

**BOUBYAN BANK K.S.C. AND SUBSIDIARIES
STATE OF KUWAIT**



**INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
AND INDEPENDENT AUDITORS' REVIEW REPORT FOR THE PERIOD
FROM 1 JANUARY 2013 TO 31 MARCH 2013
(UNAUDITED)**

BOUBYAN BANK K.S.C. AND SUBSIDIARIES
STATE OF KUWAIT

INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
(UNAUDITED)

For the period from 1 January 2013 to 31 March 2013



INDEX	Page
Independent auditors' review report on interim condensed consolidated financial information	1
Interim condensed consolidated statement of profit or loss (unaudited)	2
Interim condensed consolidated statement of profit or loss and other comprehensive income (unaudited)	3
Interim condensed consolidated statement of financial position (unaudited)	4
Interim condensed consolidated statement of changes in equity (unaudited)	5
Interim condensed consolidated statement of cash flows (unaudited)	6
Notes to the interim condensed consolidated financial information (unaudited)	7 – 13

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

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Boubyan Bank K.S.C. ("the Bank") and its subsidiaries (collectively "the Group") as at 31 March 2013, and the related interim condensed consolidated statement of profit or loss, interim condensed consolidated statement of profit or loss and other comprehensive income, interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows for the three months period then ended. The management of the Bank is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with the basis of presentation set out in Note 2. Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

Scope of Review

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

Conclusion

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

Report on Other Legal and Regulatory Requirements


Furthermore, based on our review, the interim condensed consolidated financial information is in agreement with the books of account of the Bank. We further report that, to the best of our knowledge and belief, we have not become aware of any material violations of the Companies Law No. 25 of 2012, as amended, or of the Articles of Association of the Bank during the three months period ended 31 March 2013 that might have had a material effect on the business of the Bank or on its financial position.

We further report that, during the course of our review, to the best of our knowledge and belief, we have not become aware of any material violations of the provisions of Law No. 32 of 1968, as amended, concerning currency, the Central Bank of Kuwait and the organisation of banking business, and its related regulations, during the three months period ended 31 March 2013.



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

Kuwait 9 April 2013



WALEED A. AL OSAIMI
LICENCE NO. 68 A
ERNST & YOUNG

BOUBYAN BANK K.S.C. AND SUBSIDIARIES
STATE OF KUWAIT

INTERIM CONDENSED CONSOLIDATED STATEMENT
OF PROFIT OR LOSS (UNAUDITED)

For the period from 1 January 2013 to 31 March 2013



	Notes	Three months ended 31 March	
		2013	2012
		KD'000	KD'000
Income			
Murabaha and other Islamic financing income		16,693	15,101
Distribution to depositors		(2,009)	(2,804)
Murabaha cost		(464)	(515)
Net financing income		14,220	11,782
Net investment (loss)/income	3	(151)	500
Net fees and commission income		569	894
Share of results of associates		161	913
Net foreign exchange gain		189	214
Operating income		14,988	14,303
Staff costs		(5,022)	(4,304)
General and administrative expenses		(2,528)	(2,067)
Depreciation and amortization		(424)	(425)
Operating expenses		(7,974)	(6,796)
Operating profit before provision for impairment		7,014	7,507
Provision for impairment	4	(3,799)	(5,064)
Operating profit before deductions		3,215	2,443
Contribution to Kuwait Foundation for the Advancement of Sciences ("KFAS")		(29)	(23)
National Labour Support Tax ("NLST")		(81)	(69)
Zakat		(33)	(28)
Net profit for the period		3,072	2,323
Attributable to:			
Equity holders of the Bank		3,094	2,477
Non-controlling interests		(22)	(154)
Net profit for the period		3,072	2,323
Basic and diluted earnings per share attributable to the equity holders of the Bank (fils)	5	1.69	1.35

The notes from 1 to 16 form an integral part of this interim condensed consolidated financial information.

**BOUBYAN BANK K.S.C. AND SUBSIDIARIES
STATE OF KUWAIT**

**INTERIM CONDENSED CONSOLIDATED STATEMENT
OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UNAUDITED)**

For the period from 1 January 2013 to 31 March 2013



	Three months ended 31 March	
	2013	2012
	KD'000	KD'000
Net profit for the period	3,072	2,323
Other comprehensive income		
Change in fair value of available for sale investments	305	277
Foreign currency translation adjustments	68	(575)
Other comprehensive income for the period	373	(298)
Total comprehensive income for the period	3,445	2,025
Attributable to:		
Equity holders of the Bank	3,467	2,179
Non-controlling interests	(22)	(154)
Total comprehensive income for the period	3,445	2,025

The notes from 1 to 16 form an integral part of this interim condensed consolidated financial information.

