Segment result	3,649	3,732	3,119	2,431	-	12,931
Income from associate						561
<b>Net profit for the period</b>						<b>13,492</b>

30 June 2004	Retail banking	Corporate banking	International banking	Investment treasury and other activities	Elimination	Total
External revenue	10,167	4,847	9,659	13,056	-	37,729
Inter - segmental revenue	1,963	1,955	719	8,621	(13,258)	-
<b>Total revenue</b>	<b>12,130</b>	<b>6,802</b>	<b>10,378</b>	<b>21,677</b>	<b>(13,258)</b>	<b>37,729</b>
Segment result	4,094	775	2,345	7,450	-	14,664
Income from associate						450
<b>Net profit for the period</b>						<b>15,114</b>

### Accounting policies and notes:

- The interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting".
- The significant accounting policies adopted in the preparation of these 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 2004 with the exception of those policies which were changed on adoption of revision to International Accounting Standards that became effective on 1 January 2005. The significant impact on adoption of the revised standards was recognition of impairment losses on available for sale equity investments by reclassifying BD 1,145 thousand from cumulative changes in fair values to retained earnings.
- For the six months ended 30 June 2005 other income includes BD 1.2 million (30 June 2004: BD 1.7 million) of dividend income, which is of a seasonal nature, capital gain of BD NIL (30 June 2004: BD 2.5 million) from sale of a strategic equity investment and capital gain of BD NIL (30 June 2004: BD 2.2 million) from sale of held to maturity portfolio.

The consolidated balance sheet, consolidated income statement, 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 2005 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