

CONSOLIDATED FINANCIAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2018

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

	At 31 December 2018 (Audited)	At 31 December 2017 (Audited)
ASSETS		
Cash and balances with banks and central banks	217,138	263,819
Commodity and other placements with banks, financial and other institutions	86,055	98,545
Murabaha and other financings	1,683,865	1,809,684
Musharaka financing	186,851	138,409
Sukuk and investment securities	576,171	617,156
Restricted investment accounts	-	27,183
Assets acquired for leasing	154,859	131,106
Other assets	79,085	69,150
Investment in real estate	3,359	3,994
Development Properties	79,296	-
Fixed assets	17,802	22,252
Intangible assets	43,314	61,121
Total assets	3,127,795	3,242,419
LIABILITIES, EQUITY OF UNRESTRICTED INVESTMENT ACCOUNTHOLDERS, MINORITY INTEREST AND OWNERS' EQUITY		
Customers' current accounts	561,506	676,888
Due to banks, financial and other institutions	578,842	434,635
Due to investors	639,005	719,303
Other liabilities	198,797	147,551
Total liabilities	1,978,150	1,978,377
Equity of unrestricted investment accountholders	994,780	1,064,898
Minority interest	69,480	44,541
Total liabilities, equity of unrestricted investment accountholders and minority interest	3,042,410	3,087,816
Share capital	100,000	100,000
Reserves	14,178	31,902
(Accumulated losses)/ Retained earnings	(28,793)	22,701
Total owners' equity	85,385	154,603
Total liabilities, equity of unrestricted investment accountholders, minority interest and owners' equity	3,127,795	3,242,419

CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY FOR THE YEAR ENDED 31 DECEMBER 2018 (Expressed in thousands of Bahraini Dinars unless otherwise stated)

	Share capital	Reserves						Accumulated losses	Total owners' equity
		Statutory reserve	Investments 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 year	-	-	-	-	-	-	-	1,409	1,409
Transfer to statutory reserve	-	141	-	-	-	-	141	(141)	-
Movement in fair value of sukuk and investment securities	-	-	(471)	-	-	-	(471)	-	(471)
Movement in fair value of investment in real estate	-	-	-	(82)	-	-	(82)	-	(82)
Foreign currency translation adjustments	-	-	102	-	(17,414)	-	(17,312)	-	(17,312)
At 31 December 2018 (Audited)	100,000	299	3,446	808	(30,655)	40,280	14,178	(28,793)	85,385

CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY FOR THE PERIOD ENDED 31 DECEMBER 2017 (Expressed in thousands of Bahraini Dinars unless otherwise stated)

	Share capital	Reserves						Retained Earnings	Total owners' equity
		Statutory reserve	Investments 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	-	-	-	-	-	-	-	1,582	1,582
Transfer to statutory reserve	-	158	-	-	-	-	158	(158)	-
Movement in fair value of sukuk and investment securities	-	-	(1,609)	-	-	-	(1,609)	-	(1,609)
Movement in fair value of investment in real estate	-	-	-	93	-	-	93	-	93
Foreign currency translation adjustments	-	-	(4)	-	(4,418)	-	(4,422)	-	(4,422)
At 31 December 2017 (Audited)	100,000	158	3,815	890	(13,241)	40,280	31,902	22,701	154,603

The above Consolidated Statement of Financial Position, Consolidated Income Statement, Consolidated Statement of Changes in Owners' Equity and Consolidated Statement of Cash Flows have been extracted from the Consolidated Financial Statements of Ithmaar Bank B.S.C.(c) for the year ended 31 December 2018, which were approved for issue by the Board of Directors on 13 February 2019 and audited by PricewaterhouseCoopers ME Limited, Kingdom of Bahrain, who expressed an unqualified opinion.

HRH Prince Amr Mohamed Al Faisal
Chairman

Dr. Amani Khaled Bouresli
Director

Ahmed Abdul Rahim
CEO

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

	Year ended 31 December 2018 (Audited)	Period ended 31 December 2017 (Audited)
INCOME		
Income from unrestricted investment accounts	67,949	62,190
Less: return to unrestricted investment accounts and impairment provisions	(40,959)	(33,214)
Group's share of income from unrestricted investment accounts as a Mudarib	26,990	28,976
Income from murabaha and other financings	70,328	60,915
Income from other investments	34,729	43,912
Other income	19,735	17,910
Total income	151,782	151,713
Less: profit paid to banks, financial and other institutions	(67,967)	(62,514)
Operating income	83,815	89,199
EXPENSES		
Administrative and general expenses	(61,347)	(61,023)
Depreciation and amortization	(8,768)	(9,145)
Total expenses	(70,115)	(70,168)
Net income before provision for impairment and overseas taxation	13,700	19,031
Gain arising on acquisition of a business (net)	19,194	-
Provision for impairment - net	(8,260)	(3,010)
Net income before overseas taxation	24,634	16,021
Overseas taxation	(10,494)	(9,783)
NET PROFIT FOR THE YEAR/PERIOD	14,140	6,238
Attributable to:		
Equity holders of the Bank	1,409	1,582
Minority interests	12,731	4,656
	14,140	6,238
Basic and diluted earnings per share	FILS 1.41	FILS 1.58

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

	Year ended 31 December 2018 (Audited)	Period ended 31 December 2017 (Audited)
OPERATING ACTIVITIES		
Net income before overseas taxation	24,634	16,021
Adjustments for:		
Depreciation and amortization	8,768	9,145
Gain arising on acquisition of a business (net)	(19,194)	-
Provision for impairment - net	8,260	3,010
Income from other investments	(34,729)	(43,912)
(Gain)/ loss on sale of fixed assets	94	(205)
Operating income before changes in operating assets and liabilities	(12,167)	(15,941)
(Increase)/decrease in balances with banks maturing after ninety days and including with central banks relating to minimum reserve requirement	(173)	(3,489)
Changes in operating assets and liabilities:		
Murabaha and other financings	(74,565)	(689)
Musharaka financing	(88,632)	(58,323)
Other assets	(18,210)	(1,893)
Customers' current accounts	(21,561)	65,389
Due to banks, financial and other institutions	201,659	15,094
Due to investors	85,097	39,176
Other liabilities	46,017	12,493
(Decrease)/increase in equity of unrestricted investment accountholders	(45,351)	33,260
Taxes paid	(7,002)	(8,570)
Net cash provided by operating activities	65,112	76,507
INVESTING ACTIVITIES		
Net (increase)/decrease:		
Assets acquired for leasing	(23,753)	(34,634)
Sukuk and Investment securities	(67,545)	7,488
Purchase of fixed assets	(2,846)	(2,686)
Net cash used in investing activities	(94,144)	(29,832)
FINANCING ACTIVITIES		
Minority interest	(300)	(500)
Net cash used in financing activities	(300)	(500)
Foreign currency translation adjustments	(34,499)	(9,314)
Net (decrease)/increase in cash and cash equivalents	(63,831)	36,861
Cash and cash equivalents at the beginning of the year/period	297,854	260,993
Cash and cash equivalents at the end of the year/period	234,023	297,854