

INTERIM CONDENSED CONSOLIDATED FINANCIAL RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2019

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

	At 30 June 2019 (Reviewed)	At 31 December 2018 (Audited)	At 30 June 2018 (Reviewed)
ASSETS			
Cash and balances with banks and central banks	280,465	217,138	234,559
Commodity and other placements with banks, financial and other institutions	88,220	86,055	113,150
Murabaha and other financings	1,553,788	1,683,865	1,837,514
Musharaka financing	187,565	186,851	163,885
Sukuk and investment securities	354,367	576,171	563,971
Restricted investment accounts	-	-	27,183
Assets acquired for leasing	151,023	154,859	156,267
Other assets	79,540	79,085	73,627
Investment in real estate	2,878	3,359	3,630
Development Properties	79,296	79,296	-
Fixed assets	17,381	17,802	20,678
Intangible assets	39,587	43,314	58,136
Total assets	2,834,110	3,127,795	3,252,600
LIABILITIES, EQUITY OF UNRESTRICTED INVESTMENT ACCOUNTHOLDERS, MINORITY INTEREST AND OWNERS' EQUITY			
Customers' current accounts	571,866	561,506	660,438
Due to banks, financial and other institutions	404,391	603,731	631,113
Due to investors	591,986	639,005	672,774
Other liabilities	140,589	173,908	115,734
Total liabilities	1,708,832	1,978,150	2,080,059
Equity of unrestricted investment accountholders	983,185	994,780	1,032,482
Minority interest	65,890	69,480	43,013
Total liabilities, equity of unrestricted investment accountholders and minority interest	2,757,907	3,042,410	3,155,554
Share capital	100,000	100,000	100,000
Reserves	2,888	14,178	25,733
Accumulated losses	(26,685)	(28,793)	(28,687)
Total owners' equity	76,203	85,385	97,046
Total liabilities, equity of unrestricted investment accountholders, minority interest and owners' equity	2,834,110	3,127,795	3,252,600

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY FOR THE SIX MONTH PERIOD ENDED 30 JUNE 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	-	-	-	-	-	-	-	2,108	2,108
Movement in fair value of sukuk and investment securities	-	-	(237)	-	-	-	(237)	-	(237)
Foreign currency translation adjustments	-	-	107	(194)	(10,966)	-	(11,053)	-	(11,053)
At 30 June 2019 (Reviewed)	100,000	299	3,316	614	(41,621)	40,280	2,888	(26,685)	76,203

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY FOR THE SIX MONTH PERIOD ENDED 30 JUNE 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	-	-	-	-	-	-	-	1,374	1,374
Movement in fair value of sukuk and investment securities	-	-	108	-	-	-	108	-	108
Foreign currency translation adjustments	-	-	11	(74)	(6,214)	-	(6,277)	-	(6,277)
At 30 June 2018 (Reviewed)	100,000	158	3,934	816	(19,455)	40,280	25,733	(28,687)	97,046

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

	Six months ended		Three months ended	
	30 June 2019 (Reviewed)	30 June 2018 (Reviewed)	30 June 2019 (Reviewed)	30 June 2018 (Reviewed)
INCOME				
Income from unrestricted investment accounts	39,700	32,913	20,756	16,903
Less: return to unrestricted investment accounts and impairment provisions	(26,926)	(19,633)	(14,451)	(10,217)
Group's share of income from unrestricted investment accounts as a Mudarib	12,774	13,280	6,305	6,686
Income from murabaha and other financings	37,654	32,956	18,161	16,880
Income from sukuk and investment securities	17,086	17,742	8,356	8,474
Other income	11,671	10,035	5,766	5,228
Total income	79,185	74,013	38,588	37,268
Less: profit paid to banks, financial and other institutions – net	(38,823)	(31,810)	(19,652)	(15,634)
Operating income	40,362	42,203	18,936	21,634
EXPENSES				
Administrative and general expenses	(27,703)	(29,324)	(13,852)	(15,331)
Depreciation and amortization	(4,213)	(4,367)	(2,045)	(2,097)
Total expenses	(31,916)	(33,691)	(15,897)	(17,428)
Net income before provision for impairment and overseas taxation	8,446	8,512	3,039	4,206
Provision for impairment – net	1,646	1,119	760	734
Net income before overseas taxation	10,092	9,631	3,799	4,940
Overseas taxation	(5,997)	(6,021)	(2,507)	(3,356)
NET INCOME FOR THE PERIOD	4,095	3,610	1,292	1,584
Attributable to:				
Equity holders of the Bank	2,108	1,374	446	542
Minority interests	1,987	2,236	846	1,042
	4,095	3,610	1,292	1,584
Basic and diluted earnings per share	Fils 2.11	Fils 1.37	Fils 0.45	Fils 0.54

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

	Six months ended	
	30 June 2019 (Reviewed)	30 June 2018 (Reviewed)
OPERATING ACTIVITIES		
Net income before overseas taxation	10,092	9,631
Adjustments for:		
Depreciation and amortization	4,213	4,367
Provision for impairment – net	(1,646)	(1,119)
Income from Sukuk and investment securities	(17,086)	(17,742)
Loss on sale of fixed assets	46	89
Operating income/(loss) before changes in operating assets and liabilities	(4,381)	(4,774)
Balances with banks maturing after ninety days and including with central banks relating to minimum reserve requirement	(221)	(4,819)
Changes in operating assets and liabilities:		
Murabaha and other financings	41,046	(124,408)
Musharaka financing	(30,942)	(39,697)
Other assets	(6,984)	(42,424)
Customers' current accounts	69,396	24,201
Due to banks, financial and other institutions	(176,066)	196,343
Due to investors	50,028	23,718
Other liabilities	(22,991)	4,523
Increase/(decrease) in equity of unrestricted investment accountholders	4,154	(22,703)
Taxes paid	(6,996)	(2,708)
Net cash (used in)/provided by operating activities	(83,957)	7,252
INVESTING ACTIVITIES		
Net changes in:		
Assets acquired for leasing	3,836	(25,162)
Sukuk and investment securities	174,383	14,718
Sale/(purchase) of fixed assets	(3,585)	1,124
Net cash provided/(used in) by investing activities	174,634	(9,320)
FINANCING ACTIVITIES		
Minority interest	201	-
Net cash provided by financing activities	201	-
Foreign currency translation adjustments	(22,634)	(15,695)
Net increase/(decrease) in cash and cash equivalents	68,244	(17,763)
Cash and cash equivalents at the beginning of the period	234,023	297,854
Cash and cash equivalents at the end of the period	302,267	280,091

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 six month period ended 30 June 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 7 August 2019.

HRH Prince Amr Mohamed Al Faisal
Chairman

Elham Hasan
Director

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CEO

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