

Banking Department statement of income for the year to 29 February 2016

	Note	2016 £m	2015 £m
Net interest income		15	12
Fee income	4	182	155
Trading income	4	214	192
Management fees	4	191	181
Other income	4	24	29
Net operating income		626	569
Staff costs	5	(354)	(330)
Infrastructure costs	4	(84)	(84)
Administration and general costs	4	(111)	(96)
Less: Costs recharged to the PRA	4	156	139
Operating expenses		(393)	(371)
Profit before tax		233	198
Taxation	7	(24)	(19)
Profit after tax		209	179

The notes on pages 89 to 135 are an integral part of these financial statements.

The income statement has been represented to show gross costs incurred by the Bank less costs recharged to the PRA.

Banking Department statement of comprehensive income for the year to 29 February 2016

	2016 £m	2015 £m
Profit for the year attributable to shareholder	209	179
Other comprehensive income/(loss) that may be recycled to profit or loss:		
Available for sale reserve		
Net gains/(losses) from changes in fair value	920	119
Current and Deferred tax	(162)	(24)
Property revaluation reserve		
Net gains from changes in fair value	34	51
Deferred tax	(5)	(10)
Total other comprehensive income/(loss) that may be recycled to profit or loss	787	136
Other comprehensive income/(loss) not recycled to profit or loss:		
Retirement benefit remeasurements	358	162
Deferred tax	(58)	(32)
Total other comprehensive income/(loss) not recycled to profit or loss	300	130
Total comprehensive income/(loss) for the year	1,296	445

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Banking Department statement of financial position

as at 29 February 2016

	Note	2016 £m	2015 £m
Assets			
Cash and balances with other central banks	9	637	1,005
Loans and advances to banks and other financial institutions	10	12,706	11,662
Other loans and advances	11	375,198	375,198
Securities held at fair value through profit or loss	12	7,190	5,160
Derivative financial instruments	13	488	1,251
Available for sale securities	14	7,944	6,994
Investments in subsidiaries	15	–	–
Inventories	16	2	–
Property, plant and equipment	17	392	341
Intangible assets	18	18	12
Retirement benefit assets	19	932	540
Other assets	20	251	410
Total assets		405,758	402,573
Liabilities			
Deposits from central banks	21	15,355	15,601
Deposits from banks and other financial institutions	22	324,546	318,576
Other deposits	23	55,583	60,432
Foreign currency bonds in issue	24	4,333	3,898
Derivative financial instruments	13	476	46
Current tax liabilities		34	10
Deferred tax liabilities	25	341	128
Retirement benefit liabilities	19	194	208
Other liabilities	26	306	275
Total liabilities		401,168	399,174
Equity			
Capital	27	15	15
Retained earnings		3,011	2,607
Other reserves		1,564	777
Total equity attributable to shareholder		4,590	3,399
Total liabilities and equity attributable to shareholder		405,758	402,573

On behalf of the Governor and Company of the Bank of England:

Mr M Carney Governor
Mr B Broadbent Deputy Governor
Mr A Habgood Chairman of Court
Mr R Coates Finance Director

Banking Department statement of changes in equity for the year to 29 February 2016

	Note	Attributable to equity shareholder				Total £m
		Share capital £m	Available for sale reserve £m	Property revaluation reserve £m	Retained earnings £m	
Balance at 28 February 2014		15	482	159	2,391	3,047
Post-tax comprehensive income/(loss) for the period		–	95	41	309	445
Payable to HM Treasury in lieu of dividend	8	–	–	–	(93)	(93)
Balance at 28 February 2015		15	577	200	2,607	3,399
Post-tax comprehensive income/(loss) for the period		–	758	29	509	1,296
Payable to HM Treasury in lieu of dividend	8	–	–	–	(105)	(105)
Balance at 29 February 2016		15	1,335	229	3,011	4,590

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Banking Department statement of cash flows for the year to 29 February 2016

	Note	2016 £m	2015 £m
Cash flows from operating activities			
Profit before taxation		233	198
Adjustments for:			
Amortisation of intangibles	18	3	2
Depreciation of property, plant and equipment	17	19	17
Dividends received	4	(10)	(9)
Net movement in accrued interest and provisions, including pensions		182	924
Changes in operating assets and liabilities:			
Increase in loan advanced to the Bank of England Asset Purchase Facility Fund Ltd		–	–
Net (increase)/decrease in other advances		556	(1,714)
Net increase/(decrease) in securities held at fair value through profit and loss		(2,046)	521
Net increase in deposits		874	2,917
Net increase/(decrease) in foreign currency bonds in issue		465	4
Net (increase)/decrease in financial derivatives		1,193	(1,491)
Net decrease in other accounts		14	28
Net increase in inventories		(2)	–
Corporation tax (paid)/received		(11)	(6)
Net cash inflow from operating activities		1,470	1,391
Cash flows from investing activities			
Purchase of available for sale securities		(532)	(940)
Proceeds from redemption of available for sale securities		427	315
Dividends received	4	10	9
Purchase of intangible assets		(6)	(3)
Purchase of property, plant and equipment		(30)	(40)
Net cash outflow from investing activities		(131)	(659)
Cash flows from financing activities			
Payment to HM Treasury under Section 1 (4) of the Bank of England Act 1946		(93)	(80)
Net cash outflow from financing activities		(93)	(80)
Net increase in cash and cash equivalents		1,246	652
Cash and cash equivalents at 1 March	28	5,428	4,776
Cash and cash equivalents at 29 February	28	6,674	5,428