

INTERIM CONDENSED CONSOLIDATED FINANCIAL RESULTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2015

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

	At 30 September 2015 (Reviewed)	At 31 December 2014 (Audited)	At 30 September 2014 (Reviewed)
ASSETS			
Cash and balances with banks and central banks	550,997	559,394	511,727
Commodity and other placements with banks, financial and other institutions	410,807	330,371	454,450
Murabaha and other financings	3,282,958	3,331,337	3,216,836
Musharaka financing	124,264	90,150	74,404
Investment in mudaraba	21,415	17,434	17,486
Investment in associates	646,583	684,821	683,316
Investment securities	2,103,253	1,767,618	1,298,580
Restricted investment accounts	78,105	69,869	76,452
Assets acquired for leasing	144,380	74,243	64,835
Investment in real estate	332,720	332,599	343,519
Other assets	278,108	273,196	286,301
Fixed assets	110,847	113,278	115,229
Intangible assets	203,858	216,594	217,352
Total assets	8,288,295	7,860,904	7,360,487
LIABILITIES, EQUITY OF UNRESTRICTED INVESTMENT ACCOUNTHOLDERS, MINORITY INTEREST AND OWNERS' EQUITY			
Customers' current accounts	1,363,085	1,372,653	1,294,708
Due to banks, financial and other institutions	1,732,276	1,473,298	1,189,478
Due to investors	1,979,653	1,995,345	1,882,388
Other liabilities	314,662	274,090	265,853
Total liabilities	5,389,676	5,115,386	4,632,427
Equity of unrestricted investment accountholders	2,197,173	2,001,949	1,979,249
Minority interest	222,823	220,183	215,463
Total liabilities, equity of unrestricted investment accountholders and minority interest	7,809,672	7,337,518	6,827,139
Share capital	757,690	757,690	757,690
Treasury shares	(30,149)	(30,149)	(30,149)
Reserves	212,391	259,260	253,067
Accumulated losses	(461,309)	(463,415)	(447,260)
Total owners' equity	478,623	523,386	533,348
Total liabilities, equity of unrestricted investment accountholders, minority interest and owners' equity	8,288,295	7,860,904	7,360,487

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 fair value reserve	Investment in real estate fair value reserve	Foreign currency translation	Total reserves		
At 1 January 2015 (Audited)	757,690	(30,149)	149,692	38,090	50,727	45,436	457	(25,142)	259,260	(463,415)	523,386
Net profit for the period	-	-	-	-	-	-	-	-	-	2,106	2,106
Movement in fair value of investment securities	-	-	-	-	-	(5,229)	-	-	(5,229)	-	(5,229)
Movement in fair value of associates	-	-	-	-	-	(30,551)	-	-	(30,551)	-	(30,551)
Foreign currency translation adjustments	-	-	-	-	-	(2)	(13)	(11,074)	(11,089)	-	(11,089)
At 30 September 2015 (Reviewed)	757,690	(30,149)	149,692	38,090	50,727	9,654	444	(36,216)	212,391	(461,309)	478,623

	Share capital	Treasury shares	Reserves							Accumulated losses	Total owners' equity
			Share premium	Statutory reserve	General reserve	Investments fair value reserve	Investment in real estate fair value reserve	Foreign currency translation	Total reserves		
At 1 January 2014 (Audited)	757,690	(30,149)	149,692	38,090	50,727	29,027	1,103	(16,209)	252,430	(448,403)	531,568
Net profit for the period	-	-	-	-	-	-	-	-	-	1,143	1,143
Movement in fair value of investment securities	-	-	-	-	-	(1,113)	-	-	(1,113)	-	(1,113)
Movement in fair value of associates	-	-	-	-	-	4,160	-	-	4,160	-	4,160
Foreign currency translation adjustments	-	-	-	-	-	23	(51)	(2,382)	(2,410)	-	(2,410)
At 30 September 2014 (Reviewed)	757,690	(30,149)	149,692	38,090	50,727	32,097	1,052	(18,591)	253,067	(447,260)	533,348