**BOUBYAN BANK K.S.C. AND SUBSIDIARIES
STATE OF KUWAIT**

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF
FINANCIAL POSITION (UNAUDITED)**

As at 31 March 2013



		(Audited)	
	Notes	31 March 2013	31 December 2012
		KD'000	KD'000
Assets			
Cash and cash equivalents	6	189,200	169,530
Due from banks		271,419	251,625
Islamic financing to customers		1,317,003	1,270,014
Financial assets at fair value through profit or loss		46,172	51,293
Available for sale investments		100,688	99,929
Investments in associates	7	9,013	9,082
Investment properties		17,161	17,904
Other assets		11,858	7,916
Property and equipment		7,725	7,363
Total assets		1,970,239	1,884,656
Liabilities and equity			
Liabilities			
Due to banks		198,596	207,133
Depositors' accounts		1,480,107	1,396,962
Other liabilities		31,855	24,397
Total liabilities		1,710,558	1,628,492
Equity			
Share capital		183,645	174,824
Share premium		62,896	62,896
Proposed bonus shares		-	8,741
Treasury shares	8	(1,100)	(1,024)
Statutory reserve		1,891	1,891
Voluntary reserve		1,813	1,813
Share based payment reserve	9	609	537
Fair value reserve		3,726	3,421
Foreign currency translation reserve		(4,805)	(4,873)
Retained earnings		8,514	5,424
Equity attributable to equity holders of the Bank		257,189	253,650
Non-controlling interests		2,492	2,514
Total equity		259,681	256,164
Total liabilities and equity		1,970,239	1,884,656

Mahmoud Yousif Al-Fulaij
Chairman

The notes from 1 to 16 form an integral part of this interim condensed consolidated financial information.

BOUBYAN BANK K.S.C. AND SUBSIDIARIES
STATE OF KUWAIT

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the period from 1 January 2013 to 31 March 2013



	Share capital	Share premium	Proposed bonus shares	Treasury shares	Statutory reserve	Voluntary reserve	Share based payment reserve	Fair value reserve	Foreign currency translation reserve	Retained earnings	Equity attributable to equity holders of the bank	Non-controlling interests	Total Equity
	KD'000	KD'000	KD'000	KD'000	KD'000	KD'000	KD'000	KD'000	KD'000	KD'000	KD'000	KD'000	KD'000
Balance at 31 December 2012	174,824	62,896	8,741	(1,024)	1,891	1,813	537	3,421	(4,873)	5,424	253,650	2,514	256,164
Total comprehensive income for the period	-	-	-	-	-	-	-	305	68	3,094	3,467	(22)	3,445
Share based payment (note 9)	-	-	-	-	-	-	72	-	-	-	72	-	72
Issuing the bonus shares (note 15)	8,745	-	(8,741)	-	-	-	-	-	-	(4)	-	-	-
Purchase treasury shares	76	-	-	(76)	-	-	-	-	-	-	-	-	-
Balance at 31 March 2013	183,645	62,896	-	(1,100)	1,891	1,813	609	3,726	(4,805)	8,514	257,189	2,492	259,681
Balance at 31 December 2011	174,824	62,896	-	(1,024)	842	802	253	1,635	(2,364)	6,381	244,245	2,923	247,168
Total comprehensive income for the period	-	-	-	-	-	-	-	277	(575)	2,477	2,179	(154)	2,025
Share based payment (note 9)	-	-	-	-	-	-	96	-	-	-	96	-	96
Acquisition of non-controlling interests	-	-	-	-	-	-	-	-	-	(206)	(206)	(888)	(1,094)
Net movement in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	994	994
Balance at 31 March 2012	174,824	62,896	-	(1,024)	842	802	349	1,912	(2,939)	8,652	246,314	2,875	249,189

The notes from 1 to 16 form an integral part of this interim condensed consolidated financial information.

