

Ithmaar Holding reports 2017 financial results

MANAMA, BAHRAIN – 26 February 2018 – Ithmaar Holding B.S.C. (formerly Ithmaar Bank BSC) [“Ithmaar”] [“the Group”] reported today (ed note: 26/02/18) a net loss of US\$72.40 million for the year ended 31 December 2017, compared to a net profit of US\$13.80 million reported for 2016. Net loss attributable to equity holders for the year ended 31 December 2017 was US\$84.71 million, compared to a net profit US\$3.28 million reported for 2016.

The 2017 financial results included a net loss of US\$56.15 million for the three-month period ended 31 December 2017, compared to a net loss of US\$2.93 million for the same period in 2016. Net loss attributable to equity holders for the three-month period ended 31 December 2017 was US\$57.67 million, compared to the US\$3.23 million net loss reported for the same period in 2016.

The announcement, by Ithmaar Chairman His Royal Highness Prince Amr Al Faisal, follows the review and approval, by the Board of Directors, of Ithmaar’s consolidated financial results for the year ended 31 December 2017.

“On behalf of the Board of Directors, I am pleased to announce that Ithmaar’s financial results show that the continued focus on our core retail banking business is paying off, even if the overall results are not immediately obvious as these have been impacted by non-core business,” said HRH Prince Amr. “Although our total income, at US\$392.46 million for the year ended 31 December 2017, decreased by five percent from the total income of US\$413.17 million reported for the year ended December 31 December 2016, mainly due to unrealized foreign exchange losses as well as assets being classified as Held For Sale, our income from core retail banking business grew by 72.3 percent, with the Group’s share of income from unrestricted investment accounts as a Mudarib, increasing to US\$76.86 million for the year ended 31 December 2017, compared to US\$44.60 million for 2016,” he said.

“During the year ended 31 December 2017, Ithmaar Group initiated an active programme to sell specific investments. Accordingly, these investments were consequently presented as assets classified as Held For Sale in the consolidated statement of financial position,” said HRH Prince Amr.

“I take this opportunity to express our sincere thanks and appreciation to our shareholders for their confidence, to the Central Bank of Bahrain for their continuous guidance and support, and to the Ministry of Industry, Commerce and Tourism, Bahrain Bourse, Boursa Kuwait and Dubai Financial Market for their continuous support” said HRH Prince Amr.

Ithmaar Chief Executive Officer, Ahmed Abdul Rahim, said the results demonstrate that the unwavering focus on core retail banking business is delivering tangible results.

“I am pleased to report that the balance sheet, for example, is stable and continues to grow,” said Abdul Rahim. “Total assets stood at US\$8.61 billion as at 31 December 2017, a 3.2 percent increase compared to US\$8.34 billion as at 31 December 2016,” he said.

“Murabaha and other financings also increased to US\$4.29 billion as at 31 December 2017, a 9.2 percent increase compared to US\$3.93 billion as at 31 December 2016,” said Abdul Rahim. “The equity of unrestricted investment accountholders, at US\$2.83 billion as at 31 December 2017, also increased by 2.1 percent compared to US\$2.77 billion as at 31 December 2016, which reflects customers’ confidence in Ithmaar,” he said.

“On 29 January 2018, Ithmaar was listed on the Dubai Financial Market (DFM), adding a new key market alongside our current listing on the Bahrain Bourse and Boursa Kuwait,” said Abdul Rahim. “The additional listing opens trading on Ithmaar Holding’s shares to new, exciting markets. This, in turn, will create new investment opportunities for investors in the GCC markets,” he said.

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About Ithmaar Holding:

Ithmaar Holding B.S.C. (formerly Ithmaar Bank B.S.C.) (“Ithmaar Holding or Ithmaar”) is licensed as an investment firm and regulated by the Central Bank of Bahrain (CBB) and is listed on the Bahrain Bourse, Boursa Kuwait and Dubai Financial Market. Ithmaar Holding retains 100 percent ownership of all assets formerly owned by Ithmaar Bank B.S.C., through two wholly-owned subsidiaries Ithmaar Bank B.S.C (closed) (Ithmaar Bank), an Islamic retail bank subsidiary which holds the core retail banking business, and IB Capital B.S.C. (closed) (IB Capital), an investment subsidiary, which holds investments and other non-core assets. The two subsidiaries are licensed and regulated by the CBB.

Ithmaar Bank provides a diverse range of Sharia-compliant products and services that cater to the financing and investment needs of individuals and institutions. Ithmaar also maintains a presence in overseas markets through its subsidiary, Faysal Bank Limited (Pakistan).

IB Capital maintains a presence in regional and overseas markets through its investments including in associated companies. These include Bahrain-based BBK, Ithmaar Development Company Limited, Solidarity (an Islamic insurance company), Naseej and Ithraa Capital (Saudi Arabia).