

INTERIM CONDENSED CONSOLIDATED FINANCIAL RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2018

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

	At 30 June 2018 (Reviewed)	At 31 December 2017 (Audited)	At 30 June 2017 (Reviewed)
ASSETS			
Cash and balances with banks and central banks	234,559	263,819	242,185
Commodity and other placements with banks, financial and other institutions	113,150	98,545	76,305
Murabaha and other financings	1,837,514	1,809,685	1,828,429
Musharaka financing	163,885	138,408	116,561
Sukuk and investment securities	563,971	617,156	708,471
Restricted investment accounts	27,183	27,183	27,183
Assets acquired for leasing	156,267	131,106	110,124
Investment in real estate	3,630	3,994	3,889
Other assets	73,627	69,150	64,520
Fixed assets	20,678	22,252	21,741
Intangible assets	58,136	61,121	64,140
Total assets	3,252,600	3,242,419	3,263,548
LIABILITIES, EQUITY OF UNRESTRICTED INVESTMENT ACCOUNTHOLDERS, MINORITY INTEREST AND OWNERS' EQUITY			
Customers' current accounts	660,438	676,888	657,075
Due to banks, financial and other institutions	605,592	434,635	491,462
Due to investors	672,774	719,303	719,867
Other liabilities	141,255	147,551	143,934
Total liabilities	2,080,059	1,978,377	2,012,338
Equity of unrestricted investment accountholders	1,032,482	1,064,898	1,047,172
Minority interest	43,013	44,541	45,311
Total liabilities, equity of unrestricted investment accountholders and minority interest	3,155,554	3,087,816	3,104,821
Share capital	100,000	100,000	100,000
Reserves	25,733	31,902	35,907
(Accumulated losses)/ retained earnings	(28,687)	22,701	22,820
Total owners' equity	97,046	154,603	158,727
Total liabilities, equity of unrestricted investment accountholders, minority interest and owners' equity	3,252,600	3,242,419	3,263,548

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

	Six months ended		Three months ended	
	30 June 2018 (Reviewed)	30 June 2017 (Reviewed)	30 June 2018 (Reviewed)	30 June 2017 (Reviewed)
INCOME				
Income from unrestricted investment accounts	32,913	29,319	16,903	15,393
Less: return to unrestricted investment accounts and impairment provisions	(19,633)	(16,364)	(10,217)	(7,966)
Group's share of income from unrestricted investment accounts as a Mudarib	13,280	12,955	6,686	7,427
Income from murabaha and other financings	32,956	31,010	16,880	15,536
Income from sukuk and investment securities	17,742	24,688	8,474	11,228
Other income	8,559	7,790	4,402	5,036
Total income	72,537	76,443	36,442	39,227
Less: profit paid to banks, financial and other institutions – net	(30,334)	(30,681)	(14,808)	(16,185)
Operating income	42,203	45,762	21,634	23,042
EXPENSES				
Administrative and general expenses	(29,324)	(28,396)	(15,331)	(14,547)
Depreciation and amortization	(4,367)	(4,657)	(2,097)	(2,271)
Total expenses	(33,691)	(33,053)	(17,428)	(16,818)
Net income before provision for impairment and overseas taxation	8,512	12,709	4,206	6,224
Provision for impairment – net	1,119	(1,474)	734	(1,883)
Net income before overseas taxation	9,631	11,235	4,940	4,341
Overseas taxation	(6,021)	(6,854)	(3,356)	(3,043)
NET INCOME FOR THE PERIOD	3,610	4,381	1,584	1,298
Attributable to:				
Equity holders of the Bank	1,374	1,543	542	401
Minority interests	2,236	2,838	1,042	897
	3,610	4,381	1,584	1,298
Basic and diluted earnings per share	Fils1.37	Fils1.54	Fils0.54	Fils0.40

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

	Six months ended	
	30 June 2018 (Reviewed)	30 June 2017 (Reviewed)
OPERATING ACTIVITIES		
Net income before overseas taxation	9,631	11,235
<u>Adjustments for:</u>		
Depreciation and amortization	4,367	4,657
Share of loss after tax from associates	20	31
Provision for impairment – net	(1,119)	1,474
Loss/(gain) on sale of fixed assets	89	(40)
Operating income before changes in operating assets and liabilities	12,988	17,357
Balances with banks maturing after ninety days and including with central banks relating to minimum reserve requirement	(4,819)	(16,371)
Changes in operating assets and liabilities:		
Murabaha and other financings	(124,408)	(21,878)
Musharaka financing	(39,697)	(28,437)
Other assets	(42,444)	3,334
Customers' current accounts	24,201	62,196
Due to banks, financial and other institutions	196,343	61,839
Due to investors	23,718	4,747
Other liabilities	4,523	4,342
Increase/(decrease) in equity of unrestricted investment accountholders	(22,703)	4,680
Taxes paid	(2,708)	(6,935)
Net cash provided by operating activities	24,994	84,874
INVESTING ACTIVITIES		
Net changes in:		
Assets acquired for leasing	(25,162)	(13,535)
Sukuk and Investment securities	(3,024)	(91,376)
Sale/(purchase) of fixed assets	1,124	(1,125)
Net cash used in investing activities	(27,062)	(106,036)
Foreign currency translation adjustments	(15,695)	1,280
Net decrease in cash and cash equivalents	(17,763)	(19,882)
Cash and cash equivalents at the beginning of the period	297,854	260,993
Cash and cash equivalents at the end of the period	280,091	241,111

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/ (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

		Reserves					Retained Earnings	Total owners' equity
		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	-	-	-	-	-	-	1,543	1,543
Movement in fair value of sukuk and investment securities	-	(1,512)	-	-	-	(1,512)	-	(1,512)
Foreign currency translation adjustments	-	(4)	-	(259)	-	(263)	-	(263)
At 30 June 2017 (Reviewed)	100,000	3,912	797	(9,082)	40,280	35,907	22,820	158,727

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 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 August 2018.

HRH Prince Amr Mohamed Al Faisal
Chairman

Dr. Amani Khaled Bouresli
Director

Ahmed Abdul Rahim
CEO

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