

BOUBYAN BANK K.S.C.P. AND SUBSIDIARIES



**INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
AND INDEPENDENT AUDITORS' REVIEW REPORT FOR THE PERIOD
FROM 1 JANUARY 2016 TO 31 MARCH 2016
(UNAUDITED)**

BOUBYAN BANK K.S.C.P. AND SUBSIDIARIES

**INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
(UNAUDITED)**



For the period from 1 January 2016 to 31 March 2016

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REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF BOUBYAN BANK K.S.C.P.

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Boubyan Bank K.S.C.P. (the “Bank”) and its subsidiaries (collectively “the Group”) as at 31 March 2016, and the related interim condensed consolidated statement of profit or loss, the interim condensed consolidated statement of other comprehensive income, the interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows for the three months period then ended. The management of the Bank is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with the basis of presentation set out in Note 2. Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

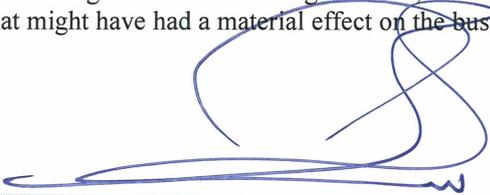
Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial information is not prepared, in all material respects, in accordance with the basis of presentation set out in Note 2.

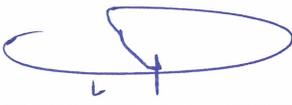
Report on other Legal and Regulatory Requirements

Furthermore, based on our review, the interim condensed consolidated financial information is in agreement with the books of accounts of the Bank. We further report that, to the best of our knowledge and belief, we have not become aware of any violations of the Companies Law No. 1 of 2016, the Executive Regulations, or of the Bank’s Articles of Association and Memorandum of Incorporation, as amended, during the three months period ended 31 March 2016 that might have had a material effect on the business of the Bank or on its financial position.

We further report that, during the course of our review, to the best of our knowledge and belief, we have not become aware of any violations of the provisions of Law No. 32 of 1968, as amended, concerning currency, the Central Bank of Kuwait and the organisation of banking business, and its related regulations, during the three months period ended 31 March 2016 that might have had a material effect on the business of the Bank or on its financial position.



BADER A. AL-WAZZAN
LICENCE NO. 62A
DELOITTE & TOUCHE
AL-WAZZAN & CO.



WALEED A. AL OSAIMI
LICENCE NO. 68 A
EY
AL AIBAN, AL OSAIMI & PARTNERS

BOUBYAN BANK K.S.C.P. AND SUBSIDIARIES**INTERIM CONDENSED CONSOLIDATED STATEMENT
OF PROFIT OR LOSS (UNAUDITED)**

For the period from 1 January 2016 to 31 March 2016

	Notes	Three months ended 31 March	
		2016	2015
		KD'000	KD'000
Income			
Murabaha and other Islamic financing income		28,537	23,169
Distribution to depositors and Murabaha costs		(7,058)	(5,523)
Net financing income		21,479	17,646
Net investment income	3	612	467
Net fees and commission income		3,076	2,458
Share of results of associates		(527)	238
Net foreign exchange gain		449	431
Other income		8	3
Operating income		25,097	21,243
Operating expenses			
Staff costs		(6,487)	(5,701)
General and administrative expenses		(3,459)	(3,229)
Depreciation		(753)	(581)
Operating expenses		(10,699)	(9,511)
Operating profit before provision for impairment		14,398	11,732
Provision for impairment		(4,861)	(4,031)
Operating profit before deductions		9,537	7,701
Contribution to Kuwait Foundation for the Advancement of Sciences ("KFAS")		(85)	(70)
National Labour Support Tax ("NLST")		(244)	(195)
Zakat		(98)	(77)
Net profit for the period		9,110	7,359
Attributable to:			
Equity holders of the Bank		9,097	7,374
Non-controlling interests		13	(15)
Net profit for the period		9,110	7,359
Basic and diluted earnings per share attributable to the equity holders of the Bank (fils)	4	4.20	3.41

The notes from 1 to 12 form an integral part of this interim condensed consolidated financial information.

