



Annual
Report & Accounts
1985

BCCI HOLDINGS (LUXEMBOURG) SA



Annual Report & Accounts 1985

BCCI HOLDINGS (LUXEMBOURG) SA

Head Office: 39 Boulevard Royal, Luxembourg
Telephone: 470391, Telex: 1240 BCCI LU



BCCI HOLDINGS (LUXEMBOURG) SA

Board of Directors

Yves C. Lamarche
Director (American)

Chairman, Banque Arabe et
Internationale d'Investissement

J. D. van Oenen
Director (Dutch)

Formerly Executive Vice President
Bank of Montreal

Ghanim Faris Al-Mazrui
Director (UAE)

Chairman, Private Department for
HH Sheikh Zayed Bin Sultan Al Nahyan
Secretary General, Abu Dhabi
Investment Authority

Dr. Alfred Hartmann
Director (Swiss)

Chairman, Banque de Commerce
et de Placements SA

P. C. Twitchin
Director (British)

Formerly Vice President
Bank of America

Agha Hasan Abedi
Director and President (Pakistani)

Formerly Chairman and President
United Bank Ltd



BCCI HOLDINGS (LUXEMBOURG) SA

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BCCI HOLDINGS (LUXEMBOURG) SA

BCC Group Subsidiaries & Affiliates

Bank of Credit and Commerce International SA — 100%

39 Boulevard Royal, Luxembourg

Bank of Credit and Commerce International (Overseas) Limited — 100%

Guinness Mahon Building, Fort Street, George Town, Grand Cayman

Bank of Credit and Commerce Hong Kong Limited — 98%

Admiralty Centre, Tower 1, 5th Floor, 18 Harcourt Road, Hong Kong

Bank of Credit and Commerce Canada — 100%

625 Dorchester Boulevard West, Montreal, Quebec H3B 1R2 Canada

Bank of Credit and Commerce Sociedad Anónima Española — 99%

Paseo de la Castellana 31, PO Box 50887, 28046 Madrid, Spain

Banco de Credito y Comercio de Colombia — 99%

Carrera 7 No. 14-23, Apartado No. 6826, Bogotá, Colombia

Bank of Credit and Commerce International (Lebanon) SAL — 100%

Piccadilly Building, Hamrah, Beirut, Lebanon

Bank of Credit and Commerce (Zambia) Limited — 100%

Zimco House, Cairo Road, PO Box 34940, Lusaka, Zambia

Bank of Credit and Commerce (Botswana) Limited — 100%

Plot 1278, Lobatse Road, PO Box 871, Gaborone, Botswana

Bank of Credit and Commerce Niger — 100%

BP 12792 Immeuble El-Nasr, Niamey, Niger

Bank of Credit and Commerce Cameroon SA — 65%

Kennedy Building, Ave John F Kennedy, B.P.1188, Yaounde, Cameroon

Bank of Credit and Commerce International (Swaziland) Limited — 55%

Nkoseluhlaza Street, PO Box 645, Manzini, Swaziland

Bank of Credit and Commerce Zimbabwe Limited — 53%

60 Union Avenue, Union House, PO Box 3313, Harare, Zimbabwe

Bank of Credit and Commerce Gibraltar Limited — 100%

153, Main Street, Gibraltar

Credit and Finance Corporation Ltd. — 100%

Guinness Mahon Building, Fort Street, George Town, Grand Cayman

BCCI Finance International Limited — 99%

5/F, Admiralty Centre, Tower 1, 18 Harcourt Road, G.P.O. Box 3664, Hong Kong

Italfinance International SpA — 85%

Via Marche 1, 00187, Rome, Italy



BCCI HOLDINGS (LUXEMBOURG) SA

BCCI Finance (Kenya) Limited — 100%

PO Box 44080, Koinange Street, Nairobi, Kenya

BCC Credit and Finance (Uruguay) SA — 100%

Sarandi 588, Montevideo, Uruguay

BCCI Finance NV — 100%

De Ruyterkade 62, Curacao, Netherlands Antilles

PT BCC Pratama Leasing Indonesia — 70%

Central Plaza, Jalan Jenderal Sudirman Kav 47, 48,
PO Box 4718, Jakarta 10001, Indonesia

Bank of Credit and Commerce (Misr) SAE — 49%

106 Kasr-el Aini Street, PO Box 788, Garden City, Cairo, Egypt

Bank of Credit and Commerce International (Nigeria) Limited — 40%

42/44 Warehouse Road, PMB 1040, Apapa, Lagos, Nigeria

Bank of Credit and Commerce (Emirates) — 40%

PO Box 3865, Abu Dhabi, U.A.E.

National Bank of Oman Limited (SAO) — 40%

PO Box 3751, Ruwi, Muscat, Sultanate of Oman

BCCI Leasing (Malaysia) Sdn Bhd — 49%

1701-3, 17th Floor, Wisma Hamzah Kwong Hing,
1, Leboh Ampang, 50100 Kuala Lumpur, Malaysia

Kuwait International Finance Company SAK — 49%

Al Rashid Building, Fahad Al-Salem Street, PO Box 23792, Safat, Kuwait

Bank of Credit and Commerce Ghana Limited — 45%

PO Box 11011, 4 Graphic Road, Accra, Ghana

Banco Finamerica SA — 30%

Reconquista 579, Buenos Aires (1003), Argentina

Banque de Commerce et de Placements SA — 20%

12 Place Cornavin, Case Postale 215, CH-1211, Geneva 1, Switzerland

BCC Finance and Securities Limited — 10%

17th Floor, Bangkok Bank Building, 333 Silom Road, Bangkok, Thailand

% indicates percentage shareholding



BCCI HOLDINGS (LUXEMBOURG) SA

Network of Branches and Offices

Argentina

Buenos Aires

Bahamas

Nassau

Bahrain

Bahrain

Bangladesh

Chittagong

Dhaka

Khulna

Barbados

Bridgetown

Botswana

Francistown

Gaborone

Kanye

Lobatse

Cameroon

Douala

Garoua

Yaounde

Canada

Alberta

Calgary

Edmonton

British Columbia

Vancouver Main

West Broadway

Ontario

Ottawa

Toronto Main

Spadina

Quebec

Montreal

China

Shenzen

Colombia

Acacias

Barranquilla

Bogota

Barrio Restrepo

C.A.N.

Centro Internacional

Chapinero

Chico

Paloquemao

Principal (Main)

Puente Aranda

Siete de Agosto

Zona Industrial

Bucaramanga

Buenaventura

Cali

Avenida Uribe

Cali (Main)

Cucuta

Envigado

Ibague

Medellin

Pereira

Villavicencio

Catama

Villacentro

Villavicencio (Main)

Cyprus

Limassol

Djibouti

Djibouti

Egypt

Alexandria

Ahmed Orabi St.

Roushdy

Safia Zaghloul St

Assuit

Cairo

A.K. Sarwat

El Giza

Heliopolis

Islamic

Kasr-el-Aini

Mousky Al Azhar

Nile Hilton

Orabi Square

Sherif Street

Shoubra

Talaat Harb

Tawfikia

26 July Street

Zamalek

Port Said

Port Said Main

Tanta

France

Cannes

Marseilles

Paris

Gabon

Franceville

Libreville

Port Gentil

Germany (West)

Frankfurt

Hamburg

Ghana

Accra

Gibraltar

Gibraltar

Grand Cayman

George Town

Hong Kong

Hong Kong

Aberdeen

Admiralty Centre

Causeway Bay

Central

Chater Road

Connaught Road

Gloucester Road

Hilton

Hong Kong Main

Lockhart Road

North Point

Stanley Street

Wanchai

Western

Kowloon

Austin Avenue

Hankow Road

Kowloon Main

Kwun Tong

Mongkok

Nathan Road

San Po Kong



BCCI HOLDINGS (LUXEMBOURG) SA

Network of Branches and Offices

Hong Kong (cont.)

Sham Shui Po
To Kwa Wan
Tsimshatsui
Yaumati
New Territories
Kwai Chung
Tsuen Wan
Tuen Mun
Yuen Long

India

Bombay

Indonesia

Jakarta

Italy

Milan
Rome

Ivory Coast

Abidjan
Vridi

Jamaica

Kingston
New Kingston
King Street
Montego Bay

Jordan

Amman
Amman Main
Station Road

Kenya

Eldoret
Kisumu
Mombasa
Jomo Kenyatta Ave
Mombasa Main

Nairobi

Nairobi Main
Tom Mboya St
Nakuru

Korea (South)

Seoul

Lebanon

Achrafieh
Beirut
Bechara El-Khoury
Beirut Main

Hamra

Jounieh
Mazraa

Liberia

Monrovia

Luxembourg

Luxembourg
Boulevard Royal
Rue Des Bains

Macau

Macau

Malaysia

Kuala Lumpur

Maldives

Male

Mauritius

Port Louis

Monaco

Monte Carlo

Netherlands

Amsterdam

Netherlands Antilles

Curacao

Niger

Niamey

Nigeria

Azare
Bauchi
Benin
Enugu
Ibadan

Nigeria (cont.)

Ilor
Jos
Kaduna
Kano
Birniwa
Bello Road
Murtala Muhammed
Way
Tofa
Lagos
Agbowa Ikosi
Apapa
Broad Street
Ilupeju
Ketu
Marina
Tafawa Balewa
Square
Maiduguri
Oluponna
Onitsha
Port Harcourt
Sokoto
Warri
Zaria



BCCT HOLDINGS (LUXEMBOURG) SA

Network of Branches and Offices

Oman

Ibri
Muscat
Greater Muttrah
Muscat
Muttrah Main
Ruwi
Seeb Airport
Sook

Nizwa

Rustaq

Salalah

Sohar

Sur

Pakistan

Karachi

Lahore

Rawalpindi

Panama

Colon Freezone

Panama City

Paraguay

Asuncion

Philippines

Manila

Senegal

Dakar

Seychelles

Victoria Mahe

Sierra Leone

Freetown

Kenema

Spain

Barcelona

Paso de Gracia

Rosellon

Burgos

Cordoba

La Coruna

Leon

Logrono

Madrid (City Centre)

Main Branch

Goya

Hilarion Eslava

Rafael Salgado

Serano

Madrid (Provinces)

Alcobendas

Getafe

Leganes

Torreon de Ardoz

Malaga

Marbella

Pontevedra

Vigo

Valencia

Valladolid

Sri Lanka

Colombo

Katunayake

Sudan

Khartoum

Omdurman

Port Sudan

Swaziland

Manzini

Mbabane

Switzerland

Geneva

Zurich

Thailand

Bangkok

Togo

Lome

Turkey

Istanbul

Izmir

Mersin

United Arab Emirates

Abu Dhabi

Al-Ain

Abu Dhabi

Abu Dhabi Main

City Centre

Corniche

Hazzaa

Industrial Area

Sea View

Sh. Hamdan Road

Ajman

Dubai

Al-Maktoum Street

Deira Main

Deira Dubai

Dubai

Al Fahidi Street

Rashidiya

Satwah

Fujeirah

Ras Al Khaimah

Sharjah

Sharjah Main

Sharjah

United Kingdom &

Isle of Man

Birmingham

Colmore Row

Handsworth

Blackburn

Bradford

Brighton

Coventry

Edinburgh

Glasgow

Leeds

Leicester

Liverpool



BCCI HOLDINGS (LUXEMBOURG) SA

Network of Branches and Offices

United Kingdom & Isle of Man (cont.)