**BOUBYAN BANK K.S.C. AND SUBSIDIARIES
STATE OF KUWAIT**

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF
CASH FLOWS (UNAUDITED)**



For the period from 1 January 2013 to 31 March 2013

	Three months ended 31 March	
	2013	2012
	KD'000	KD'000
OPERATING ACTIVITIES		
Net profit for the period	3,072	2,323
Adjustments for:		
Provision for impairment	3,799	5,064
Depreciation and amortisation	424	425
Foreign currency translation adjustments	1,096	(1,114)
Gain on sale of investments	(221)	(51)
Unrealized loss/(gain) from financial assets at fair value through profit or loss	1,329	(25)
Share of results of associates	(161)	(913)
Dividend income	(482)	(10)
Share based payment reserve	72	96
	8,928	5,795
Operating profit before changes in operating assets and liabilities		
Changes in operating assets and liabilities:		
Due from banks	(19,794)	1,460
Islamic financing to customers	(50,720)	(62,530)
Other assets	(3,942)	(5,277)
Due to banks	(8,537)	12,778
Depositors' accounts	83,145	46,147
Other liabilities	7,391	10,795
Dividend income received	482	10
Net cash generated from operating activities	16,953	9,178
INVESTING ACTIVITIES		
Purchase of financial assets at fair value through profit or loss	(167)	-
Proceeds from sale of financial assets at fair value through profit or loss	2,593	745
Proceeds from sale of available for sale investments	413	98
Proceeds from sale of investments properties	366	-
Purchase of investment properties	-	(144)
Purchase of property and equipment	(786)	(340)
Dividend received from associate	298	-
Acquisition of non-controlling interests	-	(1,094)
Net cash generated from /(used in) investing activities	2,717	(735)
FINANCING ACTIVITIES		
Net movement in non-controlling interests	-	994
Net cash generated from financing activities	-	994
Net increase in cash and cash equivalents	19,670	9,437
Cash and cash equivalents at beginning of the period	169,530	191,957
Cash and cash equivalents at end of the period	189,200	201,394

The notes from 1 to 16 form an integral part of this interim condensed consolidated financial information.

1. INCORPORATION AND ACTIVITIES

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

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

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

The Companies Law issued on 26 November 2012 by Decree Law No. 25 of 2012 (the “Companies Law”), which was published in the Official Gazette on 29 November 2012, cancelled the Commercial Companies Law No 15 of 1960. According to Article 2 of the Decree, the Bank has a period of 6 months from 29 November 2012 to regularize its affairs in accordance with the Companies Law.

On 31 July 2012 the Bank became a subsidiary of National Bank of Kuwait SAK (“the Parent Company”).

This interim condensed consolidated financial information as at and for the three months period ended 31 March 2013 incorporates the financial information of the Bank and its principal operating subsidiaries, Boubyan Takaful Insurance Company K.S.C. (Closed) and Boubyan Capital Investment Company K.S.C. (Closed), (together referred to as “the Group”) and the Group’s interests in associates.

The total number of employees in the Group was **841** employees as at 31 March 2013 (807 employees as at 31 December 2012, 747 employees as at 31 March 2012).

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

This interim condensed consolidated financial information was authorised for issue by the Board of Directors on 9 April 2013.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

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

This interim condensed consolidated financial information does not include all the information and notes required for full annual financial statements prepared in accordance with International Financial Reporting Standards (“IFRS”) as modified for use by the State of Kuwait for financial services institutions regulated by the CBK. These regulations require adoption of all IFRSs except for the IAS 39 requirement for collective impairment provision, which has been replaced by the CBK requirements for a minimum general provision.

The interim condensed consolidated financial information has been prepared using the same accounting policies and methods of computation with those used in the preparation of the annual audited consolidated financial statements for the year ended 31 December 2012 except for the adoption of the new and amended International Financial Reporting Standards that has become effective from 1 January 2013 and those which are applicable to the Group.

In the opinion of management, all adjustment consisting of normal recurring accruals considered necessary for a fair presentation have been included. The operating results for the three-months period ended 31 March 2013 are not necessarily indicative of the results that may be expected for the year ending 31 December 2013.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 New and amended standards

IFRS 10 Consolidated Financial Statements

IFRS 10 replaces the consolidation guidance in IAS 27 Consolidated and Separate Financial Statements and SIC-12 Consolidation - Special Purpose Entities by introducing a single consolidation model for all entities based on control, irrespective of the nature of the investee (i.e., whether an entity is controlled through voting rights of investors or through other contractual arrangements as is common in special purpose entities). Under IFRS 10, control is based on whether an investor has 1) power over the investee; 2) exposure or rights, to variable returns from its involvement with the investee; and 3) the ability to use its power over the investee to affect the amount of the returns. The adoption of this standard has not resulted in any significant impact on the financial position or performance of the Group.

IFRS 12 Disclosure of Interests in Other Entities

IFRS 12 requires enhanced disclosures about both consolidated entities and unconsolidated entities in which an entity has involvement. The objective of IFRS 12 is to require information so that financial statement users may evaluate the basis of control, any restrictions on consolidated assets and liabilities, risk exposures arising from involvements with unconsolidated structured entities and non-controlling interest holders' involvement in the activities of consolidated entities.

