

INTERIM CONDENSED CONSOLIDATED FINANCIAL RESULTS FOR THE THREE MONTHS ENDED 31 MARCH 2019

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

	At 31 March 2019 (Reviewed)	At 31 December 2018 (Audited)	At 31 March 2018 (Reviewed)
ASSETS			
Cash and balances with banks and central banks	216,638	217,138	218,985
Commodity and other placements with banks, financial and other institutions	167,070	86,055	167,600
Murabaha and other financings	1,640,638	1,683,865	1,789,336
Musharaka financing	209,164	186,851	147,711
Sukuk and investment securities	335,677	576,171	466,630
Restricted investment accounts	-	-	27,183
Assets acquired for leasing	153,199	154,859	144,989
Other assets	75,797	79,085	65,756
Investment in real estate	3,334	3,359	3,821
Development properties	79,296	79,296	-
Fixed assets	18,280	17,802	21,603
Intangible assets	41,954	43,314	60,226
Total assets	2,941,047	3,127,795	3,113,840
LIABILITIES, EQUITY OF UNRESTRICTED INVESTMENT ACCOUNTHOLDERS, MINORITY INTEREST AND OWNERS' EQUITY			
Customers' current accounts	589,686	561,506	654,181
Due to banks, financial and other institutions	424,448	603,731	436,756
Due to investors	640,578	639,005	681,116
Other liabilities	131,974	173,908	133,063
Total liabilities	1,786,686	1,978,150	1,905,116
Equity of unrestricted investment accountholders	997,019	994,780	1,063,265
Minority interest	70,444	69,480	44,304
Total liabilities, equity of unrestricted investment accountholders and minority interest	2,854,149	3,042,410	3,012,685
Share capital	100,000	100,000	100,000
Reserves	14,029	14,178	30,384
Accumulated losses	(27,131)	(28,793)	(29,229)
Total owners' equity	86,898	85,385	101,155
Total liabilities, equity of unrestricted investment accountholders, minority interest and owners' equity	2,941,047	3,127,795	3,113,840

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

	Three months ended	
	31 March 2019 (Reviewed)	31 March 2018 (Reviewed)
INCOME		
Income from unrestricted investment accounts	18,944	16,010
Less: return to unrestricted investment accounts and impairment provisions	(12,475)	(9,416)
Group's share of income from unrestricted investment accounts as a Mudarib	6,469	6,594
Income from murabaha and other financings	19,493	16,076
Income from sukuk and investment securities	8,730	9,268
Other income	5,905	4,807
Total income	40,597	36,745
Less: profit paid to banks, financial and other institutions - net	(19,171)	(16,176)
Operating income	21,426	20,569
EXPENSES		
Administrative and general expenses	(13,851)	(13,993)
Depreciation and amortization	(2,168)	(2,270)
Total expenses	(16,019)	(16,263)
Net income before provision for impairment and overseas taxation	5,407	4,306
Provision for impairment - net	886	385
Net income before overseas taxation	6,293	4,691
Overseas taxation	(3,490)	(2,665)
NET INCOME FOR THE PERIOD	2,803	2,026
Attributable to:		
Equity holders of the Bank	1,662	832
Minority interests	1,141	1,194
	2,803	2,026
Basic and diluted earnings per share	Fils 1.66	Fils 0.83

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

	Three months ended	
	31 March 2019 (Reviewed)	31 March 2018 (Reviewed)
OPERATING ACTIVITIES		
Net income before overseas taxation	6,293	4,691
Adjustments for:		
Depreciation and amortization	2,168	2,270
Provision for impairment - net	(886)	(385)
Income from other investments	(8,730)	(9,268)
Loss on sale of fixed assets	6	16
Operating income/(loss) before changes in operating assets and liabilities	(1,149)	(2,676)
Balances with banks maturing after ninety days and including with central banks relating to minimum reserve requirement	(1,259)	(4,645)
Changes in operating assets and liabilities:		
Murabaha and other financings	37,493	(30,841)
Musharaka financing	(23,786)	(14,996)
Other assets	3,087	(31,671)
Customers' current accounts	30,901	(3,762)
Due to banks, financial and other institutions	(152,882)	(17,500)
Due to investors	6,149	(3,569)
Other liabilities	(64,204)	19,355
Increase in equity of unrestricted investment accountholders	3,037	1,683
Taxes paid	(3,865)	(3,101)
Net cash used in operating activities	(166,478)	(91,723)
INVESTING ACTIVITIES		
Net changes in:		
Assets acquired for leasing	1,660	(13,884)
Sukuk and investment securities	246,567	133,270
Sale/(purchase) of fixed assets	(1,274)	930
Net cash provided by investing activities	246,953	120,316
FINANCING ACTIVITIES		
Minority interest	201	-
Net cash provided by financing activities	201	-
Foreign currency translation adjustments	(812)	(6,086)
Net increase in cash and cash equivalents	79,864	22,507
Cash and cash equivalents at the beginning of the period	234,023	297,854
Cash and cash equivalents at the end of the period	313,887	320,361

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2019 (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 2019 (Audited)	100,000	299	3,446	808	(30,655)	40,280	14,178	(28,793)	85,385
Net income for the period	-	-	-	-	-	-	-	1,662	1,662
Movement in fair value of sukuk and investment securities	-	-	266	-	-	-	266	-	266
Foreign currency translation adjustments	-	-	2	(109)	(308)	-	(415)	-	(415)
At 31 March 2019 (Reviewed)	100,000	299	3,714	699	(30,963)	40,280	14,029	(27,131)	86,898

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2018 (Expressed in thousands of Bahraini Dinars unless otherwise stated)

	Share capital	Reserves						Retained earnings/(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 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)
At 31 MARCH 2018 (Reviewed)	100,000	158	4,208	855	(15,117)	40,280	30,384	(29,229)	101,155

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 2019, 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 12th May 2019.

HRH Prince Amr Mohamed Al Faisal
Chairman

Elham Hasan
Director

Ahmed Abdul Rahim
CEO

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