London
Brompton Road
Cannon Street
Charing Cross Road
Commercial Road
Cromwell Road
Ealing
Earls Court Road
Edgware Road
Green Park
Hounslow
Hyde Park
Kensington
Kilburn
Leadenhall Street
Marble Arch
Mark Lane
Mayfair
Oxford Circus
Oxford Street
Park Lane
Piccadilly
Queensway
Sloane Street
Southall
Swiss Cottage
Tooting
Trafalgar Square
Wembley
Wigmore Street
Manchester
Newcastle-upon-Tyne
Slough
Wolverhampton

Isle of Man

Douglas

Uruguay

Montevideo

United States of America

Los Angeles
San Francisco
Miami
Palm Beach
Tampa
New York

Yemen

Sana'a
Hodeidah

Zambia

Kabwe
Kitwe
Livingstone
Lusaka
Ndola

Zimbabwe

Bulawayo
Chi Tungwiza
Harare
Highfield
Kwekwe
Mutare

Representative Offices

Australia

Sydney

Brazil

Sao Paulo

China

Beijing

Colombia

Bogota

Egypt

Cairo

Hong Kong

Hong Kong

Indonesia

Jakarta

Italy

Rome

Japan

Tokyo

Lebanon

Beirut

Morocco

Rabat

Nigeria

Lagos

Portugal

Lisbon

Spain

Madrid

Thailand

Bangkok

United States of America

Beverly Hills
Chicago
Houston
New York
San Francisco
Washington

Venezuela

Caracas

Report of the Directors

The Directors have pleasure in placing before you the Consolidated Statement of Condition and Consolidated Statement of Earnings of BCCI Holdings (Luxembourg) S.A., its subsidiaries and affiliates for the financial year ended December 31, 1985 together with the Auditors' Report.

1985 was characterised by manifold and often adverse developments. The decrease in interest rates awaited by all countries, combined with lower inflation rates and lower prices for oil and other commodities, helped to stimulate the economies of many industrialised countries. The world economy as a whole, however, suffered from setbacks in output and deceleration in the growth of trade. The downward trend in oil prices, which was accelerated in 1985, resulted in transfer of purchasing power from oil exporting to certain developed economies. Primary prices suffered greatly, affecting the under developed and developing economies. The decline in interest rates reduced some strain from the international debt problem. The debtor countries would have benefited more but for the fall in export commodity prices which kept their real interest rates high.

The volatility in exchange rates and their magnitude, have been both a cause and a consequence of large and fluctuating movement of international funds. Movement of capital more into financial assets than in productive investments has increased protectionism and compounded the complexity of the giant fiscal and monetary jigsaw puzzle. Some economies, where your Group operates, had to undergo massive devaluations as a result of forced economic readjustments.

In this scenario of adverse and unsettled conditions, particularly when the interaction of local and global events compound the consequences, a bank operating predominantly in the third world, could not have remained unaffected. However, on the whole, our commercial banking operations have again shown satisfactory results and institutional resilience. Our diversified global network provided the balance and the strength of our customer relationships provided the continuity in growth.

During the year our total assets increased by 16.1% to U.S. \$16,600 million from U.S. \$14,300 million in 1984. Customer deposits increased over 21% to U.S. \$12,700 million. Deposits and other funds increased by 14.6% to almost U.S. \$15,000 million. Advances increased by 32.3% to U.S. \$6,800 million. The commercial banking result before loan loss provision and taxation was U.S. \$283 million.

As stated in our last report, the emphasis on improving the capital/asset ratio has continued to be a cornerstone of our policy. During 1985, our Capital Fund has increased to U.S. \$1,190.4 million, increasing the capital/asset ratio to 7.18%.

After the year end, Capital Funds have been raised from U.S. \$1,190.4 million to U.S. \$1,510.4 million by further addition of U.S. \$320 million; elevating the capital/asset ratio to 9%. This ratio, even allowing for asset growth during 1986, would be maintained at a high level.

The Group has continued to maintain its policy of high liquidity. Liquid assets including short term and readily marketable securities are now in excess of U.S. \$8,600 million.

Other key financial ratios such as loans to customer deposits and capital fund to loans have, as in the previous year, been maintained at a highly conservative level.

While, our banking operations have shown satisfactory results, the treasury operation suffered a serious setback in option trading activities resulting in a one-off exceptional loss situation. Your Directors are, however, pleased to report that this exceptional loss has been adequately covered through shareholder support in the form of a subvention. Further, management has issued appropriate guidelines and implemented suitable operational steps for strengthening this area of operation.

Following comments deal with the important aspects of 1985 financial statements:

Capital Fund

In pursuance of our policy, shareholders have provided additional Capital Funds to ensure the financial soundness and strength of the bank. As at December 31, 1985 total Capital Funds reached U.S. \$1,190.4 million notwithstanding a transfer of U.S. \$115 million from the reserves, relating to certain prior year adjustments as mentioned later.

Since year end, Capital Funds have been raised to U.S. \$1,510.4 million by a further addition of U.S. \$320 million thereby enhancing the capital/asset ratio to 9%.

Liabilities

Management has continued its emphasis on broadening the customer base of the bank as the primary source of funds.

Customer deposits rose by U.S. \$2,222 million to U.S. \$12,734 million including an amount of U.S. \$672 million of National Bank of Oman, which was fully consolidated with the Group in 1985. This reflected an increase of 21%. Total deposits and other funds reached U.S. \$14,916 million, an increase of 14.6% notwithstanding a decrease of U.S. \$339 million in borrowings from banks.

Assets

Loans and advances rose in 1985 by U.S. \$1,668 million including U.S. \$524 million of National Bank of Oman. Total loans and advances at year end stood at U.S. \$6,836 million representing 41% of total assets and 54% of customer deposits.

Maintaining high liquidity continues to be a major focus of our financial management. At year end liquid assets, including short term and easily marketable securities amounted to U.S. \$8,604 million representing 52% of total assets.

Assisted by our geographical spread, covering 71 countries, our policy to concentrate our lending activities on self-liquidating trade-finance related transactions remains a source of strength and profitability to the Group. Exposure to countries with high external indebtedness continues to be strictly reviewed and largely consists of short term transactions.

Report of the Directors

Operating Results

The commercial banking operations of the Group continued steady progress, despite changing business conditions including lower levels in rates of interest and translation differences arising from substantial adverse exchange rate movements in some countries where the Group operates. Results from the banking operation worldwide amounted to U.S. \$283 million before loan loss provision and taxes. As stated earlier, the treasury operation suffered a setback towards the end of the year, in option trading activities. This exceptional and one-off loss situation was fully compensated by a shareholder subvention of U.S. \$150 million.

As advised by the External Auditors this year, and as considered prudent by the Directors, a change in the accounting policy was introduced in 1985. The change is in the light of a proposed Accounting Standard for option trading recommended by the American Institute of Certified Public Accountants in their recently published paper. This change necessitated a restatement of our prior year results as noted in the accompanying Financial Statements. Since December 1985 all significant year end open option positions have been closed and the effects thereof are being dealt with in the 1986 accounts as a normal part of the Treasury operations in accordance with the new accounting policy.

Loan Loss Provision

The aggregate charge to 1985 consolidated accounts for loan loss provision was U.S. \$125 million as

compared to U.S. \$86 million in 1984. After a write-off of U.S. \$34 million in 1985, the total loan loss provision stands at U.S. \$371 million, representing a net increase of U.S. \$103 million for the year.

The underlying soundness of the financial services sector, continues to be the growing concern of regulatory bodies. The Group's ratio of Capital Fund to Loans and Advances at 17.4% shows the crucial importance attached by us to this aspect of our operations.

The Group Structure

The policy of consolidation continued during 1985. At year end, the Group network consisted of 401 branches and offices in 71 countries. The individual country coverage continued broadly as in 1984. Events of major significance were the active start-up of Shenzhen branch in the People's Republic of China and the acquisition of a minority interest in Banco Finamerica in Argentina. These new openings would further assist your Group in achieving its objective to be a global Financial Services Group with a reputation for efficient customer service and effective customer relationships not only in the 71 countries where BCC has a presence but with commitment to service customers and correspondents throughout the world.

The Directors take this opportunity to thank the Central Banks and Supervisory Agencies in countries where the Group Banks are operating for the valuable guidance extended by them.



BCCI HOLDINGS (LUXEMBOURG) SA

The Directors wish to place on record their appreciation for the loyalty, devotion and services rendered by the members of staff whose individual and collective efforts and aspirations are reflected in the progress of the Group. Their quality and commitment continue to promote confidence in the strength of the Group.

A handwritten signature in black ink, reading "Agha Hasan Abedi".

Agha Hasan Abedi
Director and President



BCCI HOLDINGS (LUXEMBOURG) SA

Consolidated Statement of Condition

as at December 31, 1985

	Note	US\$ 1985	US\$ 1984 (restated)
Assets			
Cash and Due from Banks	3	6,744,514,951	6,146,512,374
Loans and Advances (less provision for loan losses)	4	6,836,075,446	5,167,552,645
Investment in Securities and Other Dealing Assets	5	2,010,168,932	2,227,314,677
Investment in Affiliates	6	87,749,041	97,435,634
Short-term Receivables		307,746,238	310,691,254
Premises and Equipment	7	208,353,727	174,346,803
Other Assets	8	382,914,003	149,916,709
Total Assets		16,577,522,338	14,273,770,096
Capital Fund and Liabilities			
Capital: Authorised	9	1,000,000,000	500,000,000
Issued and Paid-up Shares	9	536,668,750	453,625,000
Legal Reserves	10	46,609,418	39,422,517
Retained Earnings and Other Reserves	11	218,324,497	224,390,792
Subordinated Loan Capital	12	247,000,000	68,500,000
Minority Interests	13	141,819,760	107,931,560
Total Capital Fund		1,190,422,425	893,869,869
Floating Rate Notes	14	50,000,000	50,000,000
Due to Banks	15	1,893,465,268	2,232,323,987
Demand Deposits		2,793,118,623	2,485,881,138
Savings and Time Deposits		9,941,272,237	8,026,349,731
Accrued Interest on Deposits and Other Funds		237,908,962	217,209,622
Total Deposits and Other Funds		14,915,765,090	13,011,764,478
Provision for Taxes		92,147,855	82,563,402
Other Liabilities		379,186,968	285,572,347
Capital Fund and Total Liabilities		16,577,522,338	14,273,770,096
Contra Accounts			
Acceptances		266,155,528	169,609,226
Letters of Credit		1,579,915,251	1,261,142,109
Letters of Guarantee		1,947,403,024	1,550,097,412
		3,793,473,803	2,980,848,747



