

# INTERIM CONDENSED CONSOLIDATED FINANCIAL RESULTS FOR THE THREE MONTHS ENDED 31 MARCH 2013

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (All amounts expressed in thousands of Bahraini Dinars unless otherwise stated)

	At 31 March 2013 (Reviewed)	At 31 December 2012 (Audited)	At 31 March 2012 (Reviewed)
<b>ASSETS</b>			
Cash and balances with banks and central banks	212,990	204,864	150,635
Commodity and other placements with banks, financial and other institutions	210,838	169,328	189,280
Murabaha and other financings	1,186,159	1,184,004	1,124,429
Musharaka financing	16,005	15,765	16,214
Investment in mudaraba	8,070	8,164	8,732
Investment in associates	245,538	257,298	245,520
Investment securities	393,569	397,024	450,548
Restricted investment accounts	81,350	81,438	75,084
Assets acquired for leasing	27,753	22,934	23,319
Investment in real estate	134,598	151,383	147,902
Other assets	100,212	97,148	125,116
Fixed assets	42,874	43,947	51,095
Intangible assets	89,233	90,806	95,822
<b>Total assets</b>	<b>2,749,189</b>	<b>2,724,103</b>	<b>2,703,696</b>
<b>LIABILITIES, EQUITY OF UNRESTRICTED INVESTMENT ACCOUNTHOLDERS, MINORITY INTEREST AND OWNERS' EQUITY</b>			
Customers' current accounts	448,834	450,034	312,805
Due to banks, financial and other institutions	531,689	495,070	640,700
Due to investors	701,992	718,797	725,003
Other liabilities	81,086	90,622	112,888
<b>Total liabilities</b>	<b>1,763,601</b>	<b>1,754,523</b>	<b>1,791,396</b>
Equity of unrestricted investment accountholders	662,570	660,173	600,124
Minority interest	84,758	87,311	88,099
<b>Total liabilities, equity of unrestricted investment accountholders and minority interest</b>	<b>2,510,929</b>	<b>2,502,007</b>	<b>2,479,619</b>
Share capital	274,283	252,915	252,915
Reserves	102,027	105,349	95,873
Accumulated losses	(138,050)	(136,168)	(124,711)
<b>Total owners' equity</b>	<b>238,260</b>	<b>222,096</b>	<b>224,077</b>
<b>Total liabilities, equity of unrestricted investment accountholders, minority interest and owners' equity</b>	<b>2,749,189</b>	<b>2,724,103</b>	<b>2,703,696</b>

## INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT (All amounts expressed in thousands of Bahraini Dinars unless otherwise stated)

	Three months ended	
	31 March 2013 (Reviewed)	31 March 2012 (Reviewed)
<b>INCOME</b>		
Income from murabaha and other financings	19,729	21,625
Share of profit after tax from associates	4,358	3,842
Income from other investments	9,557	12,307
Group's share of income from unrestricted investment accounts as a Mudarib	2,394	1,555
Group's share of income from restricted investment accounts as a Mudarib	22	261
Other income	3,870	5,965
<b>Total income</b>	<b>39,930</b>	<b>45,555</b>
Less: profit paid to banks, financial and other institutions - net	(20,579)	(25,570)
<b>Operating income</b>	<b>19,351</b>	<b>19,985</b>
<b>EXPENSES</b>		
Administrative and general expenses	(14,273)	(15,098)
Depreciation and amortization	(2,913)	(3,240)
<b>Total expenses</b>	<b>(17,186)</b>	<b>(18,338)</b>
<b>Net income before provision for impairment and overseas taxation</b>	<b>2,165</b>	<b>1,647</b>
Provision for impairment - net	(1,752)	(1,735)
<b>Net income/(loss) before overseas taxation</b>	<b>413</b>	<b>(88)</b>
Overseas taxation	127	(82)
<b>NET INCOME/(LOSS) FOR THE PERIOD</b>	<b>540</b>	<b>(170)</b>
<b>Attributable to:</b>		
Equity holders of the Bank	698	(271)
Minority interests	(158)	101
	540	(170)
<b>Basic and diluted earnings per share</b>	<b>Fils 0.24</b>	<b>Fils (0.10)</b>