BOUBYAN BANK K.S.C.P. AND SUBSIDIARIES**INTERIM CONDENSED CONSOLIDATED STATEMENT
OF OTHER COMPREHENSIVE INCOME (UNAUDITED)**

For the period from 1 January 2016 to 31 March 2016

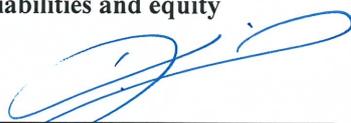
	Three months ended 31 March	
	2016	2015
	KD'000	KD'000
Net profit for the period	9,110	7,359
Other comprehensive income		
Items that are or may be reclassified to interim condensed consolidated statement of profit or loss in subsequent periods:		
Change in fair value of available for sale investments	(14)	185
Foreign currency translation adjustments	594	(10)
Other comprehensive income for the period	580	175
Total comprehensive income for the period	9,690	7,534
Attributable to:		
Equity holders of the Bank	9,677	7,549
Non-controlling interests	13	(15)
Total comprehensive income for the period	9,690	7,534

The notes from 1 to 12 form an integral part of this interim condensed consolidated financial information.

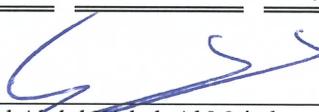
BOUBYAN BANK K.S.C.P. AND SUBSIDIARIES
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF
FINANCIAL POSITION (UNAUDITED)**


As at 31 March 2016

		(Audited)	
		31 March	31 March
		2016	2015
	Notes	KD'000	KD'000
Assets			
Cash and cash equivalents	5	380,737	465,259
Due from banks		327,390	218,076
Islamic financing to customers		2,267,653	2,171,794
Financial assets at fair value through profit or loss		14,796	15,388
Available for sale investments		136,368	126,307
Investments in associates		73,734	79,713
Investment properties		23,493	23,397
Other assets		16,085	14,169
Property and equipment		19,871	18,782
Total assets		3,260,127	3,132,885
Liabilities and equity			
Liabilities			
Due to banks		290,944	382,749
Depositors' accounts		2,620,852	2,398,935
Other liabilities		27,953	30,402
Total liabilities		2,939,749	2,812,086
Equity			
Share capital		216,641	206,325
Share premium		62,896	62,896
Proposed bonus shares	12	-	10,316
Treasury shares	7	(406)	(568)
Statutory reserve		9,998	9,998
Voluntary reserve		9,570	9,570
Share based payment reserve		1,209	1,171
Fair value reserve		4,145	4,159
Foreign currency translation reserve		(8,668)	(9,262)
Retained earnings		22,413	13,320
Proposed cash dividends	12	-	10,307
Equity attributable to equity holders of the Bank		317,798	318,232
Non-controlling interests		2,580	2,567
Total equity		320,378	320,799
Total liabilities and equity		3,260,127	3,132,885



Mahmoud Yousef Al-Fulaij
Chairman



Adel Abdul Wahab Al Majed
Vice Chairman & Chief Executive Officer

The notes from 1 to 12 form an integral part of this interim condensed consolidated financial information.

BOUBYAN BANK K.S.C.P. AND SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the period from 1 January 2016 to 31 March 2016