BCCI HOLDINGS (LUXEMBOURG) SA

Consolidated Statement of Earnings

for the year ended December 31, 1985

	Note	US\$ 1985	US\$ 1984 (restated)
Income			
Interest Income		1,425,756,676	1,304,145,072
Income on Investments and Other Dealing Assets (Net)	16	35,898,626	126,520,153
Commission and Exchange		261,919,828	180,233,357
Other Income		59,589,174	42,877,842
		<u>1,783,164,304</u>	<u>1,653,776,424</u>
Expenses			
Interest Paid		1,115,094,951	974,890,128
Salaries and Related Costs		162,852,375	126,716,299
Occupancy Expenses		54,257,092	46,672,000
Depreciation on Premises and Equipment		23,907,491	20,635,069
Other Expenses		143,299,466	121,378,295
		<u>1,499,411,375</u>	<u>1,290,291,791</u>
Loan Loss Provision		125,034,878	85,611,121
		<u>1,624,446,253</u>	<u>1,375,902,912</u>
Result before Taxation and exceptional loss		158,718,051	277,873,512
Loss on option trading	17	(150,000,000)	(75,000,000)
Subvention from shareholder	18	<u>150,000,000</u>	<u>—</u>
Result before Taxation after subvention		158,718,051	202,873,512
Taxation		<u>(74,243,447)</u>	<u>(76,832,459)</u>
Result after Taxation		84,474,604	126,041,053
Minority Interests	19	<u>(25,243,313)</u>	<u>(20,737,812)</u>
Result for the year including subvention		<u>59,231,291</u>	<u>105,303,241</u>
Statement of Retained Earnings and Other Reserves			
At beginning of year (as restated)	20	224,390,792	255,282,936
Result for the year including subvention		<u>59,231,291</u>	<u>105,303,241</u>
		<u>283,622,083</u>	<u>360,586,177</u>
Premium on issue of shares		45,000,000	30,000,000
Translation differences		(19,865,650)	(23,408,218)
Other movements		—	(6,186,280)
Appropriations:			
Stock Dividends	21	(68,043,750)	(102,375,000)
Transfer to Legal Reserves	22	(7,661,400)	(11,225,887)
Other Appropriations	23	<u>(14,726,786)</u>	<u>(23,000,000)</u>
Carried forward at end of the year		<u>218,324,497</u>	<u>224,390,792</u>



BCCT HOLDINGS (LUXEMBOURG) SA

Consolidated Statement of Source and Application of Funds

for the year ended December 31, 1985

	US\$ 1985	US\$ 1984 (restated)
Financial Resources were provided by:		
Result for the year after taxation	84,474,604	126,041,053
Adjustments for items not involving the use of funds:		
Depreciation on Premises and Equipment	23,907,491	20,635,069
Loan Loss Provision	125,034,878	85,611,121
Amortisation of Goodwill	3,793,313	6,692,710
Financial Resources provided by Operations	237,210,286	238,979,953
Issue of Share Capital for Cash	15,000,000	10,000,000
Premium on Shares issued for Cash	45,000,000	30,000,000
Issue of Loan Capital	180,000,000	20,000,000
Movement in Minority Interests in the year	15,790,863	(1,452,564)
Increase in:		
Due to Banks	—	504,793,705
Deposits	2,222,159,991	1,314,361,636
Other External Liabilities	123,898,414	59,088,416
Decrease in:		
Investment in Securities and Other Dealing Assets	217,145,745	—
Investment in Affiliates	5,893,280	—
Total Sources	3,062,098,579	2,175,771,146
Financial Resources were used for:		
Dividends paid to Minority Interests	7,145,976	3,328,975
Repayment of Loan Capital	1,500,000	1,500,000
Net Additions to Premises and Equipment	57,914,415	33,411,595
Other Appropriations	14,726,786	23,000,000
Prior year adjustment	—	40,000,000
Deferred tax adjustment	—	6,186,280
Currency translation adjustments	20,340,149	24,396,348
Increase in:		
Cash and Due from Banks	598,002,577	589,172,074
Loans and Advances	1,793,557,679	376,161,788
Investment in Securities and Other Dealing Assets	—	1,064,196,765
Investment in Affiliates	—	3,306,508
Short-term Receivables and Other Assets	230,052,278	11,110,813
Decrease in:		
Due to Banks	338,858,719	—
Total Applications	3,062,098,579	2,175,771,146

The 1985 figures include the effect of the consolidation of National Bank of Oman Limited (SAO).



BCCI HOLDINGS (LUXEMBOURG) SA

Notes to the Consolidated Accounts

December 31, 1985

Amounts expressed in U.S. Dollars

1

Incorporation and Activities

BCCI Holdings (Luxembourg) SA is incorporated in Luxembourg and is the ultimate holding company of the Bank of Credit and Commerce group. The group provides commercial banking and related services in 71 countries.

2

Significant Accounting Policies

These accounts have been prepared under the historical cost convention and the significant accounting policies are as follows:

A Basis of Consolidation

- i The consolidated accounts comprise those of BCCI Holdings (Luxembourg) SA and its subsidiary companies, as detailed in Note 6.

Cost of acquisition in excess of attributable net tangible assets at the date of acquisition is included in investment in affiliates as goodwill and is amortised primarily over a period of forty years.

- ii In accordance with International Accounting Standard No. 3, the accounts of certain affiliated companies as set out in Note 6 (ii) are also consolidated since the holding company owns in each case a minimum of 40 per cent of the issued share capital of these companies and, by agreement, the group is entitled to exercise control over the financial and operating policies of the management of these companies.

B Currency Translation

- i Assets, liabilities, income and expenses in other currencies are translated into United States Dollars at appropriate year end rates of exchange.
- ii Gains and losses on translation of foreign currencies arising from the group's normal trading activities are credited or charged to income as they arise.
- iii Translation differences arising from the application of year end rates of exchange to the opening net assets held overseas are taken directly to reserves as being outside the group's normal trading activities.
- iv Forward foreign exchange contracts are valued at market rates ruling at the year end, except in the case of contracts covered by corresponding swap transactions where the resulting premium or discount is amortised over the period of the transaction.

C Investment in Securities and Other Dealing Assets

- i Securities held for trading purposes are carried at the lower of cost and market value on a portfolio basis. Other Dealing Assets are carried at market value.
- ii Investments in Securities which are intended to be held until maturity are carried at cost. Premiums and discounts on investments redeemable at fixed dates are amortised over the period remaining to maturity.
- iii Premium income and expense relating to option trading are recognised when received or paid and provision is made at buy-back value for all open option contracts. This is a change in accounting policy which is explained further in Note 20.



BCCT HOLDINGS (LUXEMBOURG) SA

Notes to the Consolidated Accounts *continued*

D Investment in Affiliates

An affiliated company is one in which the interest of the group is long term and substantial and one over which the group exercises significant influence through participation in the affiliate's policy decisions. Except as described in Note 2.A.ii, investments in affiliates are stated at cost together with the group's share of reserves and retained earnings. The group's share of the profits of the affiliated companies is included in the Consolidated Statement of Earnings.

E Premises and Equipment

These are stated at cost after deducting depreciation. Depreciation has been provided on the basis of equal annual instalments to amortise the assets over their estimated useful life primarily at rates between 10 per cent and 25 per cent per annum. Capital expenditure on fixed assets which are not yet in operation is depreciated once the assets concerned are brought into use.

F Income Recognition

Commissions and fees charged to customers are credited to income at the time of effecting the transactions.

G Loan Loss Provision

Management review the loan portfolio of the group each year and based upon their judgment set aside specific and general provisions for loan losses. The specific element relates to identified risk facilities and the general element relates to the risks which are present in any banking portfolio but which have not been specifically identified.

H Taxation

Provision is made by the liability method for all local and overseas taxation after allowance for such reliefs as are considered available in each location.

I Other Appropriations

As contributions to the Staff Benefit Fund and Donations and Grants are entirely discretionary in nature and based on the profit available for distribution, Management, with the annual approval of the shareholders, have classified these as Other Appropriations in the Consolidated Statement of Earnings.

3 Cash and Due from Banks

Due from Banks includes negotiable certificates of deposit totalling **\$662,833,000** (1984: \$899,815,000) which mature on dates in excess of one year from the year end. The certificates of deposit portfolio amounting to **\$1,080,216,000** (1984: \$1,244,090,000) is readily marketable on a current basis.



BCCI HOLDINGS (LUXEMBOURG) SA

Notes to the Consolidated Accounts *continued*

4

Loans and Advances

Loans and Advances are stated after deduction of the following provision for loan losses:

	1985	1984
Balance at beginning of year	268,532,000	210,887,000
Arising on consolidation of National Bank of Oman (1984: BCC Gibraltar)	11,666,000	54,000
Charge in Consolidated Statement of Earnings	125,035,000	85,611,000
	<u>405,233,000</u>	<u>296,552,000</u>
Write-offs and exchange movements during the year	(33,699,000)	(28,020,000)
Balance at end of year	<u>\$371,534,000</u>	<u>\$268,532,000</u>

5

Investment in Securities and Other Dealing Assets

	1985	1984
Trading Portfolio		
Securities	488,682,000	926,129,000
Other Dealing Assets	151,019,000	372,158,000
	<u>639,701,000</u>	<u>1,298,287,000</u>
Investment Portfolio	1,370,468,000	929,028,000
	<u>\$2,010,169,000</u>	<u>\$2,227,315,000</u>
Maturing as to:		
Trading Portfolio — current	639,701,000	1,298,287,000
Investment Portfolio — under 1 year	1,125,201,000	745,236,000
	<u>1,764,902,000</u>	<u>2,043,523,000</u>
Investment Portfolio — over 1 year	245,267,000	183,792,000
	<u>\$2,010,169,000</u>	<u>\$2,227,315,000</u>

The Trading Portfolio is readily marketable on a current basis. The market value of the Securities held in the Investment Portfolio is not significantly different from cost.



BCCI HOLDINGS (LUXEMBOURG) SA

Notes to the Consolidated Accounts *continued*

6 Subsidiaries and Affiliates

	1985	1984
Subsidiaries and Consolidated Affiliates		
Note (i) and (ii)		
Goodwill arising on consolidation, net of amortisation (total cost of investment \$761,639,000)	67,937,000	63,926,000
Investment, at cost, in unconsolidated subsidiaries	2,679,000	2,679,000
Affiliates (unconsolidated)—Note (ii)		
Investment at cost	13,518,000	25,805,000
Group's share of reserves and retained earnings	3,615,000	5,026,000
	<u>\$87,749,000</u>	<u>\$97,436,000</u>

(i) Subsidiaries

The following subsidiary companies have been consolidated as at December 31, 1985. The financial statements of the subsidiaries have been made up to that date except where stated below.

	Country of Incorporation	% Shareholding
Bank of Credit and Commerce International SA	Luxembourg	100
Bank of Credit and Commerce International (Overseas) Limited	Cayman Islands	100
Bank of Credit and Commerce Hong Kong Ltd	Hong Kong	98
Bank of Credit and Commerce Canada	Canada (Oct. 31, 1985)	100
Bank of Credit and Commerce SAE	Spain	99
Banco de Credito y Comercio de Colombia (formerly Banco Mercantil)	Colombia	99
Bank of Credit and Commerce International (Lebanon) SAL	Lebanon	100
Bank of Credit and Commerce International (Zambia) Limited	Zambia	100
Bank of Credit and Commerce (Botswana) Ltd	Botswana	100
Bank of Credit and Commerce Niger	Niger (Sept. 30, 1985)	100
Bank of Credit and Commerce (Cameroon) SA	Cameroon (June 30, 1985)	65
Bank of Credit and Commerce International (Swaziland) Limited	Swaziland	55
Bank of Credit and Commerce Zimbabwe Ltd	Zimbabwe	53
Bank of Credit and Commerce Gibraltar Ltd	Gibraltar	100
Credit and Finance Corporation Limited	Cayman Islands	100
BCCI Finance International Limited	Hong Kong	99
Italfinance International SpA	Italy	85
BCCI Finance (Kenya) Ltd	Kenya	100
BCC Credit and Finance (Uruguay) SA	Uruguay	100
BCCI Finance NV	Netherlands Antilles	100
Unconsolidated		
P.T. BCC Pratama Leasing Indonesia	Indonesia	70
(The above subsidiary was not operational in 1985)		



BCCI HOLDINGS (LUXEMBOURG) SA

Notes to the Consolidated Accounts *continued*

(ii) **Affiliates**

At December 31, 1985 the group's affiliated companies were:

	Country of Incorporation	% Shareholding
Consolidated—see Note 2.A.ii		
Bank of Credit and Commerce (Misr) SAE	Egypt	49
Bank of Credit and Commerce International (Nigeria) Ltd	Nigeria	40
Bank of Credit and Commerce (Emirates)	U.A.E.	40
National Bank of Oman Limited (SAO)	Oman	40
Unconsolidated		
BCCI Leasing (Malaysia) Sdn Bhd	Malaysia	49
Kuwait International Finance Company SAK	Kuwait	49
Bank of Credit and Commerce (Ghana) Ltd	Ghana	45
Banco Finamerica SA (acquired in 1985)	Argentina	30
Banque de Commerce et de Placements SA	Switzerland	20

During the year, the group increased its shareholding in Banco de Credito y Comercio de Colombia from 49% to 99% and this company is accordingly now consolidated as a subsidiary (1984: consolidated affiliate).

