

INTERIM CONDENSED CONSOLIDATED FINANCIAL RESULTS FOR THE THREE MONTHS ENDED 31 MARCH 2018

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (All amounts expressed in thousands of United States Dollars unless otherwise stated)

	At 31 March 2018 (Reviewed)	At 31 December 2017 (Audited)	At 31 March 2017 (Reviewed)
ASSETS			
Cash and balances with banks and central banks	583,478	701,938	628,463
Commodity and other placements with banks, financial and other institutions	444,563	261,392	72,335
Murabaha and other financings	3,535,510	3,575,633	3,396,647
Musharaka financing	391,805	369,369	254,859
Investment in mudaraba	5,695	5,760	14,425
Sukuk and investment securities	1,455,469	1,862,885	2,010,574
Investment in associates	592,593	186,207	666,938
Restricted investment accounts	72,103	74,896	80,065
Assets acquired for leasing	384,587	347,760	278,742
Investment in real estate	249,302	247,902	246,102
Other assets	229,523	196,239	365,275
Assets classified as held-for-sale	66,267	478,432	-
Fixed assets	120,242	140,820	113,702
Intangible assets	159,751	162,126	174,061
Total assets	8,290,893	8,611,359	8,302,188
LIABILITIES, EQUITY OF UNRESTRICTED INVESTMENT ACCOUNTHOLDERS, MINORITY INTEREST AND OWNERS' EQUITY			
Customers' current accounts	1,715,821	1,781,493	1,589,799
Due to banks, financial and other institutions	1,082,017	1,143,964	1,157,770
Due to investors	1,806,679	1,907,971	1,948,338
Other liabilities	466,325	431,645	331,323
Total liabilities	5,070,842	5,265,073	5,027,230
Equity of unrestricted investment accountholders	2,823,584	2,827,915	2,654,588
Minority interest	162,991	163,041	177,866
Total liabilities, equity of unrestricted investment accountholders and minority interest	8,057,417	8,256,029	7,859,684
Share capital	757,690	757,690	757,690
Treasury shares	(30,149)	(30,149)	(30,149)
Reserves	231,774	233,761	235,649
Accumulated losses	(725,839)	(605,972)	(520,686)
Total owners' equity	233,476	355,330	442,504
Total liabilities, equity of unrestricted investment accountholders, minority interest and owners' equity	8,290,893	8,611,359	8,302,188

INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT (All amounts expressed in thousands of United States Dollars unless otherwise stated)

	Three months ended	
	31 March 2018 (Reviewed)	31 March 2017 (Reviewed)
INCOME		
Income from unrestricted investment accounts	42,467	36,951
Less: return to unrestricted investment accounts and impairment provisions	(24,976)	(22,275)
Group's share of income from unrestricted investment accounts as a Mudarib	17,491	14,676
Income from murabaha and other financings	34,468	35,671
Share of profit after tax from associates	27,748	11,690
Income from investments	26,292	36,327
Other income	6,425	8,122
Total income	112,424	106,486
Less: profit paid to banks, financial and other institutions - net	(40,267)	(38,147)
Operating income	72,157	68,339
EXPENSES		
Administrative and general expenses	(42,981)	(40,050)
Depreciation and amortization	(11,093)	(8,035)
Total expenses	(54,074)	(48,085)
Net income before provision for impairment and overseas taxation	18,083	20,254
Provision for impairment - net	(5,998)	(4,133)
Net income before overseas taxation	12,085	16,121
Overseas taxation	(7,274)	(10,331)
NET INCOME FOR THE PERIOD	4,811	5,790
Attributable to:		
Equity holders of Ithmaar	1,655	575
Minority interests	3,156	5,215
	4,811	5,790
Basic and diluted earnings per share	US Cts 0.06	US Cts 0.02

