

Ithmaar Bank reports 2017 profits

MANAMA, BAHRAIN – 27 February 2018 – Ithmaar Bank B.S.C. (c) [“Ithmaar Bank”] [“the Bank”], a Bahrain-based Islamic retail bank and a wholly-owned subsidiary of Ithmaar Holding B.S.C, reported today (ed note: 27/02/18) a net profit of BHD6.24 million for the period ended 31 December 2017. The net profit attributable to equity holders of the Bank for the period ended 31 December 2017 was BHD1.58 million.

The announcement, by Ithmaar Bank Chairman His Royal Highness Prince Amr Al Faisal, follows the review and approval, by the Board of Directors, of the Bank’s consolidated financial results for 2017. These are the Bank’s first period-end financial results since the successful completion of a planned reorganisation and the formal commencement of the new group structure in January 2017 and cover the period from date of incorporation of 12 May 2016 to 31 December 2017. As part of reorganization of erstwhile Ithmaar Bank B.S.C (now Ithmaar Holding B.S.C.), the identified assets & liabilities were transferred to the Bank on 2 January 2017.

“On behalf of the Ithmaar Bank Board of Directors, I am pleased to announce that the Bank reported profits throughout 2017, its first period as part of the new group structure,” said HRH Prince Amr. “In the three-month period ended 31 December 2017, Ithmaar Bank reported a net profit of BHD0.45 million, with the net loss attributable to equity holders of the Bank for the period being BHD0.15 million,” he said.

“Ithmaar Bank’s 2017 financial results show continued profits and stable income for the period,” said HRH Prince Amr. “During the period, the Bank recorded an Operating Income of BHD89.2 million, including BHD23.3 million for the three-month period ended 31 December 2017. The Bank recorded a total income before provisions for impairment and overseas taxation for the period ended 31 December 2017, of BHD19.0 million, including BHD3.7 million for the three-month period ended 31 December 2017,” he said.

“We take this opportunity to express our thanks and gratitude to our customers and shareholders for their trust and confidence, to the Central Bank of Bahrain and the Ministry of Industry, Commerce and Tourism for their continued guidance and support and to our employees for their dedications and efforts” said HRH Prince Amr.

Ithmaar Bank Chief Executive Officer, Ahmed Abdul Rahim, said the Bank’s continued profitability is testimony to the Bank’s growing success as an Islamic retail bank.

“The focus on our core retail banking business is clearly beginning to pay off, and I am pleased to note that this is being reflected in the Bank’s encouraging financial results in 2017,” said Abdul Rahim. “The results show that the Bank’s total assets grew by 4.4 percent over the past nine months to stand at BHD3.24 billion as at 31 December 2017, up from BHD3.11 billion as at 31 March 2017 (the first reviewed financials released for Ithmaar Bank after the reorganization).

Murabaha and other financing grew by 5.3 percent during the same period to stand at BHD2.08 billion as at 31 December 2017, up from BHD1.97 billion as at 31 March 2017. Equity of unrestricted investment accountholders grew by 6.5 percent during the same period to stand at BHD1.06 billion as at 31 December 2017, up from BHD1.00 billion as at 31 March 2017, and Customer current accounts grew by 12.2 percent during the same period to stand at BHD676.9 million as at 31 December 2017, up from BHD603.2 million as at 31 March 2017,” he said.

“The Bank’s financial results for 2017 reflect the tremendous achievements made during the period, and are a result of the commitment, dedication and expertise of our people as well as the confidence of our customers in the Bank,” said Abdul Rahim. “The remarkable 2017 achievements also set the stage for the Bank’s continuous growth, further enhancements and improved profitability,” he said.

“In 2017, the Bank has undertaken several initiatives to upgrade its IT infrastructure and systems to support business growth, improve operational efficiency and enhance customer experience and this includes major project of upgrading its core banking system. The project, which is expected to be completed by the end of the second quarter of 2018, is already bringing about transformational change as employees from across the Bank work together with unprecedented levels of interaction,” said Abdul Rahim. “When completed, the upgrade will provide a strong foundation to support future business growth with the flexibility of quickly launching new products and services,” he said.

“Throughout the period, the Bank remained focused on realising its commitment to becoming one of the region’s premier Islamic retail bank by growing ever closer to our customers and by playing a real and meaningful role in the community,” said Abdul Rahim. “This focus was not gone unnoticed and, in 2017, the Bank earned local, regional and international praise and recognition both for its success as an Islamic retail bank and, perhaps more importantly, for its role in, and support for, the community,” he said.

In December 2017, Ithmaar Bank was presented the Arab Eagle Award for Corporate Social Responsibility (CSR) by the Tatweej Academy in recognition of its continuous efforts in support of the community. Ithmaar Bank was nominated by the Union of Arab Bank based on the prestigious international award it received in 2016 at the World Islamic Banking Conference (WIBC) in recognition of its CSR and Financial Disclosure. Earlier, in July, Ithmaar Bank was honoured at a regional conference for its continuous support of the community and presented with the CSR Award for an Islamic Bank 2017 in recognition of its various initiatives. The award was presented at the CSR Conference and Award for Islamic Banks which was held in Bahrain and attended by senior bankers, CSR experts and representatives of Non-Governmental Organisations as well as government and banking and finance officials from Bahrain, Saudi Arabia, the United Arab Emirates, Kuwait, Oman, Jordan, Lebanon, Sudan, and the Republic of Djibouti. In 2017, Ithmaar Bank was also named Best Islamic Retail Bank in Bahrain and honoured at a ceremony

attended by senior bankers from across the Middle East. Ithmaar Bank was presented the prestigious award following a comprehensive selection and review process conducted by a committee of high-level economists and banking professionals, as well the research department of the Union of Arab Banks and the World Union of Arab Bankers. Ithmaar Bank also won two prestigious awards - Best Innovation in Retail Banking Bahrain 2017, and Best Islamic Bank Bahrain 2017 - from the U.K. based “International Banker” magazine. The awards were established to identify the leading organisations within the banking industry that represent the benchmarks of achievement, corporate governance, technological development and customer service that help to drive economic growth in the countries in which they operate. The Banking Awards are open to all banking institutions regardless of size, market cap or number of employees, and the fact Ithmaar Bank has won these award categories is testimony to the significance of its achievements.

-ENDS-

About Ithmaar Bank:

Ithmaar Bank B.S.C. (closed) (“Ithmaar Bank”) is a Bahrain-based Islamic retail bank that is licensed and regulated by the Central Bank of Bahrain and provides retail, commercial, treasury & financial institutions and other banking services.

Ithmaar Bank is a wholly-owned subsidiary of Ithmaar Holding B.S.C. (formerly named Ithmaar Bank B.S.C.) which is listed on the Bahrain Bourse, Boursa Kuwait and Dubai Financial Market.

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).