Following the acquisition of a further 11% interest in the share capital of National Bank of Oman Limited (SAO) in 1985, Management have decided to consolidate this company with the group results in the 1985 accounts with effect from the date of the acquisition of the additional shares. The group has owned a minimum of 29% of the share capital of National Bank of Oman since its establishment in February, 1973 and, under an agreement entered into at that time, the group continues to exercise management control over its financial and operating policies.

The group banks have entered into banking transactions in the normal course of business with each other and with affiliated companies. At December 31, 1985 amounts Due from Banks and Due to Banks included balances of **\$223,725,000** and **\$131,395,000** respectively (1984: \$403,404,000/\$432,366,000) pertaining to affiliates which have not been consolidated.

The group's share of after-tax profits of unconsolidated affiliates is included in the Consolidated Statement of Earnings at **\$2,206,000** (1984: \$5,450,000).



BCCI HOLDINGS (LUXEMBOURG) SA

Notes to the Consolidated Accounts *continued*

7 Premises and Equipment

	1985	1984
Cost		
Balance at beginning of year	266,385,000	232,973,000
Additions (net)	57,914,000	33,412,000
	<u>\$324,299,000</u>	<u>\$266,385,000</u>
Depreciation		
Balance at beginning of year	92,038,000	71,403,000
Charge for year	23,907,000	20,635,000
	<u>\$115,945,000</u>	<u>\$92,038,000</u>
Net book amount	<u>\$208,354,000</u>	<u>\$174,347,000</u>

8 Other Assets

	1985	1984
Items under Clearing	40,237,000	17,856,000
Advance Rents and Other Prepayments	43,523,000	33,519,000
Capital Expenditure in Progress	12,554,000	14,964,000
Sundry Debtors (Note 18)	222,288,000	42,561,000
Advance Taxation	8,249,000	143,000
Other Miscellaneous items	56,063,000	40,874,000
	<u>\$382,914,000</u>	<u>\$149,917,000</u>

9 Share Capital

	1985	1984
Authorised	\$1,000,000,000	\$500,000,000
Number of Shares of \$10 each	<u>53,666,875</u>	<u>41,950,000</u>
Issued and fully paid		
At beginning of year	453,625,000	315,000,000
Issued for cash consideration during year	15,000,000	10,000,000
Stock Dividends (Note 21)	68,044,000	94,500,000
Proposed Stock Dividend (Note 21)	—	34,125,000
	<u>\$536,669,000</u>	<u>\$453,625,000</u>



BCCI HOLDINGS (LUXEMBOURG) SA

Notes to the Consolidated Accounts *continued*

10 Legal Reserves

	1985	1984
Balance at beginning of year	39,423,000	29,185,000
Appropriations (Note 22)	7,661,000	11,226,000
Translation differences	(475,000)	(988,000)
	<u>\$46,609,000</u>	<u>\$39,423,000</u>

11 Retained Earnings and Other Reserves — Consolidated Statement of Condition

	1985	1984 (as restated Note 20)
Share Premium	155,000,000	225,000,000
General Reserve	29,624,000	33,406,000
Retained Earnings	33,700,000	(34,015,000)
	<u>\$218,324,000</u>	<u>\$224,391,000</u>

During 1985, as permitted by Luxembourg regulations, a transfer of \$115,000,000 was made from Share Premium to Retained Earnings to meet prior year adjustments.

12 Subordinated Loan Capital

Capital Notes:

Series	Final Maturity	% Floating Rate above 6 months LIBOR	Outstanding Balance	
			1985	1984
C	1990	¾	7,000,000	8,500,000
D	1993	¾	20,000,000	20,000,000
E	1992	½	15,000,000	15,000,000
F	1990	½	5,000,000	5,000,000
G	1989	½	20,000,000	20,000,000
H	1990	½	50,000,000	—
J	1990	½	130,000,000	—
			<u>\$247,000,000</u>	<u>\$68,500,000</u>

The Capital Notes are subordinated in favour of all other creditors.

13 Minority Interests — Consolidated Statement of Condition

	1985	1984
Subsidiaries	5,272,000	5,523,000
Consolidated affiliates	136,548,000	102,409,000
	<u>\$141,820,000</u>	<u>\$107,932,000</u>



BCCI HOLDINGS (LUXEMBOURG) SA

Notes to the Consolidated Accounts *continued*

14 Floating Rate Notes

Floating Rate Notes were issued in 1983 by BCCI Finance NV and are guaranteed by the holding company. The Notes, which are listed on the Luxembourg Stock Exchange, bear interest at $\frac{1}{4}$ per cent over six months LIBOR and mature in 1990. Redemption is at the option of the issuer from 1986 onwards or at the option of the holders from 1988 onwards.

15 Due to Banks

Due to Banks consists of availed lines of credit and other money market placements by banks.

16 Income on Investments and Other Dealing Assets (Net)

Income on Investments comprises the net results of trading in Securities and Other Dealing Assets after charging the related cost of funds but excluding the loss on option trading disclosed separately. Interest on Securities is included in Interest Income.

17 Exceptional Loss on Option Trading

The Group Central Treasury operated by a wholly-owned subsidiary, Bank of Credit and Commerce International (Overseas) Limited, has incurred an exceptional loss of approximately \$150,000,000 arising from increased option trading; in addition \$75,000,000 has been charged to the prior year from the change in accounting policy as described in Note 20. Since December 31, 1985 Management have closed out all significant option positions remaining open at that date and an amount of approximately \$60,000,000 incurred as additional cost of closing these positions will be dealt with in the 1986 accounts as a normal part of Treasury operations in accordance with the stated accounting policy.

18 Subvention from Shareholder

A shareholder has made a subvention of \$150,000,000 to BCCI Holdings (Luxembourg) SA to alleviate the detrimental effect of the exceptional loss arising in 1985 referred to in Note 17. This amount is included in Sundry Debtors (Note 8) and was received in cash after the year end.

19 Minority Interests — Consolidated Statement of Earnings

	1985	1984
Subsidiaries	600,000	629,000
Consolidated affiliates	24,643,000	20,109,000
	<u>\$25,243,000</u>	<u>\$20,738,000</u>



20 Restatement of Retained Earnings and Other Reserves

The effect of these adjustments has been to allocate respectively \$75,000,000 as an exceptional loss in 1984 and to reduce Retained Earnings and Other Reserves at January 1, 1984 by \$40,000,000. Accordingly comparative figures for 1984 have been restated on this basis.

	1985	1984
Stock — Distributed re 1984	\$34,125,000	\$26,250,000
re 1985	\$68,044,000	\$68,250,000
Proposed re 1985	—	\$34,125,000

The Board of Directors have approved a transfer of **\$3,000,000** (1984: \$6,000,000) to Legal Reserves in BCCI Holdings (Luxembourg) SA, which forms part of the total group transfer amounting to **\$7,661,000** (1984: \$11,226,000).

	1985	1984
Contribution to Staff Benefit Fund	1,000,000	8,000,000
Donations and Grants	13,727,000	15,000,000
	<u>\$14,727,000</u>	<u>\$23,000,000</u>



BCCI HOLDINGS (LUXEMBOURG) SA

Notes to the Consolidated Accounts *continued*

24

Commitments

At December 31, 1985 group companies were committed to future foreign exchange and other trading contracts arising in the normal course of business.

25

Comparative Figures

Certain comparative figures have been reclassified to conform to the current year's format of presentation.

Report of the Auditors

We have examined the consolidated accounts of BCCI Holdings (Luxembourg) SA set out on pages 18 to 30 which have been prepared in accordance with the accounting policies set out in Note 2. Our audit has been carried out in accordance with approved auditing standards.

In our opinion, based on our examination and the reports of the auditors of certain subsidiaries and affiliates not audited by us, the consolidated accounts give a true and fair view of the state of affairs at December 31, 1985, and of the result including subvention, changes in retained earnings and other reserves and source and application of funds of the group for the year then ended.

Ernst & Whinney
Luxembourg

March 27, 1986





Annual Report & Accounts 1985

BANK OF CREDIT AND COMMERCE INTERNATIONAL SA

Head Office: 39 Boulevard Royal, Luxembourg
Telephone: 470391, Telex: 1240 BCCI LU

Board of Directors

Yves C. Lamarche
Director

J. D. van Oenen
Director

Ghanim Faris Al-Mazrui
Director

Dr. Alfred Hartmann
Director

P. C. Twitchin
Director

Agha Hasan Abedi
Director and President



BANK OF CREDIT AND COMMERCE INTERNATIONAL SA

Statement of Condition

as at December 31, 1985

	Note	US\$ 1985	US\$ 1984
Assets			
Cash and Due from Banks	3	3,531,791,180	3,186,854,086
Loans and Advances (less provision for possible loan losses)	4	1,792,168,079	1,526,678,129
Investment in Securities	5	24,493,415	172,089,686
Investment in Subsidiaries	6	18,993,092	18,531,779
Short-term Receivables		67,217,517	71,656,891
Premises and Equipment	7	70,442,446	50,086,654
Other Assets		20,785,365	20,358,714
Total Assets		5,525,891,094	5,046,255,939
Capital Fund and Liabilities			
Capital: Authorised	8	225,000,000	180,000,000
Issued and Paid-up	8	225,000,000	180,000,000
Proposed Stock Dividend		—	15,000,000
Legal Reserve	9	6,527,493	5,727,493
General and Other Reserves	10	17,313,720	13,113,720
Retained Earnings		2,053,657	8,845,187
Loan Capital	11	90,000,000	50,000,000
Total Capital Fund		340,894,870	272,686,400
Due to Banks	12	784,147,618	907,221,962
Demand Deposits		397,463,321	443,683,017
Savings and Time Deposits		3,840,481,160	3,272,565,984
Accrued Interest on Deposits and Other Funds		75,217,993	71,494,394
Total Deposits and Other Funds		5,097,310,092	4,694,965,357
Provision for Taxes		35,536,203	35,355,926
Other Liabilities		52,149,929	43,248,256
Capital Fund and Total Liabilities		5,525,891,094	5,046,255,939
Contra Accounts			
Acceptances		51,519,013	37,645,857
Letters of Credit		376,558,243	433,475,030
Letters of Guarantee		584,991,197	567,537,826
		1,013,068,453	1,038,658,713



