

INTERIM CONDENSED CONSOLIDATED FINANCIAL RESULTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2018

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Expressed in thousands of Bahraini Dinars unless otherwise stated)

	At 30 September 2018 (Reviewed)	At 31 December 2017 (Audited)	At 30 September 2017 (Reviewed)
ASSETS			
Cash and balances with banks and central banks	249,900	263,819	218,329
Commodity and other placements with banks, financial and other institutions	30,476	98,545	100,937
Murabaha and other financings	1,817,265	1,809,685	1,807,581
Musharaka financing	171,865	138,408	130,926
Sukuk and investment securities	404,432	617,156	686,100
Restricted investment accounts	27,183	27,183	27,183
Assets acquired for leasing	156,604	131,106	110,103
Investment in real estate	3,594	3,994	3,869
Other assets	78,053	69,150	72,893
Fixed assets	19,438	22,252	22,421
Intangible assets	58,326	61,121	62,749
Total assets	3,017,136	3,242,419	3,243,091
LIABILITIES, EQUITY OF UNRESTRICTED INVESTMENT ACCOUNTHOLDERS, MINORITY INTEREST AND OWNERS' EQUITY			
Customers' current accounts	614,982	676,888	643,189
Due to banks, financial and other institutions	409,512	434,635	461,575
Due to investors	714,056	719,303	729,571
Other liabilities	132,457	147,551	140,155
Total liabilities	1,871,007	1,978,377	1,974,490
Equity of unrestricted investment accountholders	1,006,772	1,064,898	1,064,738
Minority interest	43,213	44,541	45,559
Total liabilities, equity of unrestricted investment accountholders and minority interest	2,920,992	3,087,816	3,084,787
Share capital	100,000	100,000	100,000
Reserves	24,642	31,902	35,294
(Accumulated losses)/ retained earnings	(28,498)	22,701	23,010
Total owners' equity	96,144	154,603	158,304
Total liabilities, equity of unrestricted investment accountholders, minority interest and owners' equity	3,017,136	3,242,419	3,243,091

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

	Share capital	Reserves						Retained Earnings/ (Accumulated losses)	Total owners' equity
		Statutory reserve	Investments in real estate fair value reserve	Investment in real estate fair value reserve	Foreign currency translation	Share Premium	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)
Adjusted balance at 1 January 2018	100,000	158	3,815	890	(13,241)	40,280	31,902	(30,061)	101,841
Net income for the period	-	-	-	-	-	-	-	1,563	1,563
Movement in fair value of sukuk and investment securities	-	-	(51)	-	-	-	(51)	-	(51)
Foreign currency translation adjustments	-	-	22	(81)	(7,150)	-	(7,209)	-	(7,209)
At 30 September 2018 (Reviewed)	100,000	158	3,786	809	(20,391)	40,280	24,642	(28,498)	96,144

	Share capital	Reserves						Retained Earnings	Total owners' equity
		Investments in real estate fair value reserve	Investment in real estate fair value reserve	Foreign currency translation	Share Premium	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	-	-	-	-	-	-	1,733	1,733	
Movement in fair value of sukuk and investment securities	-	(1,729)	-	-	-	(1,729)	-	(1,729)	
Foreign currency translation adjustments	-	(5)	(6)	(648)	-	(659)	-	(659)	
AT 30 SEPTEMBER 2017 (REVIEWED)	100,000	3,694	791	(9,471)	40,280	35,294	23,010	158,304	

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 nine month period ended 30 September 2018, which were approved for issue by the Board of Directors and reviewed by PricewaterhouseCoopers ME Limited, Kingdom of Bahrain, who expressed a qualified review conclusion on 13 November 2018.

HRH Prince Amr Mohamed Al Faisal
Chairman

Dr. Amani Khaled Bouresli
Director

Ahmed Abdul Rahim
CEO

INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT (Expressed in thousands of Bahraini Dinars unless otherwise stated)

	Nine months ended		Three months ended	
	30 September 2018 (Reviewed)	30 September 2017 (Reviewed)	30 September 2018 (Reviewed)	30 September 2017 (Reviewed)
INCOME				
Income from unrestricted investment accounts	50,073	44,914	17,160	15,595
Less: return to unrestricted investment accounts and impairment provisions	(29,214)	(25,351)	(9,581)	(8,987)
Group's share of income from unrestricted investment accounts as a Mudarib	20,859	19,563	7,579	6,608
Income from murabaha and other financings	50,112	46,448	17,156	15,438
Income from sukuk and investment securities	25,991	34,386	8,249	9,698
Other income	13,004	12,302	4,445	4,512
Total income	109,966	112,699	37,429	36,256
Less: profit paid to banks, financial and other institutions - net	(47,175)	(46,829)	(16,841)	(16,148)
Operating income	62,791	65,870	20,588	20,108
EXPENSES				
Administrative and general expenses	(43,937)	(43,773)	(14,613)	(15,377)
Depreciation and amortization	(6,538)	(6,834)	(2,171)	(2,177)
Total expenses	(50,475)	(50,607)	(16,784)	(17,554)
Net income before provision for impairment and overseas taxation	12,316	15,263	3,804	2,554
Provision for impairment - net	1,636	(444)	517	1,030
Net income before overseas taxation	13,952	14,819	4,321	3,584
Overseas taxation	(9,189)	(9,026)	(3,168)	(2,172)
NET INCOME FOR THE PERIOD	4,763	5,793	1,153	1,412
Attributable to:				
Equity holders of the Bank	1,563	1,733	189	190
Minority interests	3,200	4,060	964	1,222
	4,763	5,793	1,153	1,412
Basic and diluted earnings per share	FILS 1.56	FILS 1.73	FILS 0.19	FILS 0.19

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (Expressed in thousands of Bahraini Dinars unless otherwise stated)

	Nine months ended	
	30 September 2018 (Reviewed)	30 September 2017 (Reviewed)
OPERATING ACTIVITIES		
Net income before overseas taxation	13,952	14,819
Adjustments for:		
Depreciation and amortization	6,538	6,834
Share of loss after tax from associates	28	70
Provision for impairment - net	(1,636)	444
Loss/(gain) on sale of fixed assets	90	(61)
Operating income before changes in operating assets and liabilities	18,972	22,106
Balances with banks maturing after ninety days and including with central banks relating to minimum reserve requirement	(401)	(15,771)
Changes in operating assets and liabilities:		
Murabaha and other financings	(107,865)	(5,271)
Musharaka financing	(48,966)	(43,403)
Other assets	(48,231)	(3,622)
Customers' current accounts	(18,687)	50,412
Due to banks, financial and other institutions	(8,987)	32,933
Due to investors	73,746	18,124
Other liabilities	(4,693)	839
Increase/(decrease) in equity of unrestricted investment accountholders	(47,873)	22,916
Taxes paid	(6,331)	(7,100)
Net cash (used in) / provided by operating activities	(199,316)	72,163
INVESTING ACTIVITIES		
Net changes in:		
Assets acquired for leasing	(25,498)	(13,514)
Sukuk and Investment securities	158,720	(75,104)
Sale/(purchase) of fixed assets	1,693	(2,253)
Net cash provided by / (used in) investing activities	134,915	(90,871)
Foreign currency translation adjustments	(17,948)	252
Net decrease in cash and cash equivalents	(82,349)	(18,456)
Cash and cash equivalents at the beginning of the period	297,854	260,993
Cash and cash equivalents at the end of the period	215,505	242,537