	Share capital	Share premium	Proposed bonus share	Treasury shares	Statutory reserve	Voluntary reserve	Share based payment reserve	Fair value reserve	Foreign currency translation reserve	Retained earnings	Proposed cash dividends	Equity attributable to equity holders of the Bank	Non-controlling interests	Total equity
	KD'000	KD'000	KD'000	KD'000	KD'000	KD'000	KD'000	KD'000	KD'000	KD'000	KD'000	KD'000	KD'000	KD'000
Balance at 1 January 2016	206,325	62,896	10,316	(568)	9,998	9,570	1,171	4,159	(9,262)	13,320	10,307	318,232	2,567	320,799
Total comprehensive income for the period	-	-	-	-	-	-	-	(14)	594	9,097	-	9,677	13	9,690
Share based payment	-	-	-	-	-	-	149	-	-	-	-	149	-	149
Dividends paid (note 12)	-	-	-	-	-	-	-	-	-	(4)	(10,307)	(10,311)	-	(10,311)
Issue of bonus shares (note 12)	10,316	-	(10,316)	-	-	-	-	-	-	-	-	-	-	-
Sale of treasury shares	-	-	-	162	-	-	(111)	-	-	-	-	51	-	51
Balance at 31 March 2016	216,641	62,896	-	(406)	9,998	9,570	1,209	4,145	(8,668)	22,413	-	317,798	2,580	320,378
Balance at 1 January 2015	196,500	62,896	9,825	(763)	6,283	6,015	864	5,082	(6,468)	5,978	9,815	296,027	5,075	301,102
Total comprehensive income for the period	-	-	-	-	-	-	-	185	(10)	7,374	-	7,549	(15)	7,534
Share based payment	-	-	-	-	-	-	(15)	-	-	145	-	130	-	130
Dividends paid	-	-	-	-	-	-	-	-	-	(2)	(9,815)	(9,817)	-	(9,817)
Issue of bonus shares	9,825	-	(9,825)	-	-	-	-	-	-	-	-	-	-	-
Sale of treasury shares	-	-	-	195	-	-	-	-	-	(145)	-	50	-	50
Balance at 31 March 2015	206,325	62,896	-	(568)	6,283	6,015	849	5,267	(6,478)	13,350	-	293,939	5,060	298,999

The notes from 1 to 12 form an integral part of this interim condensed consolidated financial information.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF
CASH FLOWS (UNAUDITED)

For the period from 1 January 2016 to 31 March 2016

	Three months ended 31 March	
	2016	2015
	KD'000	KD'000
OPERATING ACTIVITIES		
Net profit for the period	9,110	7,359
Adjustments for:		
Provision for impairment	4,861	4,031
Depreciation	753	581
Foreign currency translation adjustments	1,863	(1,021)
Net gain from available for sale investments	(7)	(3)
Net loss/(gain) from financial assets at fair value through profit or loss	50	(17)
Share of results of associates	527	(238)
Dividend income	(90)	(275)
(Gain)/loss on sale of investment properties	(49)	265
Share based payment reserve	149	130
Operating profit before changes in operating assets and liabilities	17,167	10,812
Changes in operating assets and liabilities:		
Due from banks	(109,314)	(47,212)
Islamic financing to customers	(96,340)	(104,763)
Other assets	(1,916)	(1,472)
Due to banks	(91,805)	(50,079)
Depositors' accounts	221,917	182,814
Other liabilities	(2,499)	(5,971)
Dividend income received	90	275
Net cash used in operating activities	(62,700)	(15,596)
INVESTING ACTIVITIES		
Proceeds from sale of financial assets at fair value through profit or loss	525	-
Purchase of available for sale investments	(15,840)	(6,992)
Proceeds from sale of available for sale investments	5,198	2,083
Purchase of property and equipment	(1,842)	(1,534)
Dividend received from associate	397	-
Net cash used in investing activities	(11,562)	(6,443)
FINANCING ACTIVITIES		
Cash dividends	(10,311)	(9,817)
Proceeds from exercise of shares options	51	50
Net cash used in financing activities	(10,260)	(9,767)
Net decrease in cash and cash equivalents	(84,522)	(31,806)
Cash and cash equivalents at beginning of the period	465,259	314,821
Cash and cash equivalents at end of the period	380,737	283,015

The notes from 1 to 12 form an integral part of this interim condensed consolidated financial information.

For the period from 1 January 2016 to 31 March 2016

1. INCORPORATION AND ACTIVITIES

Boubyan Bank K.S.C.P. (“the Bank”) is a Kuwaiti public shareholding company incorporated on 21 September 2004, in accordance with the Commercial Companies Law in the State of Kuwait, by Amiri Decree No. 88 and in accordance with the rules and regulations of the Central Bank of Kuwait (“CBK”) (Law No. 30 of 2003).

The Bank’s shares were listed on the Kuwait Stock Exchange on 15 May 2006.