BANK OF CREDIT AND COMMERCE INTERNATIONAL SA

Statement of Earnings

for the year ended December 31, 1985

	Note	US\$ 1985	US\$ 1984
Income			
Interest Income		574,757,660	509,742,482
Income on Investments	13	11,292,491	7,117,102
Commission and Exchange		59,274,498	46,612,977
Other Income		12,315,292	10,582,414
		<u>657,639,941</u>	<u>574,054,975</u>
Expenses			
Interest Paid		477,795,897	405,564,975
Salaries and Related Costs		50,741,454	39,450,715
Occupancy Expenses		17,113,098	14,005,349
Depreciation on Premises and Equipment		7,993,704	5,979,251
Other Expenses		42,604,156	36,355,824
		<u>596,248,309</u>	<u>501,356,114</u>
Loan Loss and Other Provisions		33,483,162	19,909,718
		<u>629,731,471</u>	<u>521,265,832</u>
Profit before Taxation		27,908,470	52,789,143
Taxation		(14,700,000)	(23,000,000)
Profit for the year		<u>13,208,470</u>	<u>29,789,143</u>
Statement of Retained Earnings			
At beginning of year		8,845,187	10,056,044
Profit for the year		13,208,470	29,789,143
		<u>22,053,657</u>	<u>39,845,187</u>
Appropriations			
Cash Dividend		(12,000,000)	—
Stock Dividend		—	(15,000,000)
Transfer to Reserves		(5,000,000)	(11,000,000)
Other Appropriations	14	(3,000,000)	(5,000,000)
Carried forward at end of the year		<u>2,053,657</u>	<u>8,845,187</u>



BANK OF CREDIT AND COMMERCE INTERNATIONAL SA

Statement of Source and Application of Funds

for the year ended December 31, 1985

	US\$ 1985	US\$ 1984
Financial Resources were provided by:		
Profit for the year after Taxation	13,208,470	29,789,143
Adjustments for items not involving the use of funds:		
Depreciation on Premises and Equipment	7,993,704	5,979,251
Loan Loss Provision	32,450,000	19,000,000
Financial Resources provided by		
Operations	53,652,174	54,768,394
Issue of Share Capital for Cash	30,000,000	10,000,000
Increase in:		
Loan Capital	40,000,000	20,000,000
Due to Banks	—	198,222,544
Deposits	521,695,480	424,361,517
Other External Liabilities	12,805,549	10,086,543
Decrease in:		
Investment in Securities	147,596,271	83,087,353
Short-term Receivables and Other Assets	4,012,723	—
Total Sources	809,762,197	800,526,351
Financial Resources were used for:		
Net Additions to Premises and Equipment	28,349,496	10,975,118
Cash Dividend	12,000,000	—
Other Appropriations	3,000,000	5,000,000
Prior year Deferred Taxation	—	6,186,280
Increase in:		
Cash and Due from Banks	344,937,094	641,921,847
Advances	297,939,950	123,520,077
Investment in Subsidiaries	461,313	5,913,193
Short-term Receivables and Other Assets	—	7,009,836
Decrease in Due to Banks	123,074,344	—
Total Applications	809,762,197	800,526,351



BANK OF CREDIT AND COMMERCE INTERNATIONAL SA

Notes to the Accounts

December 31, 1985

Amounts expressed in U.S. Dollars

1

Incorporation and Activities

The Bank, a wholly owned subsidiary of BCCI Holdings (Luxembourg) SA, is incorporated in Luxembourg. In addition to its Head Office in Luxembourg, the Bank conducts banking operations in various other countries, primarily in the Middle East and the United Kingdom.

2

Significant Accounting Policies

These accounts have been prepared under the historical cost convention and the significant accounting policies are as follows:

A Currency Translation

- i Assets, liabilities, income and expenses are translated into United States Dollars at appropriate year-end rates of exchange.
- ii Gains and losses on translation of foreign currencies are credited or charged to income as they arise.
- iii Forward foreign exchange contracts are valued at market rates ruling at the year-end, except in the case of contracts covered by corresponding swap transactions where the resulting premium or discount is amortised over the period of the transaction.

B Premises and Equipment

These are stated at cost after deducting depreciation. Depreciation has been provided on the basis of equal annual instalments to amortise the assets over their estimated useful life primarily at rates between 10 per cent and 25 per cent per annum. Capital expenditure on fixed assets which are not yet in operation is depreciated once the assets concerned are brought into use.

C Investment in Securities

Investments in Securities are carried at the lower of cost and market value. Premiums and discounts on investments in the investment portfolio, redeemable at fixed dates, are amortised over the period remaining to maturity.

D Income Recognition

Commissions and fees charged to customers are credited to income at the time of effecting the transactions.



BANK OF CREDIT AND COMMERCE INTERNATIONAL SA

Notes to the Accounts *continued*

E Loan Loss Provision

Management review the loan portfolio of the Bank each year and based upon their judgment set aside specific and general provisions for loan losses after taking account of guarantees received from the Holding Company. The specific element relates to identified risk facilities and the general element relates to the risks which are present in any banking portfolio but which have not been specifically identified.

F Taxation

Provision is made by the liability method for all current and deferred taxation after allowance for such reliefs as are considered available and to the extent the liability is expected to crystallise in the foreseeable future.

G Other Appropriations

As contributions to the Staff Benefit Fund and Donations and Grants are entirely discretionary in nature and based on the available net resources of the Bank, Management, with the annual approval of the shareholders, have classified these as Other Appropriations in the Statement of Earnings.

H Consolidation of Branches

All significant inter-branch items have been eliminated in the accounts.

3

Cash and Due from Banks

Due from Banks includes negotiable certificates of deposit totalling **\$260,684,000** (1984: \$427,004,000) which mature on dates in excess of one year from the year-end. The certificates of deposit portfolio amounting to **\$345,939,000** (1984: \$689,994,000) is readily marketable on a current basis.

4

Loans and Advances

Loans and Advances are stated after deduction of the following provision for possible loan losses:

	1985	1984
Balance at beginning of year	65,095,000	53,197,000
Inter-affiliate Transfers	100,000	—
Charge in Statement of Earnings	32,450,000	19,000,000
	<u>97,645,000</u>	<u>72,197,000</u>
Write-offs and exchange movements during the year	(4,818,000)	(7,102,000)
Balance at end of year	<u>\$92,827,000</u>	<u>\$65,095,000</u>



BANK OF CREDIT AND COMMERCE INTERNATIONAL SA

Notes to the Accounts *continued*

5
Investment in Securities

	1985	1984
Trading Portfolio	—	155,902,000
Investment Portfolio	24,493,000	16,188,000
	<u>\$24,493,000</u>	<u>\$172,090,000</u>
Maturing as to:		
Trading Portfolio — current	—	155,902,000
Investment Portfolio — under 1 year	8,016,000	3,214,000
	<u>8,016,000</u>	<u>159,116,000</u>
Investment Portfolio — over 1 year	16,477,000	12,974,000
	<u>\$24,493,000</u>	<u>\$172,090,000</u>

6
Investment in Subsidiaries

Investment in subsidiaries represents the cost of investment in Bank of Credit and Commerce Canada, a bank chartered under the Canadian Bank Act 1980 and Bank of Credit and Commerce Gibraltar Ltd, a company incorporated in Gibraltar. Consolidated financial statements have not been prepared as Bank of Credit and Commerce International SA is itself a wholly-owned subsidiary of BCCI Holdings (Luxembourg) SA for which consolidated accounts are prepared.

The following information has been extracted from the audited financial statements of Bank of Credit and Commerce Canada for the year ended October 31, 1985 and Bank of Credit and Commerce Gibraltar Ltd for the year ended December 31, 1985.

	BCC Canada \$	BCC Gibraltar \$
Capital and reserves	17,040,000	2,048,000
Profit for the year	639,000	432,000



BANK OF CREDIT AND COMMERCE INTERNATIONAL SA

Notes to the Accounts *continued*

7 Premises and Equipment

	Cost	Accumulated Depreciation	1985 Net Book Value	1984 Net Book Value
Leasehold Improvements	45,499,000	8,636,000	36,863,000	28,595,000
Premises	18,881,000	487,000	18,394,000	10,129,000
Furniture and Equipment	23,128,000	7,943,000	15,185,000	11,363,000
	<u>\$87,508,000</u>	<u>\$17,066,000</u>	<u>\$70,442,000</u>	<u>\$50,087,000</u>

Equipment leased to customers previously included and disclosed in Premises and Equipment are now included in Loans and Advances in accordance with the current pronouncements on the Accounting treatment for leased assets.

8 Capital

The authorised and issued share capital of the Bank consists of 4,500,000 shares (1984: 3,600,000 shares) of \$50 each.

9 Legal Reserve

Luxembourg companies are required to appropriate, annually in arrears, to Legal Reserve 5 per cent of annual net profit, which includes any realised gain on sales of investments or net accumulated losses, until the reserve equals 10 per cent of the nominal value of the paid-up Capital. Accordingly, \$800,000 (1984: \$1,600,000) has been appropriated to the Legal Reserve during 1985. The Legal Reserve may not be distributed in the form of cash dividends or otherwise during the life of the Bank.

10 General and Other Reserves

	1985	1984
Balance at beginning of year	13,114,000	9,900,000
Appropriations	4,200,000	9,400,000
Prior year deferred taxation	—	(6,186,000)
	<u>\$17,314,000</u>	<u>\$13,114,000</u>

11 Loan Capital

At December 31, 1985, Loan Capital comprised Subordinated Loans of \$90,000,000 (1984: \$50,000,000). They were fully subscribed by the parent company at an interest rate of 1 per cent over six months LIBOR and were subordinated in favour of all other creditors of the Bank. Of these loans, \$25,000,000 is repayable on December 31, 1987, \$25,000,000 repayable on December 30, 1988, \$20,000,000 repayable on November 25, 1989 and the remaining \$20,000,000 is repayable on December 30, 1989.



BANK OF CREDIT AND COMMERCE INTERNATIONAL SA

Notes to the Accounts *continued*

12
Due to Banks

Due to Banks consists of availed lines of credit and other money market placements by banks.

13
Income on Investments

Income on investments comprises the net results of trading in Securities. Interest on Securities is included in Interest Income.

14
Other Appropriations

	1985	1984
Contribution to Staff Benefit Fund	1,000,000	2,000,000
Donations and Grants	2,000,000	3,000,000
	<u>\$3,000,000</u>	<u>\$5,000,000</u>

15
Transactions with Affiliates

The Bank accepts deposits from and places funds with affiliates in the normal course of business. Certain balances with affiliates are considered by Management to be compensating and are therefore excluded from both Assets and Liabilities in the Statement of Condition. At December 31, 1985, after elimination of balances considered to be compensating of **\$635,418,000** (1984: \$304,710,000), amounts Due from Banks and Due to Banks included affiliates' balances of **\$1,421,264,000** (1984: \$815,491,000) and **\$206,426,000** (1984: \$182,317,000) respectively. Amounts due from and due to the holding company of **\$21,798,000** (1984: \$21,798,000) and **\$27,754,000** (1984: \$55,970,000) are included in loans and advances and in deposits respectively.

Interest income and interest expense for the year ended December 31, 1985 include amounts of **\$270,219,000** (1984: \$202,910,000) and **\$37,639,000** (1984: \$30,705,000) respectively in respect of interest received from and paid to affiliates.

Expenditure recovered from affiliates in respect of services supplied during the year totalled **\$42,978,000** (1984: \$29,479,000).

16
Commitments

At December 31, 1985 the Bank was committed to future foreign exchange and other trading contracts arising in the normal course of business.

17
Comparative Figures

Certain comparative figures have been reclassified to conform to the current year's format of presentation.