The adoption of this standard has not resulted in any material additional disclosures. The Group will review before the year end and may disclose any additional disclosure in the annual consolidated financial statements of the Group.

IFRS 13 Fair Value Measurement

IFRS 13 replaces the guidance on fair value measurement in existing IFRS accounting literature with a single standard. IFRS 13 defines fair value, provides guidance on how to determine fair value and requires disclosures about fair value measurements. However, IFRS 13 does not change the requirements regarding which items should be measured or disclosed at fair value. The adoption of this standard has not resulted in any material additional disclosures in the interim consolidated financial information of the Group. However adoption of the above standard may result in more enhanced disclosures in the annual consolidated financial statements of the Group.

Other amendments to IFRSs which are effective for annual accounting period starting from 1 January 2013 did not have any material impact on the accounting policies, financial position or performance of the Group.

2.3 Judgement and estimates

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

In preparing this interim condensed consolidated financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual audited consolidated financial statements as at and for the year ended 31 December 2012.

3. NET INVESTMENT (LOSS)/INCOME

	Three months ended 31 March	
	2013	2012
	KD'000	KD'000
Unrealized (loss)/gain from financial assets at fair value through profit or loss	(1,329)	25
Gain on sale of investments	221	19
Sukuk coupon income	393	426
Income from investment properties	82	20
Dividend income	482	10
	(151)	500

4. PROVISION FOR IMPAIRMENT

	Three months ended 31 March	
	2013	2012
	KD'000	KD'000
Provision for impairment of due from banks	-	1,670
Provision for impairment for Islamic financing to customers	3,732	958
Provision for impairment of non-cash facilities	67	46
	3,799	2,674
Provision for impairment of investments	-	2,390
	3,799	5,064

5. BASIC AND DILUTED EARNINGS PER SHARE

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

Diluted earnings per share is calculated by dividing the net profit for the period attributable to the equity holders of the Bank by the weighted average number of shares outstanding during the period plus the weighted average number of share that would be issued on the conversion of all the dilutive potential shares into shares.

The diluted earnings per share arising from the issue of employee share option does not result in any change to the reported basic earnings per share.

	Three months ended 31 March	
	2013	2012
Net profit for the year attributable to the equity holders of the Bank (KD'000)	3,094	2,477
Weighted average number of shares outstanding during the period net of treasury shares (thousands of shares)	1,833,846	1,833,846
Basic and diluted earnings per share attributable to the equity holders of the Bank (fils)	1.69	1.35

Earnings per share for the prior period was 1.42 fils, before retroactive adjustment to the number of shares following the bonus issue (note 15).

6. CASH AND CASH EQUIVALENTS

	(Audited)		
	31 March 2013	31 December 2012	31 March 2012
	KD'000	KD'000	KD'000
Cash on hand	14,061	14,020	9,997
Balances with CBK – current account	951	840	14
Balances with banks – current accounts	7,999	3,675	10,910
Placements with banks maturing within seven days	166,189	150,995	180,473
	189,200	169,530	201,394

7. INVESTMENTS IN ASSOCIATES

The investments in associates comprise the following:

Name of the associates	Country of incorporation	Proportion of ownership interest and voting power %			Principal activity
		31 March 2013	31 December 2012	31 March 2012	
Bank Syariah Muamalat Indonesia Tbk	Indonesia	-	-	25.03	Islamic commercial banking
United Capital Bank	Republic of Sudan	21.67	21.67	21.67	Islamic commercial banking
Ijarah Indonesia Finance Company	Indonesia	33.33	33.33	33.33	Islamic financing services
Saudi Projects Holding Group	Kuwait	20.00	20.00	20.00	Real Estate

The Group's share in the operating results of associates was recognised based on their management accounts as at 28 February 2013.

8. TREASURY SHARES

The bank held the following treasury shares:

	31 March 2013	(Audited) 31 December 2012	31 March 2012
Number of treasury shares	2,603,669	1,715,000	1,715,000
Treasury shares as a percentage of total issued shares- %	0.142%	0.09810%	0.09810%
Cost of treasury shares – KD thousand	1,100	1,024	1,024
Market value of treasury shares – KD thousand	1,666	1,098	926

9. SHARED BASED PAYMENT RESERVE

The Bank operates equity settled share based compensation plans. The expense accrued on account of share based compensation plans for the period ended 31 March 2013 amounting to **KD 72 thousand** (31 March 2012: KD 96 thousand) and has been included as part of staff expenses in the interim condensed consolidated statement of profit or loss.

