

INTERIM CONDENSED CONSOLIDATED FINANCIAL RESULTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2017

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

	At 30 September 2017 (Reviewed)
ASSETS	
Cash and balances with banks and central banks	218,329
Commodity and other placements with banks, financial and other institutions	100,937
Murabaha and other financings	1,807,581
Musharaka financing	130,926
Investment in associates	95
Sukuk and investment securities	686,100
Restricted investment accounts	27,183
Assets acquired for leasing	110,103
Investment in real estate	3,869
Other assets	72,798
Fixed assets	22,421
Intangible assets	62,749
Total assets	3,243,091
LIABILITIES, EQUITY OF UNRESTRICTED INVESTMENT ACCOUNTHOLDERS, MINORITY INTEREST AND OWNERS' EQUITY	
Customers' current accounts	643,189
Due to banks, financial and other institutions	461,575
Due to investors	729,571
Other liabilities	140,155
Total liabilities	1,974,490
Equity of unrestricted investment accountholders	1,064,738
Minority interest	45,559
Total liabilities, equity of unrestricted investment accountholders and minority interest	3,084,787
Share capital	100,000
Reserves	35,294
Retained earnings	23,010
Total owners' equity	158,304
Total liabilities, equity of unrestricted investment accountholders, minority interest and owners' equity	3,243,091

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

	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		
At 1 January 2017 (Reviewed)	-	-	-	-	-	-	-	
Balances transferred as part of reorganization (1 January 2017)	100,000	5,428	797	(8,823)	40,280	37,682	21,277	
Net income for the period	-	-	-	-	-	-	1,733	
Movement in fair value of sukuk and investment securities	-	(1,729)	-	-	-	(1,729)	-	
Foreign currency translation adjustments	-	(5)	(6)	(648)	-	(659)	-	
At 30 September 2017 (Reviewed)	100,000	3,694	791	(9,471)	40,280	35,294	23,010	

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

	Nine months ended 30 September 2017 (Reviewed)	Three months ended 30 September 2017 (Reviewed)
INCOME		
Income from unrestricted investment accounts	44,914	15,595
Less: return to unrestricted investment accounts and impairment provisions	(25,351)	(8,987)
Group's share of income from unrestricted investment accounts as a Mudarib	19,563	6,608
Income from murabaha and other financings	46,448	15,438
Income from other investments	34,386	9,698
Other income	12,302	4,512
Total income	112,699	36,256
Less: profit paid to banks, financial and other institutions - net	(46,829)	(16,148)
Operating income	65,870	20,108
EXPENSES		
Administrative and general expenses	(43,773)	(15,377)
Depreciation and amortization	(6,834)	(2,177)
Total expenses	(50,607)	(17,554)
Net income before provision for impairment and overseas taxation	15,263	2,554
Provision for impairment - net	(444)	1,030
Net income before overseas taxation	14,819	3,584
Overseas taxation	(9,026)	(2,172)
NET INCOME FOR THE PERIOD	5,793	1,412
Attributable to:		
Equity holders of the Bank	1,733	190
Minority interests	4,060	1,222
	5,793	1,412
Basic and diluted earnings per share	Fils 1.73	Fils 0.19

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

	Nine months ended 30 September 2017 (Reviewed)
OPERATING ACTIVITIES	
Net income before overseas taxation	14,819
Adjustments for:	
Depreciation and amortization	6,834
Share of loss after tax from associates	70
Provision for impairment - net	444
Gain on sale of fixed assets	(61)
Operating income before changes in operating assets and liabilities	22,106
Balances with banks maturing after ninety days and including with central banks relating to minimum reserve requirement	(15,771)
(Increase)/decrease in operating assets:	
Murabaha and other financings	(5,271)
Musharaka financing	(43,403)
Other assets	(3,622)
Increase/(decrease) in operating liabilities:	
Customers' current accounts	50,412
Due to banks, financial and other institutions	32,933
Due to investors	18,124
Other liabilities	839
Decrease in equity of unrestricted investment accountholders	22,916
Taxes paid	(7,100)
Net cash provided by operating activities	72,163
INVESTING ACTIVITIES	
Net (increase)/decrease:	
Assets acquired for leasing	(13,514)
Sukuk and Investment securities	(75,104)
Purchase of fixed assets	(2,253)
Net cash used in investing activities	(90,871)
Foreign currency translation adjustments	252
Net decrease in cash and cash equivalents	(18,456)
Cash and cash equivalents at the beginning of the period	260,993
Cash and cash equivalents at the end of the period	242,537

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 2017, 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 13 November 2017.

HRH Prince Amr Mohamed Al Faisal
Chairman

Dr. Amani Khaled Bouresli
Director

Ahmed Abdul Rahim
CEO

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