

# INTERIM CONDENSED CONSOLIDATED FINANCIAL RESULTS FOR THE THREE MONTHS ENDED 31 MARCH 2018

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

	At 31 March 2018 (Reviewed)	At 31 December 2017 (Audited)	At 31 March 2017 (Reviewed)
<b>ASSETS</b>			
Cash and balances with banks and central banks	218,985	263,819	235,563
Commodity and other placements with banks, financial and other institutions	167,600	98,545	27,270
Murabaha and other financings	1,789,336	1,808,841	1,771,050
Musharaka financing	147,711	139,252	97,841
Sukuk and investment securities	466,630	617,156	671,410
Restricted investment accounts	27,183	27,183	27,231
Assets acquired for leasing	144,989	131,106	105,086
Investment in real estate	3,821	3,994	3,889
Other assets	65,756	69,150	80,680
Fixed assets	21,603	22,252	21,435
Intangible assets	60,226	61,121	65,621
<b>Total assets</b>	<b>3,113,840</b>	<b>3,242,419</b>	<b>3,107,076</b>
<b>LIABILITIES, EQUITY OF UNRESTRICTED INVESTMENT ACCOUNTHOLDERS, MINORITY INTEREST AND OWNERS' EQUITY</b>			
Customers' current accounts	654,181	676,888	603,210
Due to banks, financial and other institutions	411,235	434,635	440,124
Due to investors	681,116	719,303	734,521
Other liabilities	158,584	147,551	126,625
<b>Total liabilities</b>	<b>1,905,116</b>	<b>1,978,377</b>	<b>1,904,480</b>
Equity of unrestricted investment accountholders	1,063,265	1,064,898	999,507
Minority interest	44,304	44,541	44,489
<b>Total liabilities, equity of unrestricted investment accountholders and minority interest</b>	<b>3,012,685</b>	<b>3,087,816</b>	<b>2,948,476</b>
Share capital	100,000	100,000	100,000
Reserves	30,384	31,902	36,181
(Accumulated losses)/retained earnings	(29,229)	22,701	22,419
<b>Total owners' equity</b>	<b>101,155</b>	<b>154,603</b>	<b>158,600</b>
<b>Total liabilities, equity of unrestricted investment accountholders, minority interest and owners' equity</b>	<b>3,113,840</b>	<b>3,242,419</b>	<b>3,107,076</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)/ Retained earnings	Total owners' equity
		Statutory reserve	Investment fair value reserve	Investment in real estate fair value reserve	Foreign currency translation	Other reserves	Total reserves		
At 1 January 2018 (Audited)	100,000	158	3,815	890	(13,241)	40,280	31,902	22,701	154,603
Impact of FAS 30	-	-	-	-	-	-	-	(52,762)	(52,762)
<b>Adjusted balance at 1 January 2018</b>	<b>100,000</b>	<b>158</b>	<b>3,815</b>	<b>890</b>	<b>(13,241)</b>	<b>40,280</b>	<b>31,902</b>	<b>(30,061)</b>	<b>101,841</b>
Net income for the period	-	-	-	-	-	-	-	832	832
Movement in fair value of sukuk and investment securities	-	-	397	-	-	-	397	-	397
Foreign currency translation adjustments	-	-	(4)	(35)	(1,876)	-	(1,915)	-	(1,915)
<b>At 31 March 2018 (Reviewed)</b>	<b>100,000</b>	<b>158</b>	<b>4,208</b>	<b>855</b>	<b>(15,117)</b>	<b>40,280</b>	<b>30,384</b>	<b>(29,229)</b>	<b>101,155</b>

	Share capital	Reserves						Retained Earnings	Total owners' equity
		Investments fair value reserve	Investment in real estate fair value reserve	Foreign currency translation	Other reserves	Total reserves			
Balances transferred as part of reorganization (2 January 2017)	100,000	5,428	797	(8,823)	40,280	37,682	21,277	158,959	
Net income for the period	-	-	-	-	-	-	1,142	1,142	
Movement in fair value of sukuk and investment securities	-	(1,246)	-	-	-	(1,246)	-	(1,246)	
Foreign currency translation adjustments	-	(3)	(2)	(250)	-	(255)	-	(255)	
<b>At 31 March 2017 (Reviewed)</b>	<b>100,000</b>	<b>4,179</b>	<b>795</b>	<b>(9,073)</b>	<b>40,280</b>	<b>36,181</b>	<b>22,419</b>	<b>158,600</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.(c) for the three month period ended 31 March 2018, which were approved for issue by the Board of Directors and reviewed by PricewaterhouseCoopers ME Limited, Kingdom of Bahrain, who expressed an unqualified review conclusion on 14 May 2018.

