

Ithmaar Holding and its wholly-owned subsidiary, Ithmaar Bank, both report first quarter profits

MANAMA, BAHRAIN – 12 May 2019 – Ithmaar Holding B.S.C., a Bahrain-based financial institution, and its wholly-owned subsidiary, Ithmaar Bank B.S.C. (closed), a Bahrain-based Islamic retail bank, each announced their financial results for the first quarter of 2019 with both entities reporting profits for the period.

The announcement by the Ithmaar Holding Chairman, His Royal Highness Prince Amr Al Faisal, who is also the Ithmaar Bank Chairman, follows the review and approval of both Boards of Directors of the consolidated financial results of the two entities for the three-month period ended 31 March 2019.

Ithmaar Holding, which is licenced and regulated as a Category 1 Investment Firm by the Central Bank of Bahrain and listed on the Bahrain Bourse, Boursa Kuwait and Dubai Financial Market, reported a net profit of US\$8.62 million for the three-month period ended 31 March 2019, an increase of 79 percent compared to the net profit of US\$4.81 million reported for the same period in 2018. The net profit attributable to equity holders for the three-month period ended 31 March 2019 was US\$7.10 million, an increase of 329 percent compared to the US\$1.66 million net profit reported for the same period in 2018. Earning per share (EPS) increased to US cents 0.24 compared to US cents 0.06 for the three-month period ended 31 March 2018. Total owners' equity increased to US\$120.52 million as at 31 March 2019, compared to US\$116.36 million as at 31 December 2018.

“On behalf of the Ithmaar Holding Board of Directors, I am pleased to announce that the Ithmaar Holding's financial results show significant improvements in profit, and reconfirm that our strategic focus on our core retail banking business is paying off,” said HRH Prince Amr.

“Ithmaar Holding's income before overseas taxation for the three-month period ended 31 March 2019 increased to US\$17.55 million, a 45 percent increase from the US\$12.09 million reported for the same period last year. Operating income for the three-month period ended 31 March 2019 increased to US\$76.08 million, a 5.4 percent increase from the US\$72.16 million reported for the same period last year,” he said.

Ithmaar Holding Chief Executive Officer, Ahmed Abdul Rahim, who is also the Ithmaar Bank Chief Executive Officer, said the results of both the Investment Firm (Ithmaar Holding) and the Islamic Retail Bank (Ithmaar Bank) clearly demonstrate that efforts to turn the Group around are paying off, with both entities reporting increased profits.

“Ithmaar Holding's total assets stood at US\$8.02 billion as at 31 March 2019, compared to US\$8.49 billion as at 31 December 2018, and US\$8.29 billion as at 31 March 2018,” said Abdul Rahim.

“I am pleased, also, to report that Ithmaar Bank’s financial results continue to show stable growth,” said Abdul Rahim. “The Bank’s latest financial results show that the Bank continues to perform well, with increased profits for the first quarter of the year,” he said.

Ithmaar Bank is licensed and regulated by the CBB as an Islamic Retail Bank and is a distinct legal entity from its parent, Ithmaar Holding. Since the implementation of the new Group structure in January 2017, Ithmaar Bank has reported profits for 2017 and 2018, and continues to report stable, consistent improvements to its financial performance.

“I am pleased to report that Ithmaar Bank’s financial results show a net profit of BD2.80 million for the three-month period ended 31 March 2019, compared to a net profit of BD2.03 million for the same period in 2018. The net profit attributable to equity holders for the three-month period ended 31 March 2019 was BD1.67 million, compared to the BD0.83 million net profit reported for the same period in 2018,” said Abdul Rahim.

“Ithmaar Bank’s income before overseas taxation for the three-month period ended 31 March 2019 grew to BD6.29 million, an increase of 34 percent compared to the BD4.69 million reported for the same period last year,” said Abdul Rahim. “The Bank’s operating income for the three-month period ended 31 March 2019 grew to BD21.42 million, a 4.2 percent increase compared to the BD20.57 million reported for the same period last year,” he said. “The Bank’s total income for the three-month period ended 31 March 2019 grew to BD40.60 million, a 10.5 percent increase compared to the BD36.75 million reported for the same period last year mainly due to growth in core income,” he said.

“Ithmaar Bank’s total assets stood at BD2.94 billion as at 31 March 2019, compared to BD3.13 billion as at 31 December 2018 and BD3.11 billion as at 31 March 2018,” said Abdul Rahim. “Meanwhile, despite challenging market conditions, the equity of unrestricted investment account holders stood at BD0.997 billion as at 31 March 2019, compared to BD0.995 billion as at 31 December 2018 and BD1.063 billion as at 31 March 2018. Total owners’ equity stood at BD86.89 million as at 31 March 2019, compared to BD85.38 million as 31 December 2018 and BD101.16 million as at 31 March 2018,” he said.

In March 2019, His Royal Highness Prime Minister Prince Khalifa bin Salman Al Khalifa inaugurated the first biometric payment network in the region by becoming the first to register and use the Ithmaar Bank offering.

This marked an important milestone in Ithmaar Bank’s implementation of a path-breaking initiative that will see it become the first biometric bank in the region. The initiative was first announced in September 2018 when Ithmaar Bank and Eazy Financial Services unveiled plans to launch the region’s first biometric payment network, supported by the Labour Fund “Tamkeen”, to provide a new and more efficient alternative for customers to conduct many of their financial transactions.

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About Ithmaar Holding:

Ithmaar Holding 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. Holding owns 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 firm 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) and locally through Dilmunia Development Fund I L.P.

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).