The Bank was licensed by the CBK on 28 November 2004. The Bank is principally engaged in providing banking services, in accordance with Codes of the Islamic Sharia’a, as approved by the Bank’s Sharia’a Supervisory Board.

The new Companies Law No 1 of 2016 was issued on 24 January 2016 and was published in Official Gazette on 1 February 2016 cancelled the Companies Law No 25 of 2012, and its amendments. According to Article No 5, the new law will be effective retrospectively from 26 November 2012, and the executive regulation of Law No 25 of 2012 will continue until a new set of executive regulations is issued.

On 31 July 2012, the Bank became a subsidiary of National Bank of Kuwait K.S.C.P. (“the Parent Company”).

This interim condensed consolidated financial information as at and for the three months period ended 31 March 2016 incorporates the financial information of the Bank and its principal operating subsidiaries, Boubyan Takaful Insurance Company K.S.C. (Closed) and Boubyan Capital Investment Company K.S.C. (Closed), (together referred to as “the Group”) and the Group’s interests in associates.

The total number of employees in the Group was **1223** employees as at 31 March 2016 (1201 employees as at 31 December 2015 and 1112 employees as at 31 March 2015).

The address of the Bank’s registered office is P.O. Box 25507, Safat 13116, State of Kuwait.

This interim condensed consolidated financial information was authorised for issue by the Board of Directors on 12 April 2016.

2. SIGNIFICANT ACCOUNTING POLICIES**2.1 Basis of preparation**

This interim condensed consolidated financial information has been prepared in accordance with International Accounting Standard No. 34, Interim Financial Reporting, and the Kuwait Stock Exchange instruction No. 2 of 1998.

The annual consolidated financial statements for the year ended 31 December 2015 were prepared in accordance with the regulations of the State of Kuwait for financial services institutions regulated by the Central Bank of Kuwait. These regulations require adoption of all International Financial Reporting Standards (IFRS) except for the IAS 39, ‘Financial Instruments: Recognition and Measurement’, requirement for collective impairment provision, which has been replaced by the Central Bank of Kuwait’s requirement for a minimum general provision made on all applicable credit facilities (net of certain categories of collateral) that are not provided specifically.

The interim condensed consolidated financial information does not contain all information and disclosures required for the annual consolidated financial statements prepared in accordance with International Financial Reporting Standards, and should be read in conjunction with the Group’s annual consolidated financial statements as at 31 December 2015.

The interim condensed consolidated financial information has been prepared using the same accounting policies and methods of computation with those used in the preparation of the annual audited consolidated financial statements for the year ended 31 December 2015, except for the adoption of the amendments and annual improvements to IFRSs, relevant to the Group which are effective for annual reporting period starting from 1 January 2016 and which did not result in any material impact on the accounting policies, financial position or performance of the Group.

In the opinion of management, all adjustments consisting of normal recurring accruals considered necessary for a fair presentation have been included. The operating results for the three months period ended 31 March 2016 are not necessarily indicative of the results that may be expected for the year ending 31 December 2016.

2.2 Judgement and estimates

The preparation of interim condensed consolidated financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. The actual results may differ from these estimates.

In preparing this interim condensed consolidated financial information, the significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual audited consolidated financial statements as at and for the year ended 31 December 2015.

For the period from 1 January 2016 to 31 March 2016

3. NET INVESTMENT INCOME

	Three months ended 31 March	
	2016	2015
	KD'000	KD'000
Sukuk coupon income	516	437
Dividend income	90	275
Net (loss)/gain from financial assets at fair value through profit or loss	(50)	17
Net gain from available for sale investments	7	3
Gain/(loss) on sale of investment properties	49	(265)
	612	467

4. BASIC AND DILUTED EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the net profit for the period attributable to the equity holders of the Bank by the weighted average number of shares outstanding during the period.

Diluted earnings per share is calculated by dividing the net profit for the period attributable to the equity holders of the Bank by the weighted average number of shares outstanding during the period plus the weighted average number of share that would be issued on the conversion of all the dilutive potential shares into shares. The diluted earnings per share arising from the issue of employee share option does not result in any change to the reported basic earnings per share.