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY (All amounts expressed in thousands of Bahraini Dinars unless otherwise stated)

	Share capital	Reserves							Accumulated losses	Total owners' equity
		Share premium	Statutory reserve	General reserve	Investments fair value reserve	Investment in real estate fair value reserve	Foreign currency translation	Total reserves		
At 1 January 2013 (Audited)	252,915	56,434	14,360	19,124	15,752	389	(710)	105,349	(136,168)	222,096
Increase in share capital	21,368	-	-	-	-	-	-	-	(2,580)	18,788
Net income for the period	-	-	-	-	-	-	-	698	-	698
Movement in fair value of investment securities	-	-	-	-	495	-	-	495	-	495
Movement in fair value of associates	-	-	-	-	(500)	-	-	(500)	-	(500)
Movement in deferred tax relating to investment securities	-	-	-	-	14	-	-	14	-	14
Movement in fair value of investment in real estate	-	-	-	-	-	(11)	-	(11)	-	(11)
Foreign currency translation adjustments	-	-	-	-	5	(1)	(3,324)	(3,320)	-	(3,320)
<b>At 31 March 2013 (Reviewed)</b>	<b>274,283</b>	<b>56,434</b>	<b>14,360</b>	<b>19,124</b>	<b>15,766</b>	<b>377</b>	<b>(4,034)</b>	<b>102,027</b>	<b>(138,050)</b>	<b>238,260</b>

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (All amounts expressed in thousands of Bahraini Dinars unless otherwise stated)

	Three months ended	
	31 March 2013 (Reviewed)	31 March 2012 (Reviewed)
<b>OPERATING ACTIVITIES</b>		
Net income/(loss) before overseas taxation	413	(88)
<b>Adjustments for:</b>		
Depreciation and amortization	2,913	3,240
Share of profit after tax from associates	(4,358)	(3,842)
Provision for impairment - net	1,752	1,735
<b>Operating income before changes in operating assets and liabilities</b>	<b>720</b>	<b>1,045</b>
Balances with banks maturing after ninety days and including with central banks relating to minimum reserve requirement	2,159	5,684
(Increase)/decrease in operating assets		
Murabaha and other financings	(2,060)	(94,339)
Musharaka financing	(240)	(185)
Other assets	(2,786)	(11,135)
Increase/(decrease) in operating liabilities		
Customers' current accounts	(1,200)	14,192
Due to banks, financial and other institutions	40,378	30,969
Due to investors	(16,806)	(2,774)
Other liabilities	2,070	9,854
Increase in equity of unrestricted investment accountholders	18,477	43,433
<b>Net cash provided/(used in) operating activities</b>	<b>40,712</b>	<b>(3,256)</b>
<b>INVESTING ACTIVITIES</b>		
Net (increase)/decrease		
Investment in mudaraba	94	-
Assets acquired for leasing	(564)	(918)
Investment securities	10,931	14,255
Dividend received from associates	2,161	5,511
Purchase of fixed assets	282	(1,354)
Investment in real estate	(50)	-
<b>Net cash provided by investing activities</b>	<b>12,854</b>	<b>17,494</b>
<b>FINANCING ACTIVITIES</b>		
Taxes paid	(337)	(1,031)
<b>Net cash used in financing activities</b>	<b>(337)</b>	<b>(1,031)</b>
Foreign currency translation adjustments	(1,433)	(467)
<b>Net increase in cash and cash equivalents</b>	<b>51,796</b>	<b>12,740</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>290,802</b>	<b>251,085</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>342,598</b>	<b>263,825</b>

The above Interim Condensed Consolidated Statement of Financial Position, Interim Condensed Consolidated Income Statement, Interim Condensed Consolidated Statement of Changes in Owners' Equity and Interim Condensed Consolidated Statement of Cash Flows have been extracted from the Interim Condensed Consolidated Financial Information of Ithmaar Bank B.S.C. for the three month period ended 31 March 2013, which were approved for issue by the Board of Directors and reviewed by PricewaterhouseCoopers ME Limited, Kingdom of Bahrain, who expressed an unqualified opinion on 14 May 2013.

HRH Prince Amr Mohamed Al Faisal  
Chairman

Mohammed Bucherei  
CEO and Director

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