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

	Nine months ended		Three months ended	
	30 September 2015 (Reviewed)	30 September 2014 (Reviewed)	30 September 2015 (Reviewed)	30 September 2014 (Reviewed)
INCOME				
Income from murabaha and other financings	146,463	165,640	45,776	52,628
Share of profit after tax from associates	22,134	30,651	(7,815)	8,375
Income from other investments	139,498	90,321	45,421	31,335
Group's share of income from unrestricted investment accounts as a Mudarib	22,924	17,539	11,094	8,203
Group's share of income from restricted investment accounts as a Mudarib	127	160	40	52
Other income	41,814	38,756	14,822	15,754
Total income	372,960	343,067	109,338	116,347
Less: profit paid to banks, financial and other institutions - net	(161,707)	(166,518)	(55,685)	(54,675)
Operating income	211,253	176,549	53,653	61,672
EXPENSES				
Administrative and general expenses	(118,031)	(124,047)	(37,012)	(38,509)
Depreciation and amortization	(22,564)	(22,575)	(7,632)	(7,550)
Total expenses	(140,595)	(146,622)	(44,644)	(46,059)
Net profit before provision for impairment and overseas taxation	70,658	29,927	9,009	15,613
Provision for impairment - net	(35,739)	(19,380)	(5,735)	(8,455)
Net profit before overseas taxation	34,919	10,547	3,274	7,158
Overseas taxation	(23,526)	(5,710)	(4,922)	(4,095)
NET PROFIT/(LOSS) FOR THE PERIOD	11,393	4,837	(1,648)	3,063
Attributable to:				
Equity holders of the Bank	2,106	1,143	(3,551)	1,255
Minority interests	9,287	3,694	1,903	1,808
	11,393	4,837	(1,648)	3,063
Basic and diluted earnings per share	US Cts 0.07	US Cts 0.04	US Cts (0.12)	US Cts 0.04

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

	Nine months ended	
	30 September 2015 (Reviewed)	30 September 2014 (Reviewed)
OPERATING ACTIVITIES		
Net profit before overseas taxation	34,919	10,547
Adjustments for:		
Depreciation and amortization	22,564	22,575
Share of profit after tax from associates	(22,134)	(30,651)
Provision for impairment - net	35,739	19,380
Gain on sale of fixed assets	(1,120)	(953)
Operating income before changes in operating assets and liabilities	69,968	20,898
Balances with banks maturing after ninety days and including with central banks relating to minimum reserve requirement	52,320	(47,417)
(Increase)/decrease in operating assets: Murabaha and other financings	(38,359)	(31,837)
Musharaka financing	(38,986)	(12,303)
Other assets	(8,029)	(11,359)
Increase/(decrease) in operating liabilities: Customers' current accounts	21,054	4,296
Due to banks, financial and other institutions	294,849	(124,872)
Due to investors	57,530	(21,065)
Other liabilities	19,163	26,489
Increase/(decrease) in equity of unrestricted investment accountholders	195,160	(6,220)
Net cash provided by/(used in) operating activities	624,670	(203,390)
INVESTING ACTIVITIES		
Net (increase)/decrease: Investment in mudaraba	(2,875)	3,315
Investment in restricted investment accounts	(8,098)	-
Investment in associates	7,446	1,440
Assets acquired for leasing	(69,521)	(549)
Investment securities	(421,630)	29,451
Dividend received from associates	13,869	6,304
(Purchase)/disposals of fixed assets	(887)	(2,916)
Investment in real estate	-	3,452
Net cash provided by/(used in) investing activities	(481,696)	40,497
FINANCING ACTIVITIES		
Taxes paid	(9,272)	(8,657)
Minority interest	(7,950)	-
Net cash used in financing activities	(17,222)	(8,657)
Foreign currency translation adjustments	(1,393)	(4,651)
Net increase/(decrease) in cash and cash equivalents	124,359	(176,201)
Cash and cash equivalents at the beginning of the period	652,242	901,804
Cash and cash equivalents at the end of the period	776,601	725,603

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. for the nine month period ended 30 September 2015, 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 12 November 2015.

HRH Prince Amr Mohamed Al Faisal
Chairman

Abdullellah Ebrahim Al-Qassimi
Director

Ahmed Abdul Rahim
CEO

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