BANK OF CREDIT AND COMMERCE INTERNATIONAL SA

Report of the Auditors

We have examined the accounts of the Bank of Credit and Commerce International SA set out on pages 34 to 41 which have been prepared in accordance with the accounting policies set out in note 2. Our audit has been carried out in accordance with approved auditing standards.

In our opinion, the accounts give a true and fair view of the state of affairs at December 31, 1985, and of the profit and changes in retained earnings and source and application of funds of the bank for the year then ended.

A handwritten signature in black ink, appearing to read 'Ernst & Whinney', with a long horizontal line extending from the end of the signature.

Ernst & Whinney

Luxembourg

March 26, 1986



Annual
Report & Accounts
1985

BANK OF CREDIT AND COMMERCE INTERNATIONAL (OVERSEAS) LIMITED

Head Office: Guinness Mahon Building, Fort Street,
George Town, Grand Cayman, Cayman Islands
Telephone: 9-4722. Telex: CP 4319 BCCOSEAS

Board of Directors

Yves C. Lamarche
Director

J. D. van Oenen
Director

Ghanim Faris Al-Mazrui
Director

Dr. Alfred Hartmann
Director

P. C. Twitchin
Director

Peter Kandiah
Director

Agha Hasan Abedi
Director



BANK OF CREDIT AND COMMERCE INTERNATIONAL (OVERSEAS) LIMITED

Statement of Condition

as at December 31, 1985

	Note	US\$ 1985	US\$ 1984
Assets			
Cash and Due from Banks and Financial Institutions	3/13	3,196,690,707	2,243,253,503
Loans and Advances (less provision for possible loan losses)	4	2,188,385,336	1,669,292,086
Investment in Securities and Other Dealing Assets	5	873,362,589	1,397,854,550
Short-term Receivables		141,914,932	146,079,802
Premises and Equipment	6	53,220,124	49,930,303
Other Assets		205,257,861	41,623,070
Total Assets		6,658,831,549	5,548,033,314
Capital Fund and Liabilities			
Capital: Authorised	7	400,000,000	200,000,000
Issued and Paid-up	7	270,000,000	190,000,000
General Reserve	8	37,165,263	32,494,052
Retained Earnings		2,649,736	30,449,822
Loan Capital	9	115,000,000	50,000,000
Total Capital Fund		424,814,999	302,943,874
Due to Banks	10/13	2,471,419,836	2,013,662,477
Demand Deposits	13	912,587,441	740,620,406
Savings and Time Deposits	13	2,631,760,953	2,301,174,311
Accrued Interest on Deposits and Other Funds		81,648,336	81,610,938
Total Deposits and Other Funds		6,097,416,566	5,137,068,132
Provision for Taxes		24,755,260	14,307,904
Other Liabilities		111,844,724	93,713,404
Capital Fund and Total Liabilities		6,658,831,549	5,548,033,314
Contra Accounts			
Acceptances		137,853,782	75,601,694
Letters of Credit		554,795,933	391,821,586
Letters of Guarantee		732,346,579	570,214,305
		1,424,996,294	1,037,637,585



BANK OF CREDIT AND COMMERCE INTERNATIONAL (OVERSEAS) LIMITED

Statement of Earnings

for the year ended December 31, 1985

	Note	US\$ 1985	US\$ 1984
Income			
Interest Income	13	711,403,222	633,955,247
Income on Investments and Other Dealing Assets (Net) (including contribution from parent company of \$150 million)	11	19,201,200	112,571,131
Commission and Exchange		135,853,870	79,422,264
Other Income		22,972,910	15,751,126
		<u>889,431,202</u>	<u>841,699,768</u>
Expenses			
Interest Paid	13	669,417,751	570,284,538
Salaries and Related Costs		49,369,904	33,583,488
Occupancy Expenses		17,352,865	15,989,847
Depreciation on Premises and Equipment		5,532,458	4,758,747
Other Expenses		55,558,310	45,576,373
		<u>797,231,288</u>	<u>670,192,993</u>
Loan Loss Provision		35,000,000	27,000,000
		<u>832,231,288</u>	<u>697,192,993</u>
Profit before Taxation		57,199,914	144,506,775
Taxation		(25,000,000)	(20,000,000)
Profit for the year		<u>32,199,914</u>	<u>124,506,775</u>
Statement of Retained Earnings			
At beginning of year		30,449,822	23,943,047
Prior year adjustment	11	(75,000,000)	—
Contribution from parent company	11	75,000,000	—
Profit for the year		32,199,914	124,506,775
		<u>62,649,736</u>	<u>148,449,822</u>
Appropriations			
Cash Dividend		(40,000,000)	(75,000,000)
Transfer to Reserve	8	(10,000,000)	(25,000,000)
Other Appropriations	12	(10,000,000)	(18,000,000)
Carried forward at end of the year		<u>2,649,736</u>	<u>30,449,822</u>



BANK OF CREDIT AND COMMERCE INTERNATIONAL (OVERSEAS) LIMITED

Statement of Source and Application of Funds

for the year ended December 31, 1985

	US\$ 1985	US\$ 1984
Financial Resources were provided by:		
Profit for the year after Taxation and contribution from parent company of \$150 million	32,199,914	124,506,775
Adjustments for items not involving the use of funds:		
Depreciation on Premises and Equipment	5,532,458	4,758,747
Loan Loss Provision	35,000,000	27,000,000
	<hr/>	<hr/>
Financial Resources provided by Operations	72,732,372	156,265,522
Issue of Share Capital for Cash	80,000,000	40,000,000
Issue of Loan Capital	65,000,000	10,000,000
Increase in:		
Due to Banks	457,757,359	369,123,644
Deposits	502,553,677	271,517,120
Other External Liabilities	23,287,285	16,579,005
Decrease in:		
Investment in Securities and Other Dealing Assets	524,491,961	—
Short-term Receivables and Other Assets	—	8,161,622
Cash and Due from Banks and Financial Institutions	—	143,774,473
	<hr/>	<hr/>
Total Sources	1,725,822,654	1,015,421,386
	<hr/>	<hr/>
Financial Resources were used for:		
Net Additions to Premises and Equipment	8,822,279	7,878,527
Dividends Paid	40,000,000	75,000,000
Other Appropriations	10,000,000	18,000,000
Increase in:		
Cash and Due from Banks and Financial Institutions	953,437,204	—
Loans and Advances	554,093,250	23,676,182
Investment in Securities and Other Dealing Assets	—	890,866,677
Short-term Receivables and Other Assets	159,469,921	—
	<hr/>	<hr/>
Total Applications	1,725,822,654	1,015,421,386
	<hr/>	<hr/>



BANK OF CREDIT AND COMMERCE INTERNATIONAL (OVERSEAS) LIMITED

Notes to the Accounts

December 31, 1985

Amounts expressed in U.S. Dollars

1

Incorporation and Activities

The Bank, a wholly owned subsidiary of BCCI Holdings (Luxembourg) SA, is incorporated in the Cayman Islands and has an unrestricted banking licence from the Cayman Islands Government. In addition to its Head Office in the Cayman Islands the Bank conducts banking operations in various other countries.

2

Significant Accounting Policies

These accounts have been prepared under the historical cost convention and the significant accounting policies are as follows:

A Currency Translation

- i Assets, liabilities, income and expenses in other currencies are translated into United States Dollars at appropriate year-end rates of exchange.
- ii Gains and losses on translation of foreign currencies are credited or charged to income as they arise.
- iii Translation differences arising from the application of year-end rates of exchange to Branch Capital denominated in foreign currencies are taken directly to General Reserve as being outside the Bank's normal trading activities.
- iv Forward foreign exchange contracts are valued at market rates ruling at the Balance Sheet date, except in the case of contracts covered by corresponding swap transactions where the resulting premium or discount is amortised over the period of the transactions.

B Premises and Equipment

These are stated at cost after deducting depreciation. Depreciation has been provided on the basis of equal annual instalments to amortise the assets over their estimated useful life primarily at rates between 10 per cent and 25 per cent per annum. Capital expenditure on fixed assets which are not yet in operation is depreciated once the assets concerned are brought into use.

C Investment in Securities and Other Dealing Assets

- i Investments in Securities which are intended to be held until maturity are carried at cost. Premiums and discounts on investments redeemable at fixed dates are amortised over the period remaining to maturity.
- ii Interest earning Securities held for trading purposes are carried at the lower of cost and market value on a portfolio basis. Other Dealing Assets are carried at market value.
- iii Premium income and expense relating to option trading is recognised when received or paid and provision is made at buy-back value for all open option contracts. In previous years the market valuation was restricted to those options where the relationship between the option price and the market price of the underlying instrument indicated that the option would be exercised. The effect of the change on the prior year is estimated at \$75,000,000 and has been shown separately in the Statement of Retained Earnings.

Notes to the Accounts *continued*

D Income Recognition

Commissions and fees charged to customers are credited to income at the time of effecting the transactions.

E Taxation

There are no income or capital gains taxes payable in the Cayman Islands. Provision is made by the liability method, however, for income tax on all profits subject to taxation in other jurisdictions after allowance for such reliefs as are considered available.

F Loan Loss Provision

Management review the loan portfolio of the Bank each year and based upon their judgement set aside specific and general provisions for loan losses. The specific element relates to identified risk facilities and the general element relates to the risks which are present in any banking portfolio but which have not been specifically identified.

G Other Appropriations

As contributions to Staff Benefit Fund and Donations and Grants are entirely discretionary in nature and based on the available net resources of the Bank, Management have classified these as Other Appropriations in the Statement of Earnings.

H Consolidation of Branches

All significant inter-branch items have been eliminated in the accounts.

3

Cash and Due from Banks and Financial Institutions

Due from Banks includes negotiable certificates of deposit totalling **\$367,208,000** (1984: \$227,335,000) which mature on dates in excess of one year from the year-end and are readily marketable on a current basis.

All inter-bank placements mature within the ensuing year.

4

Loans and Advances

Loans and Advances are stated after deduction of the following provision for possible loan losses:

	1985	1984
Balance at beginning of year	88,310,813	66,475,728
Charge in Statement of Earnings	35,000,000	27,000,000
	<hr/> 123,310,813	<hr/> 93,475,728
Write-offs and exchange movements during the year	(7,434,253)	(5,164,915)
Balance at end of year	<hr/> \$115,876,560 <hr/>	<hr/> \$88,310,813 <hr/>



Notes to the Accounts *continued*

5 Investment in Securities and Other Dealing Assets

	1985	1984
Trading Portfolio:		
Securities	466,117,168	745,665,260
Other Dealing Assets	140,231,744	447,158,291
	<u>606,348,912</u>	<u>1,192,823,551</u>
Investment Portfolio	267,013,677	205,030,999
	<u>\$873,362,589</u>	<u>\$1,397,854,550</u>
Maturing as to:		
Trading Portfolio — current	606,348,912	1,192,823,551
Investment Portfolio — under 1 year	<u>122,624,967</u>	<u>97,389,241</u>
	<u>728,973,879</u>	<u>1,290,212,792</u>
Investment Portfolio — over 1 year	144,388,710	107,641,758
	<u>\$873,362,589</u>	<u>\$1,397,854,550</u>

The Trading Portfolio is readily marketable on a current basis. The market value of the Securities held in the Investment Portfolio is not significantly different from cost.