HRH Prince Amr Mohamed Al Faisal  
Chairman

Dr. Amani Khaled Bouresli  
Director

Ahmed Abdul Rahim  
CEO

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

	Three months ended	
	31 March 2018 (Reviewed)	31 March 2017 (Reviewed)
<b>INCOME</b>		
Income from unrestricted investment accounts	16,010	13,926
Less: return to unrestricted investment accounts and impairment provisions	(9,416)	(8,398)
<b>Group's share of income from unrestricted investment accounts as a Mudarib</b>	<b>6,594</b>	<b>5,528</b>
Income from murabaha and other financings	16,076	15,474
Income from sukuk and investment securities	9,268	13,460
Other income	4,157	2,754
<b>Total income</b>	<b>36,095</b>	<b>37,216</b>
Less: profit paid to banks, financial and other institutions - net	(15,526)	(14,496)
<b>Operating income</b>	<b>20,569</b>	<b>22,720</b>
<b>EXPENSES</b>		
Administrative and general expenses	(13,993)	(13,849)
Depreciation and amortization	(2,270)	(2,386)
<b>Total expenses</b>	<b>(16,263)</b>	<b>(16,235)</b>
<b>Net income before provision for impairment and overseas taxation</b>	<b>4,306</b>	<b>6,485</b>
Provision for impairment - net	385	409
<b>Net income before overseas taxation</b>	<b>4,691</b>	<b>6,894</b>
Overseas taxation	(2,665)	(3,811)
<b>NET INCOME FOR THE PERIOD</b>	<b>2,026</b>	<b>3,083</b>
Attributable to:		
Equity holders of the Bank	832	1,142
Minority interests	1,194	1,941
	<b>2,026</b>	<b>3,083</b>
<b>Basic and diluted earnings per share</b>	<b>Fils 0.83</b>	<b>Fils 1.14</b>

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

	Three months ended	
	31 March 2018 (Reviewed)	31 March 2017 (Reviewed)
<b>OPERATING ACTIVITIES</b>		
Net income before overseas taxation	4,691	6,894
<u>Adjustments for:</u>		
Depreciation and amortization	2,270	2,386
Provision for impairment - net	(385)	(409)
Loss on sale of fixed assets	16	-
<b>Operating income before changes in operating assets and liabilities</b>	<b>6,592</b>	<b>8,871</b>
Balances with banks maturing after ninety days and including with central banks relating to minimum reserve requirement	(4,645)	(424)
Changes in operating assets and liabilities:		
Murabaha and other financings	(30,841)	12,025
Musharaka financing	(14,996)	(9,696)
Other assets	(31,671)	5,924
Customers' current accounts	(3,762)	8,253
Due to banks, financial and other institutions	(17,500)	10,433
Due to investors	(3,569)	19,351
Other liabilities	19,355	(6,633)
Increase/(decrease) in equity of unrestricted investment accountholders	1,683	(43,033)
Taxes paid	(3,101)	(3,258)
<b>Net cash (used in)/provided by operating activities</b>	<b>(82,455)</b>	<b>1,813</b>
<b>INVESTING ACTIVITIES</b>		
Net changes in:		
Assets acquired for leasing	(13,884)	(8,497)
Sukuk and investment securities	124,002	(54,238)
Sale/(purchase) of fixed assets	930	(695)
<b>Net cash provided by/(used in) investing activities</b>	<b>111,048</b>	<b>(63,430)</b>
Foreign currency translation adjustments	(6,086)	2,012
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>22,507</b>	<b>(59,605)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>297,854</b>	<b>260,993</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>320,361</b>	<b>201,388</b>