

Ithmaar Holding reports third quarter results

MANAMA, BAHRAIN – 13 November 2017 – Ithmaar Holding BSC (formerly Ithmaar Bank BSC) (Ithmaar) reported today (ed note: 13/11/17) a net loss of US\$16.3 million for the nine-month period ended 30 September 2017, compared to a net profit of US\$16.7 million for the same period last year.

Net loss attributable to equity holders for the nine-month period ended 30 September 2017 was US\$27million, compared to a net profit of US\$6.5 million reported for the same period last year. This included a net loss of US\$14.7 million for the three-month period ended 30 September 2017, compared to a net profit of US\$4.8 million for the same period last year. Net loss attributable to equity holders for the three-month period ended 30 September 2017 was US\$17.8 million, compared to a net profit of US\$2.1 million reported for the same period last year.

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 nine-month period ended 30 September 2017.

“On behalf of the Board of Directors, I am pleased to announce that Ithmaar’s financial results for 2017 show that the core business continued to grow throughout the period,” said HRH Prince Amr. “Overall income from our core business grew significantly during the year, as evident from the higher share on income from unrestricted investment accounts as a Mudarib, which grew 49.8 percent to US\$51.9 million for the nine-month period ended 30 September 2017, compared to US\$34.7 million for the same period last year, as well as the increase in income from murabaha and other financing, which grew by 9.3 percent to US\$108.4 million for the nine-month period ended 30 September 2017, compared to US\$99.2 million for the same period last year,” he said.

“During the nine-month period ended 30 September 2017, Ithmaar Group initiated an active programme to locate a buyer for a specific asset within the Group. Accordingly, this asset was consequently presented as an asset classified as held for sale in the consolidated statement of financial position,” said HRH Prince Amr. “At 30 September 2017, this asset was classified as held for sale and the resultant impairment loss was recorded in the consolidated statement of income during the period,” he said.

“Although net income, before provision for impairment and overseas taxation, dropped to US\$32.8 million for the nine-month period ended 30 September 2017, from US\$51.1 million for the same period last year, this loss was mainly due to unrealized foreign exchange losses of US\$17.2 million,” said HRH Prince Amr.

Ithmaar Chief Executive Officer, Ahmed Abdul Rahim, said the results reflect a clear, unwavering focus on growing the core retail banking business.

“I am pleased to report that the balance sheet is stable and continues to grow,” said Abdul Rahim. “Total assets stood at US\$8.6 billion as at 30 September 2017, a 3.5 percent increase compared to US\$8.3 billion as at 31 December 2016, and a 9 percent increase compared to US\$7.9 billion as at 30 September 2016,” he said. “Murabaha and other financings also increased to US\$3.6 billion as at 30 September 2017, a 4 percent increase compared to US\$3.4 billion as at 31 December 2016, and a 9.7 percent increase compared to US\$3.3 billion as at 30 September 2016,” said Abdul Rahim. “Sukuk and other investment securities mainly representing investment in government securities also increased to US\$2.1 billion as at 30 September 2017, a 9.2 percent increase compared to US\$1.9 billion as at 31 December 2016, and a 32 percent increase compared to US\$1.6 billion as at 30 September 2016,” he said.

“Customer current accounts also increased to US\$1.7 billion as at 30 September 2017, a 7.2 percent increase compared to US\$1.6 billion as at 31 December 2016, and a 13.8 percent increase compared to US\$1.5 billion as at 30 September 2016,” said Abdul Rahim. “The equity of unrestricted investment accountholders, at US\$2.83 billion as at 30 September 2017, increased by 2.1 percent compared to US\$2.77 billion as at 31 December 2016, and by 4.7 percent compared to US\$2.7 billion as 30 September 2016,” 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 and Boursa Kuwait. 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 associated companies. These include Bahrain-based BBK, Ithmaar Development Company Limited, Solidarity (an Islamic insurance company), Naseej and Ithraa Capital (Saudi Arabia).