6 Premises and Equipment

	Cost	Accumulated Depreciation	1985 Net Book Value	1984 Net Book Value
Leasehold Improvements	25,081,022	14,365,954	10,715,068	9,386,082
Premises	25,556,132	795,395	24,760,737	27,543,270
Furniture and Equipment	33,148,758	15,404,439	17,744,319	13,000,951
	<u>\$83,785,912</u>	<u>\$30,565,788</u>	<u>\$53,220,124</u>	<u>\$49,930,303</u>

7 Capital

The authorised capital of the Bank consists of 4,000,000 shares (1984: 2,000,000) of \$100 each of which 2,700,000 shares (1984: 1,900,000 shares) are issued and fully paid.



BANK OF CREDIT AND COMMERCE INTERNATIONAL OVERSEAS LIMITED

Notes to the Accounts *continued*

8 General Reserve

	1985	1984
Balance at beginning of year	32,494,052	18,000,000
Appropriations	10,000,000	25,000,000
Translation differences	(5,328,789)	(10,505,948)
	<u>\$37,165,263</u>	<u>\$32,494,052</u>

9 Loan Capital

Loan Capital has been fully subscribed by the parent company, is subordinated in favour of all other creditors of the Bank and is repayable on December 31 of the following years:

	Interest Rate	1985	1984
1987	Six months LIBOR plus one per cent.	10,000,000	10,000,000
1988	Six months LIBOR	25,000,000	25,000,000
1988	Six months LIBOR plus one per cent.	80,000,000	15,000,000
		<u>\$115,000,000</u>	<u>\$50,000,000</u>

10 Due to Banks

Due to Banks consists of availed lines of credit and other money market placements by banks.

11 Income on Investments and Other Dealing Assets (Net)

Income on investments comprises the net results of trading in Securities and Other Dealing Assets after charging the related cost of funds. Interest on Securities is included in Interest Income.

During 1985 the Bank incurred exceptional losses from option trading including provision for losses on option contracts open at the year-end in accordance with the accounting policy set out in Note 2C (iii). To alleviate the detrimental effect of this on the operating results of the year, the parent company has made a contribution of \$150,000,000 to the Bank. This contribution is included within the amount shown as income on investments.

The parent company has made a further contribution of \$75,000,000 to offset the effect on the Bank's capital fund of applying the revised accounting policy as set out in Note 2C (iii) for options open as at December 31, 1984.



BANK OF CREDIT AND COMMERCE INTERNATIONAL (OVERSEAS) LIMITED

Notes to the Accounts *continued*

12
Other Appropriations

	1985	1984
Contribution to Staff Benefit Fund	—	6,000,000
Donations and Grants	10,000,000	12,000,000
	<u>\$10,000,000</u>	<u>\$18,000,000</u>

13
Transactions with Affiliates

The Bank accepts deposits from and places funds with affiliates in the normal course of business. Certain balances with affiliates are considered by Management to be compensating and are therefore excluded from both Assets and Liabilities in the Statement of Condition. At December 31, 1985, after elimination of balances considered to be compensating of **\$947,135,000** (1984: \$710,390,000), amounts Due from Banks and Due to Banks included affiliates' balances of **\$265,767,000** (1984: \$405,338,000) and **\$1,822,266,000** (1984: \$1,297,504,000) respectively.

Deposits include an amount of **\$67,634,000** (1984: \$100,238,000) from affiliates.

Interest income and interest expense for the year ended December 31, 1985 include amounts of **\$77,393,000** (1984: \$92,107,000) and **\$348,008,000** (1984: \$270,076,000) in respect of interest received from and paid to affiliates.

Expenses include an amount of **\$41,518,000** (1984: \$32,391,000) in respect of management services charged by affiliates relating to offshore operations.

14
Commitments

At December 31, 1985 the Bank was committed to future foreign exchange and other trading contracts arising in the normal course of business.

15
Comparative Figures

Certain comparative figures have been reclassified to conform to the current year's format of presentation.



BANK OF CREDIT AND COMMERCE INTERNATIONAL (OVERSEAS) LIMITED

Report of the Auditors to the Shareholders of Bank of Credit and Commerce International (Overseas) Limited

We have audited the financial statements on pages 46 to 53 in accordance with International Auditing Guidelines.

In our opinion, the financial statements give a true and fair view of the financial position of Bank of Credit and Commerce International (Overseas) Limited at December 31, 1985 and the results of its operations for the year then ended in accordance with International Accounting Standards.

Price Waterhouse

Price Waterhouse
Chartered Accountants
George Town, Grand Cayman

March 27, 1986



Subsidiaries and Affiliates Financial Highlights

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BANK OF CREDIT AND COMMERCE (BOTSWANA) LIMITED

Shareholding: 100%

Board of Directors

E. A. Garda, *Chairman*, P. F. Gutta, P. C. Twitchin, B. N. Choudhuri, A. R. Khan

	Pula 1984	Pula 1985	US\$ 1985
Total Capital Funds	2,165,414	2,548,252	1,221,122
Customer Deposits	27,598,003	35,195,088	16,865,486
Loans and Advances (Net)	13,830,827	21,900,932	10,494,926
Total Assets	30,982,657	39,698,056	19,023,308
Profit before Taxation	257,819	587,378	281,472

Head Office: Plot 1278, Industrial Site, Lobatse Road, P.O. Box 871, Gaborone, Botswana
Telephone: 52867 *Telex:* 2556 BCC BD



BANK OF CREDIT AND COMMERCE CANADA

Shareholding: 100%

Board of Directors

Imtiaz Ahmed, A. D. Raja, N. A. Saibil, M. Masse, D. M. Harley

	C\$ 1984	C\$ 1985	US\$ 1985
Total Capital Funds	17,281,000	23,259,000	17,040,000
Customer Deposits	219,480,000	293,965,000	215,359,000
Loans and Advances (Net)	73,963,000	134,160,000	98,286,000
Total Assets	256,223,000	373,907,000	273,925,000
Profit before Taxation	763,000	983,000	720,000

Head Office: 625 Dorchester Boulevard West, Montreal, Quebec H3B 1R2, Canada
Telephone: (514) 875-0574 *Telex:* 055-61964



BANK OF CREDIT AND COMMERCE CAMEROON SA

Shareholding: 65%

Board of Directors

Kanga Zamb Jean, *Chairman*, Enow Tanjong, Louis Claude Nyassa, Michel Din, Iqbal A. Rizvi, Zafar Husain Naqvi, Jamshed Ali, Rizwan Razvi

	Frs. CFA 1984	Frs. CFA 1985	US\$ 1985
Total Capital Funds	964,956,292	2,095,904,449	4,497,649
Customer Deposits	35,379,334,317	41,308,621,457	88,645,110
Loans and Advances (Net)	11,356,604,764	15,588,075,884	33,450,806
Total Assets	42,857,853,391	49,013,391,362	105,178,951
Profit before Taxation	665,687,093	1,388,850,011	2,980,364

Head Office: Kennedy Building, Avenue John F Kennedy, B.P. 1188, Yaounde, Cameroon
Telephone: 222986 *Telex:* 8558 KN BCC CAM



CREDIT AND FINANCE CORPORATION LTD

Shareholding: 100%

Board of Directors

M. A. K. Yousufi, *Chairman*, S. M. Shafi, *Managing Director*, Y. C. Lamarche, Peter Kandiah, Roger A. Aylen

	US\$ 1984	US\$ 1985
Total Capital Funds	12,567,169	13,267,678
Customer Deposits	123,089,175	137,423,998
Loans and Advances (Net)	72,638,526	107,442,156
Total Assets	269,323,923	338,333,263
Profit before Taxation	3,114,529	3,700,509

Head Office: Guinness Mahon Building, Fort Street, George Town, Grand Cayman, Cayman Islands
Telephone: 9-6088 *Telex:* CP4457 CFCSEA



BANCO DE CRÉDITO Y COMERCIO DE COLOMBIA

(Formerly Banco Mercantil)

Shareholding: 99%

Board of Directors

Dr. Rodrigo Llorente M., Dr. Fernando Gaviria C., Dr. Alberto Calvo, Kemal Shoaib,
S. M. Shafi

	Col.\$ 1984	Col.\$ 1985	US\$ 1985
Total Capital Funds	865,877,360	2,557,450,629	14,851,630
Customer Deposits	14,186,988,625	32,066,526,777	186,216,764
Loans and Advances (Net)	15,385,753,287	28,775,348,210	167,104,228
Total Assets	22,944,642,761	41,971,053,643	243,734,342
Profit/(Loss) before Taxation	(133,244,975)	443,929,508	2,577,988

(Includes wholly owned subsidiary)

Head Office: Carrera 7 No. 14-23, Apartado No. 6826, Bogotá, Colombia

Telephone: 2823004 Telex: 44709/45646 BCC-CO



BANK OF CREDIT AND COMMERCE (EMIRATES)

Shareholding: 40%

Board of Directors

H. E. Sh. Nahayan Bin Mubarak Al-Nahayan, *Chairman*, Obaid Humaid Al-Tayer,
Mohammad Ahmed Al-Kamdah, Eid Bakheet Al Massroai, Saleem Siddiqi, Ashraf Nawabi,
Zafar Iqbal, *Managing Director and Chief Executive*

	DH 1984	DH 1985	US\$ 1985
Total Capital Funds	260,347,410	307,305,259	83,711,593
Customer Deposits	2,591,068,524	3,037,192,124	827,347,350
Loans and Advances (Net)	1,391,495,343	2,018,798,879	549,931,593
Total Assets	3,710,918,440	4,193,052,607	1,142,209,917
Profit before Taxation	43,003,131	65,312,849	17,791,569

Head Office: P.O. Box 3865, Abu Dhabi, UAE

Telephone: 321600 Telex: 23693 BCC AMA EM



BANK OF CREDIT AND COMMERCE SA ESPANOLA

Shareholding: 99%

Board of Directors

P. C. Twitchin, *Chairman*, Juan Antonio Garcia Diez, Masihur Rahman, M. Ikramullah Khan, *Vice Chairman and Managing Director*, Mahmoud Faruqi, Lorenzo de Zavala Richi, José Luis del Valle Perez, *Secretary*

	Pesetas 1984	Pesetas 1985	US\$ 1985
Total Capital Funds	2,905,530,711	3,732,752,468	24,245,422
Customer Deposits	21,676,103,836	25,076,760,215	162,881,585
Loans and Advances (Net)	12,432,484,873	16,656,917,142	108,192,009
Total Assets	32,922,912,042	38,918,333,424	252,787,034
Profit/(Loss) before Taxation	(355,080,373)	(299,803,243)	(1,947,318)

Head Office: Paseo de la Castellana 31, P.O. Box 50887, 28046, Madrid, Spain

Telephone: 410.5045 Telex: 49171 BCCI-E



BANK OF CREDIT AND COMMERCE GIBRALTAR LIMITED

Shareholding: 100%

Board of Directors

S. Akhlaque Husain, Vilayat H. Abidi, Basheer A. Chowdry

	£ 1984	£ 1985	US\$ 1984
Total Capital Funds	1,133,860	1,436,901	2,047,584
Customer Deposits	15,124,641	19,035,218	27,125,185
Loans and Advances (Net)	299,495	1,428,201	2,035,186
Total Assets	19,933,615	26,641,603	37,964,284
Profit before Taxation	108,931	303,041	431,833

Head Office: 153 Main Street, Gibraltar

Telephone: 77064 Telex: 2337 BCC GIB GK



Commercial Union Bank Limited

Shareholding: 99%

Board of Directors

Dildar H. Rizvi, *Managing Director*, Akhtar Anis, Charles C. Sin, Syed Mazhar Abbas,
S. P. Chandavarkar, *Chief Executive*