	Three months ended 31 March	
	2016	2015
	KD'000	KD'000
Net profit for the year attributable to the equity holders of the Bank (KD'000)	9,097	7,374
Weighted average number of shares outstanding during the period net of treasury shares (thousands of shares)	2,164,737	2,164,444
Basic and diluted earnings per share attributable to the equity holders of the Bank (fils)	4.20	3.41

Earnings per share for the prior period was 3.58 fils, before retroactive adjustment to the number of shares following the bonus issue (note 12).

5. CASH AND CASH EQUIVALENTS

	(Audited)		
	31 March 2016	31 December 2015	31 March 2015
	KD'000	KD'000	KD'000
Cash on hand	22,872	25,598	19,798
Balances with banks – current accounts	5,942	9,411	7,940
Placements with banks maturing within seven days	351,923	430,250	255,277
	380,737	465,259	283,015

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL
 INFORMATION (UNAUDITED)

For the period from 1 January 2016 to 31 March 2016

6. RELATED PARTY TRANSACTIONS

Related parties comprise the major shareholders, board of directors, entities controlled by them or under their joint control, associates, key management personnel and their close family members and the Parent Company including their board member, key management personnel, branches, associates and subsidiaries. Balances with related parties arise from commercial transactions in the normal course of business on an arm's length basis and are included within the following financial information captions:

	Number of board members or executive officers			Number of related parties			(Audited)		
	31 March 2016	31 December 2015	31 March 2015	31 March 2016	31 December 2015	31 March 2015	31 March 2016	31 December 2015	31 March 2015
							KD'000	KD'000	KD'000
Islamic financing to customers	9	8	9	3	3	1	3,820	3,918	4,726
Depositors' accounts	16	16	15	8	8	8	47,822	53,059	37,519
Letters of guarantee and letters of credit	1	1	1	-	-	-	43	43	18
Murabaha and other Islamic financing income							21	96	28
Distribution to depositors and Murabaha costs							(212)	(537)	(111)
Parent Company									
Due from banks							76,219	72,021	72,731
Due to banks							49,389	124,310	12,000
Murabaha and other Islamic financing income							38	234	45
Distribution to depositors and Murabaha cost							(109)	(246)	(5)

6. RELATED PARTY TRANSACTIONS (CONTINUED)

Compensation of key management personnel

Details of compensation to key management comprise the following:

	Three months ended 31 March	
	2016	2015
	KD'000	KD'000
Short-term benefits	462	458
Post-employment benefits	106	87
Share based compensation	121	100
	689	645

7. TREASURY SHARES

The bank held the following treasury shares:

	31 March 2016	(Audited)	
		31 December 2015	31 March 2015
Number of treasury shares	1,293,247	1,790,413	1,510,538
Treasury shares as a percentage of total issued shares - %	0.0597%	0.0868%	0.0732%
Cost of treasury shares – KD thousand	406	568	568
Market value of treasury shares – KD thousand	543	790	627
Weighted average of market value per share (fils)	0.423	0.427	0.440

8. CONTINGENCIES AND COMMITMENTS

At the financial reporting date there were outstanding contingencies and commitments entered in the ordinary course of business in respect of the following:

	31 March 2016	(Audited)	
		31 December 2015	31 March 2015
	KD'000	KD'000	KD'000
Guarantees	199,030	184,644	174,345
Acceptances and letters of credit	46,696	49,756	59,235
Other commitments	10,228	3,812	606
	255,954	238,212	234,186

9. SEGMENT REPORTING

Operating segments are identified on the basis of internal reports that are regularly reviewed by the decision makers in order to allocate resources to the segments and to assess their performance. The operating segments are divided as either business segments or geographical segments.

Business Segments

For management purposes, the Bank is organized into the following four major business segments:

Consumer banking: Provides a diversified range of products and services to individuals and institutional customers. The range includes consumer finance, credit cards, deposits and other branch related services.

Corporate banking: Provides Murabaha, Ijarah, trade service and other related services to business and corporate customers.

Investment banking: Principally handling direct investments, investment in associates, local and international real estate investment and asset management.