BOUBYAN BANK K.S.C. AND SUBSIDIARIES
STATE OF KUWAIT

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL
INFORMATION (UNAUDITED)



For the period from 1 January 2013 to 31 March 2013

10. RELATED PARTY TRANSACTIONS

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

	Number of board members or executive officers			Number of related parties			(Audited)		
	31 March	31 December	31 March	31 March	31 December	31 March	31 March	31 December	31 March
	2013	2012	2012	2013	2012	2012	2013	2012	2012
							KD'000	KD'000	KD'000
Islamic financing to customers	7	6	8	2	2	1	9,443	8,956	12,833
Depositors' accounts	11	12	8	7	7	9	40,059	33,711	22,283
Letters of guarantee and letters of credit	1	1	2	-	-	-	18	62	267
Revenues							64	194	107
Expenses							(50)	(335)	(49)
Proceed from disposal of an investment							-	9,638	-
Parent Company									
Due from banks							35,538	80,028	59,075
Due to banks							62,521	53,254	24,848
Revenues							23	98	35
Expenses							(20)	(145)	(54)

**BOUBYAN BANK K.S.C. AND SUBSIDIARIES
STATE OF KUWAIT**

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL
INFORMATION (UNAUDITED)**

For the period from 1 January 2013 to 31 March 2013



10. RELATED PARTY TRANSACTIONS (CONTINUED)

Compensation of key management personnel

Details of compensations for key management comprise the following:

	Three months ended 31 March	
	2013	2012
	KD'000	KD'000
Short-term benefits	385	253
Post-employment benefits	119	39
Share based compensation	18	16
	<u>522</u>	<u>308</u>

11. CONTINGENCIES AND COMMITMENTS

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

	(Audited)		
	31 March 2013	31 December 2012	31 March 2012
	KD'000	KD'000	KD'000
Guarantees	149,203	137,909	113,992
Acceptances and letters of credit	51,332	47,749	41,902
Capital commitments (Projects under construction)	1,362	1,307	977
Credit commitments	8,151	8,437	9,403
	<u>210,048</u>	<u>195,402</u>	<u>166,274</u>

12. SEGMENT REPORTING

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

Business Segments

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

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

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

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

BOUBYAN BANK K.S.C. AND SUBSIDIARIES
STATE OF KUWAIT

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL
INFORMATION (UNAUDITED)



For the period from 1 January 2013 to 31 March 2013

12. SEGMENT REPORTING (CONTINUED)

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

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

Three months ended 31 March 2013

	Consumer banking	Corporate banking	Investment banking	Treasury	Group centre	Total
	KD'000	KD'000	KD'000	KD'000	KD'000	KD'000
Segment revenues	7,489	6,699	(602)	2,354	(952)	14,988
Segment expenses	(3,822)	(3,914)	(680)	(109)	(3,391)	(11,916)
Segment results	3,667	2,785	(1,282)	2,245	(4,343)	3,072
As at 31 March 2013						
Segment assets	453,823	936,391	157,084	441,789	(18,848)	1,970,239
Segment liabilities	571,444	181,409	4,184	932,933	20,588	1,710,558

Three months ended 31 March 2012

	Consumer banking	Corporate banking	Investment Banking	Treasury	Group centre	Total
	KD'000	KD'000	KD'000	KD'000	KD'000	KD'000
Segment revenues	5,057	6,928	471	2,114	(267)	14,303
Segment expenses	(3,156)	(2,569)	(3,111)	(115)	(3,029)	(11,980)
Segment results	1,901	4,359	(2,640)	1,999	(3,296)	2,323
As at 31 March 2013						
Segment assets	276,503	882,930	155,912	310,765	(12,851)	1,613,259
Segment liabilities	503,806	112,028	3,336	729,611	15,289	1,364,070

13. FINANCIAL RISK MANAGEMENT

All aspects of the Group's financial risk management objectives and policies are consistent with that disclosed in the annual audited consolidated financial statements for the year ended 31 December 2012.

14. FIDUCIARY ASSETS

The aggregate value of assets held in a trust or fiduciary capacity by the Group at 31 March 2013 amounted to **KD 74,474 thousand** (31 December 2012: KD 70,246 thousand and 31 March 2012: KD 64,146 thousand).

15. ANNUAL GENERAL ASSEMBLY MEETING

The shareholders' annual general assembly held on 26 March 2013 approved the audited consolidated financial statements of the Bank for the year ended 31 December 2012 and the distribution of 5 % bonus shares to the shareholders on record at the date of the general assembly.

16. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the current period's presentation. Such reclassifications did not affect previously reported profit or loss, equity or opening balances of the earliest comparative period presented; accordingly a third statement of financial position is not presented.