	HK\$ 1984	HK\$ 1985	US\$ 1985
Total Capital Funds	36,190,976	36,330,495	4,652,983
Customer Deposits	401,355,229	244,700,775	31,339,751
Loans and Advances (Net)	1,049,722,043	650,112,190	83,262,319
Total Assets	1,610,091,941	1,051,041,934	134,610,903
Profit before Taxation	2,124,969	139,519	17,869

Head Office: 5/F Admiralty Centre, Tower 1, 18 Harcourt Road,
G.P.O. Box 3664, Hong Kong
Telephone: 5-8226228 Telex: 75483 BCCFI HX



Commercial Union Bank Limited

Shareholding: 98%

Board of Directors

Louis E. Saubolle, *Chairman*, Wat Wai Kin, Henry, *Vice Chairman*, Wong Kin Hang,
Philip, MBE J.P., Mong Man Wai, William, Swaleh Naqvi, Dildar H. Rizvi

	HK\$ 1984	HK\$ 1985	US\$ 1985
Total Capital Funds	400,048,198	582,156,828	74,559,020
Customer Deposits	4,441,278,902	6,306,576,724	807,707,060
Loans and Advances (Net)	2,635,992,382	4,002,720,286	512,643,479
Total Assets	6,356,185,349	8,046,989,307	1,030,608,262
Profit before Taxation	38,563,566	25,808,630	3,305,409

Head Office: Admiralty Centre, Tower 1, 5th Floor, 18 Harcourt Road,
G.P.O. Box 4612, Hong Kong
Telephone: 5-8226228 Telex: 62216 BCCHK HX



ITALFINANCE INTERNATIONAL SPA

Shareholding: 85%

Board of Directors

Faisal Saud Al Fulaij, Dr. Giorgio Della Flora, Dr. Riccardo Patti, *President*, Swaleh Naqvi, Dr. Raffaele Santoro, Ameer Siddiki, Kemal Shoaib, *Managing Director*

	Lit '000 1984	Lit '000 1985	US\$ 1985
Total Capital Funds	3,888,908	3,891,414	2,305,339
Loans and Advances (Net)	30,054,438	35,533,252	21,050,504
Total Assets	45,775,666	59,794,338	35,423,186
Profit before Taxation	222,262	192,607	114,104

Head Office: Via Marche 1, 00187, Rome, Italy

Telephone: 475-6151 Telex: 610486 BCCR



KUWAIT INTERNATIONAL FINANCE COMPANY SAK

Shareholding: 49%

Board of Directors

Faisal Saud Al Fulaij, *Chairman*, Hussain Jawad Abdul Rasool, N. F. Fulaij, Swaleh Naqvi, Saleem Siddiqi, Abdul Hafeez M. Ahmad

	KD 1984	KD 1985	US\$ 1985
Total Capital Funds	4,531,079	4,743,904	16,302,076
Borrowings	66,797,227	43,999,532	151,201,141
Loans and Advances (Net)	57,447,066	40,847,906	140,370,810
Total Assets	73,280,554	49,565,984	170,329,842
Profit before Taxation	320,872	237,513	816,196

Head Office: Al Rashed Building, Fahad Al Salem Street, P.O. Box 23792, Safat, Kuwait

Telephone: 2448050/6 Telex: 22569 Currency KT



**BANK OF CREDIT AND COMMERCE INTERNATIONAL
(LEBANON) S.A.L.**

Shareholding: 100%

Board of Directors

S. M. Fayyaz, *Chairman*, Rafik K. Khoury, Antoine G. Haddad, Amine N. Shams

	L.£ 1984	L.£ 1985	US\$ 1985
Total Capital Funds	14,120,829	14,120,829	780,156
Customer Deposits	445,254,401	667,212,598	36,862,574
Loans and Advances (Net)	291,805,092	367,631,967	20,311,158
Total Assets	470,129,857	698,109,274	38,569,573
Profit before Taxation	57,846	140,683	7,773

Head Office: Piccadilly Building, Hamrah, Beirut, Lebanon
Telephone: 354580/1 346422/3 *Telex:* BOCACI 21676 LE



BANK OF CREDIT AND COMMERCE (MISR) S.A.E.

Shareholding: 49%

Board of Directors

Dr. Mohammed Abdalla Merzban, *Chairman*, Eng. Abdel Moneim Seif El Din Ismail, Ahmed Gad Ibrahim, Masih-ur-Rahman, Shahid Jamil, S. Qaiser Raza, *Managing Director and Chief Executive*

	Egyptian £ 1984	Egyptian £ 1985	US\$ 1985
Total Capital Funds	14,350,111	19,186,565	22,494,139
Customer Deposits	308,154,685	503,637,382	378,674,723
Loans and Advances (Net)	165,367,611	304,565,781	228,996,828
Total Assets	529,913,757	796,866,664	599,147,868
Profit for the year	1,974,994	163,094	122,627

Head Office: Cairo Centre Building, 106 Kasr-el-Aini Street, Garden City,
P.O. Box 788, Cairo, Egypt
Telephone: 3557329/3557327 *Telex:* 94130 BCC MS

Shareholding: 100%

Board of Directors

Abdul Hafeez, Iqbal A. Rizvi, S. Akhlaque Hussain, Akhtar Anis

	Frs. C.F.A. 1985	US\$ 1985
Total Capital Funds	401,934,803	986,041
Customer Deposits	4,721,800,350	11,583,687
Loans and Advances (Net)	162,836,616	399,477
Total Assets	5,209,888,193	12,781,081
Profit before Taxation	1,934,803	4,747

Head Office: BP Box 12792 Immeuble El-Nasr, Niamey, Niger
Telephone: 734286-9 734288-9 Telex: BCC 5456 N1



BANK OF COMMERCE AND FINANCE LIMITED

Shareholding: 40%

Board of Directors

Alhaji Ibrahim Dasuki, *Chairman*, Chief L. O. Akindele, Chief I. A. S. Adewale,
Alhaji Ibrahim Katune, Alhaji Mamman Daura, Abdul Hafeez, P. F. Gutta, Ahmed Raza,
Managing Director and Chief Executive

	Naira 1984	Naira 1985	US\$ 1985
Total Capital Funds	59,258,340	72,640,798	72,669,866
Customer Deposits	1,037,225,423	1,285,021,071	1,285,535,285
Loans and Advances (Net)	353,686,476	379,538,814	379,690,690
Total Assets	1,259,138,309	1,586,055,415	1,586,690,091
Profit before Taxation	43,703,865	44,754,108	44,772,016

Head Office: 42/44 Warehouse Road, PMB 1040, Apapa, Lagos, Nigeria
Telephone: 803820 Telex: 22377 BCCI AP NG

Shareholding: 40%

Board of Directors

Ali Sultan M. Fadel, *Chairman*, Kamal Abdul Redha Sultan, Saleem Siddiqi,
S. M. Zavatti, Mohammad Sadiq Dar

	RO 1984	RO 1985	US\$ 1985
Total Capital Funds	18,608,277	21,536,670	62,456,343
Customer Deposits	251,462,379	231,840,312	672,336,905
Loans and Advances (Net)	152,201,431	180,676,786	523,962,679
Total Assets	359,700,355	373,270,799	1,082,485,317
Profit before Taxation	6,670,808	5,277,385	15,304,417

Head Office: P.O. Box 3751, Ruwi, Muscat, Sultanate of Oman
Telephone: 708684 Telex: 3281 NBO ON

Shareholding: 55%

Board of Directors

George P. Mngomezulu, *Chairman*, H.R.H. Princess Msalela Dlamini,
E. A. Garda, *Managing Director*, A. A. Mamba, Wazir H. Jafree, H. B. Nadkarni

	Emalangen 1984	Emalangen 1985	US\$ 1985
Total Capital Funds	1,775,831	1,909,787	735,268
Customer Deposits	25,994,551	26,135,001	10,061,975
Loans and Advances (Net)	17,607,110	22,192,882	8,544,260
Total Assets	29,498,101	30,249,358	11,646,003
Profit before Taxation	374,055	284,041	109,356

Head Office: Nkoseluhlaza Street, P.O. Box 645, Manzini, Swaziland
Telephone: 53181/5 Telex: 2163 BCC MNZ WD



BANQUE DE COMMERCE ET DE PLACEMENTS SA

Shareholding: 20%

Board of Directors

Dr. Alfred Hartmann, *Chairman*, Dr. Max Trachsler, Imtiaz Ahmed, Charles Bauer, Dr. Marco Bruesch, Swaleh Naqvi, John A. Hillbery

	S.F. 1984	S.F. 1985	US\$ 1985
Total Capital Funds	38,969,497	40,369,496	19,408,412
Customer Deposits	232,176,889	270,971,070	130,274,552
Loans and Advances	131,590,275	89,011,230	42,793,860
Total Assets	448,755,405	504,508,780	242,552,298
Profit before Taxation	7,195,886	7,777,437	3,739,152

Head Office: 12, Place Cornavin, Case Postale 215, CH-1211, Geneva 1, Switzerland
Telephone: 022-322-200 *Telex:* 23134 BCPG CH



BCC CREDIT AND FINANCE (URUGUAY) SA

Shareholding: 100%

Board of Directors

Dr. Alberto Calvo, *President*, Kemal Shoaib, S. M. Shafi, S. A. Shabbir

	N. Pesos 1984	N. Pesos 1985	US\$ 1985
Total Capital Funds	174,194,253	251,445,546	2,015,594
Customer Deposits	2,629,902	8,979,218	71,978
Loans and Advances (Net)	832,072,540	18,764,928	150,420
Total Assets	1,007,912,347	271,394,504	2,175,507
Profit before Taxation	40,488,571	69,178,504	554,538

Head Office: Sarandi 588, Montevideo, Uruguay
Telephone: 600119 *Telex:* BCC MVD UY 6465



BANK OF CREDIT AND COMMERCE (ZAMBIA) LIMITED

Shareholding: 100%

Board of Directors

V. J. Mwaanga, *Chairman*, S. C. Mwewa, D. C. Katongo, E. A. Garda, Iqbal A. Rizvi

	Kwacha 1984	Kwacha 1985	US\$ 1985
Total Capital Funds	9,816,476	17,815,150	3,125,465
Customer Deposits	203,842,020	289,739,933	50,831,567
Loans and Advances (Net)	81,515,656	111,603,504	19,579,562
Total Assets	248,185,704	381,149,259	66,868,291
Profit before Taxation	9,777,959	18,243,674	3,200,645

Head Office: Zimco House, Chainda Place, Cairo Road,
P.O. Box 34940, Lusaka, Zambia

Telephone: 219044-48 *Telex:* ZA 45150 BCC ZML



BANK OF CREDIT AND COMMERCE ZIMBABWE LIMITED

Shareholding: 53%

Board of Directors

E. D. Chiura, *Chairman*, E. A. Garda, P. F. Gutta, S. Mhaka,
P. C. Twitchin, H. B. Nadkarni, *Managing Director*

	Z\$ 1984	Z\$ 1985	US\$ 1985
Total Capital Funds	7,052,758	7,262,007	4,425,355
Customer Deposits	102,074,732	143,467,089	87,426,623
Loans and Advances (Net)	40,653,422	57,818,347	35,233,606
Total Assets	121,239,825	159,303,018	97,076,793
Profit before Taxation	909,487	1,186,501	723,035

Head Office: 60 Union Avenue, Union House, P.O. Box 3313, Harare, Zimbabwe

Telephone: 794695 *Telex:* 4245 BCC ZW