Treasury: Principally handling local and international Murabaha and other Islamic financing, primarily with banks, as well as the management of the Bank's funding operations.

Group centre: Includes other group activities and residual in respect of transfer pricing and inter segment allocation.

	Consumer banking	Corporate banking	Investment banking	Treasury	Group centre	Total
	KD'000	KD'000	KD'000	KD'000	KD'000	KD'000
Three months ended 31 March 2016						
Net financing income/(loss)	12,467	7,377	(530)	1,602	563	21,479
Operating income/(loss)	13,480	9,514	(19)	2,051	71	25,097
Net profit/(loss) for the period	8,509	8,516	(5,049)	1,944	(4,810)	9,110
Total assets	1,049,721	1,441,352	148,894	626,041	(5,881)	3,260,127
Total liabilities	1,098,533	260,608	22,472	1,562,138	(4,002)	2,939,749
	Consumer banking	Corporate banking	Investment banking	Treasury	Group centre	Total
	KD'000	KD'000	KD'000	KD'000	KD'000	KD'000
Three months ended 31 March 2015						
Net financing income/(loss)	10,792	6,186	(383)	1,141	(90)	17,646
Operating income/(loss)	11,371	8,211	724	1,572	(635)	21,243
Net profit/(loss) for the period	5,856	5,627	(8)	1,483	(5,599)	7,359
Total assets	845,249	1,232,999	162,856	539,197	(7,642)	2,772,659
Total liabilities	843,563	203,582	19,003	1,392,625	14,887	2,473,660

10. FINANCIAL RISK MANAGEMENT

All aspects of the Group's financial risk management objectives and policies are consistent with that disclosed in the annual audited consolidated financial statements for the year ended 31 December 2015.

11. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in orderly transactions between market participants at the measurement date. Fair values are obtained from quoted market prices, discounted cash flow models and other models as appropriate.

Fair value hierarchy

The table below analyses financial instruments carried at fair value by valuation method. The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: input other than quoted prices included within Level 1 that are observable, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs that are not based on observable market data (unobservable inputs).

11. FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
	<u>KD'000</u>	<u>KD'000</u>	<u>KD'000</u>	<u>KD'000</u>
31 March 2016				
Financial assets at fair value through profit or loss	-	12,236	2,560	14,796
Available for sale investments	<u>104,832</u>	<u>21,432</u>	<u>10,104</u>	<u>136,368</u>
	<u>104,832</u>	<u>33,668</u>	<u>12,664</u>	<u>151,164</u>
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
	<u>KD'000</u>	<u>KD'000</u>	<u>KD'000</u>	<u>KD'000</u>
31 December 2015 (Audited)				
Financial assets at fair value through profit or loss	-	12,828	2,560	15,388
Available for sale investments	<u>98,139</u>	<u>18,015</u>	<u>10,153</u>	<u>126,307</u>
	<u>98,139</u>	<u>30,843</u>	<u>12,713</u>	<u>141,695</u>
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
	<u>KD'000</u>	<u>KD'000</u>	<u>KD'000</u>	<u>KD'000</u>
31 March 2015				
Financial assets at fair value through profit or loss	-	9,857	2,995	12,852
Available for sale investments	<u>88,422</u>	<u>21,113</u>	<u>11,729</u>	<u>121,264</u>
	<u>88,422</u>	<u>30,970</u>	<u>14,724</u>	<u>134,116</u>

Fair values of all financial instruments are not materially different from their carrying values.

The impact on the interim condensed consolidated statement of financial position or the interim condensed consolidated statements of profit and loss and other comprehensive income would be immaterial if the relevant risk variables used to fair value the securities classified under level 2 and level 3 were altered by 5 percent.

12. ANNUAL GENERAL ASSEMBLY MEETING

The shareholders' annual general assembly held on 21 March 2016 approved the audited consolidated financial statements of the Bank for the year ended 31 December 2015 and the distribution of a cash dividends of **5 fils** per share payable to the shareholders registered in Bank's records as of the date of Annual General Assembly Meeting and **5%** bonus shares to the shareholders on record at the date of regulatory approval for distribution of bonus shares.