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

	Share capital	Treasury shares	Reserves							Accumulated losses	Total owners' equity
			Share premium	Statutory reserve	General reserve	Investments in fair value reserve	Investment in real estate value reserve	Foreign currency translation	Total reserves		
At 1 January 2018 (Audited)	757,690	(30,149)	149,085	38,418	50,727	38,773	3,450	(46,692)	233,761	(605,972)	355,330
Impact of FAS 30	-	-	-	-	-	-	-	-	-	(121,522)	(121,522)
Revised balance at 1 January 2018	757,690	(30,149)	149,085	38,418	50,727	38,773	3,450	(46,692)	233,761	(727,494)	233,808
Net income for the period	-	-	-	-	-	-	-	-	-	1,655	1,655
Movement in fair value of sukuk and investment securities	-	-	-	-	-	1,771	596	-	2,367	-	2,367
Movement in fair value of associates	-	-	-	-	-	(270)	-	-	(270)	-	(270)
Foreign currency translation adjustments	-	-	-	-	-	(10)	(803)	(3,271)	(4,084)	-	(4,084)
At 31 March 2018 (Reviewed)	757,690	(30,149)	149,085	38,418	50,727	40,264	3,243	(49,963)	231,774	(725,839)	233,476
At 1 January 2017 (Audited)	757,690	(27,802)	48,662	38,418	50,727	25,711	2,648	(47,378)	218,788	(521,261)	427,415
Net income for the period	-	-	-	-	-	-	-	-	-	575	575
Employee share incentive scheme	-	(2,347)	423	-	-	-	-	-	423	-	(1,924)
Movement in fair value of sukuk and investment securities	-	-	-	-	-	4,574	-	-	4,574	-	4,574
Movement in fair value of associates	-	-	-	-	-	11,063	-	-	11,063	-	11,063
Foreign currency translation adjustments	-	-	-	-	-	(9)	(38)	848	801	-	801
At 31 March 2017 (Reviewed)	757,690	(30,149)	149,085	38,418	50,727	41,339	2,610	(46,530)	235,649	(520,686)	442,504

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (All amounts expressed in thousands of United States Dollars unless otherwise stated)

	Three months ended	
	31 March 2018 (Reviewed)	31 March 2017 (Reviewed)
OPERATING ACTIVITIES		
Net income before overseas taxation	12,085	16,121
Adjustments for:		
Depreciation and amortization	11,093	8,035
Share of profit after tax from associates	(27,748)	(11,690)
Provision for impairment - net	5,998	4,133
Loss on sale of fixed assets	43	-
Operating income before changes in operating assets and liabilities	1,471	16,599
Balances with banks maturing after ninety days and including with central banks relating to minimum reserve requirement	(12,321)	(1,126)
Changes in operating assets and liabilities:		
Murabaha and other financings	(131,567)	42,792
Musharaka financing	(39,777)	(25,720)
Other assets	(11,608)	(7,652)
Customers' current accounts	(15,421)	12,332
Due to banks, financial and other institutions	(46,296)	18,008
Due to investors	(19,028)	51,330
Other liabilities	43,477	(17,999)
Increase/(decrease) in equity of unrestricted investment accountholders	13,957	(114,146)
Taxes paid	(15,669)	(9,761)
Net cash used in operating activities	(232,782)	(35,343)
INVESTING ACTIVITIES		
Net changes in:		
Investment in restricted investment accounts	-	(141)
Assets acquired for leasing	(36,827)	(22,538)
Sukuk and Investment securities	339,472	(139,558)
Sale/(purchase) of fixed assets	2,466	(1,854)
Net cash provided by/(used in) investing activities	305,111	(164,091)
Foreign currency translation adjustments	(12,164)	20,466
Net increase/(decrease) in cash and cash equivalents	60,165	(178,968)
Cash and cash equivalents at the beginning of the period	792,217	716,782
Cash and cash equivalents at the end of the period	852,382	537,814

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 Holding B.S.C. for the three month period ended 31 March 2018, 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 14 May 2018.

HRH Prince Amr Mohamed Al Faisal
Chairman

Dr. Amani Khaled Bourseli
Director

Ahmed Abdul Rahim
CEO

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Ithmaar Holding

