Ithmaar Bank Reports Resilient Half-Year Performance

Ithmaar Bank B.S.C. (Closed), a Bahrain-based Islamic retail bank, reported profits for the first half of 2026 as it announced its financial results for the six-month period ended 30 June 2026.

The announcement, by Ithmaar Bank Chairman His Royal Highness Prince Amr Al Faisal, follows the review and approval of the Board of Directors of the Bank's consolidated financial results.

The results show a net profit attributable to equity holders of the Bank for the three-month period ended 30 June 2026 of BD0.8 million, compared to the net profit of BD1.47 million reported for the same period in 2025. Total net profit for the three-month period ended 30 June 2026 was BD2.7 million, compared to BD3.33 million reported for the same period in 2025. The decrease is primarily attributable to lower benchmark rates impacting spreads generated by the Bank's overseas operations.

Maysan Al Maskati, Ithmaar Bank Chief Executive Officer

His Royal Highness Prince Amr Al Faisal, Ithmaar Bank Chairman

The results also show a net profit attributable to equity holders for the six-month period ended 30 June 2026 of BD2.2 million, compared to a net profit of BD2.80 million reported for the same period in 2025. Total net profit for the six-month period ended 30 June 2026 was BD6.4 million, compared to BD7.10 million reported for the first half of 2025.

"On behalf of Ithmaar Bank's Board of Directors, I am pleased to report that the Bank continued to deliver stable profitability during the first half of 2026 despite a lower benchmark rate environment and the challenging market conditions," said HRH Prince Amr. "The results reflect the resilience of the Bank's business model and the continued strength of its core Islamic banking franchise in Bahrain and Pakistan. The Bank remains focused on sustainable growth, prudent risk management and enhancing the value of its strategic investments while navigating a changing economic landscape," he said.

Ithmaar Bank Chief Executive Officer, Maysan Al Maskati, said the results demonstrate the Bank's ability to effectively manage earnings pressures through disciplined balance sheet and funding management.

"While lower benchmark rates in our overseas operations continued to impact operating income compared to the previous year, the Bank remained profitable while maintaining stable liquidity position," said Al Maskati. "Our continued focus on optimising the funding mix, enhancing low-cost deposit mobilisation and carefully managing funding costs helped mitigate the impact of the lower rate environment. These efforts have reinforced the resilience of our earnings profile and positioned the Bank to continue delivering sustainable long-term value."

"The Bank's fundamentals remain strong, supported by a stable funding base, prudent liquidity management and continued customer confidence," said Almaskati. "We also continued to strengthen our balance sheet and enhance operational efficiency while maintaining our commitment to serving our customers and supporting economic growth in our core markets," he said.

Deposit mobilisation initiatives and funding optimisation efforts remained key priorities during the period, supporting the Bank's strategy of strengthening its funding base. As a result, total Quasi-equity increased to BD1.40 billion as at 30 June 2026 compared to BD1.32 billion as at 31 December 2025, an increase of 6.5 per cent reflecting the Bank's continued focus on customer liabilities growth and sustained customer confidence.

"Looking ahead, we remain focused on growing our core businesses, strengthening customer relationships and pursuing opportunities that support sustainable profitability and shareholder value creation," said Al Maskati. "Supporting our ambitious future strategy, the Bank is well positioned to navigate changing market conditions and capitalise on opportunities as they arise."

INTERIM CONDENSED CONSOLIDATED FINANCIAL RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2026

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Expressed in thousands of United States Dollars unless otherwise stated)

	At 30 June 2026 (reviewed)	At 31 December 2025 (audited)
ASSETS		
Cash and balances with banks and central banks	508,550	457,309
Commodity placements with banks and other financial institutions	407,881	193,617
Financing contracts	3,330,122	3,546,721
Investment securities	2,747,494	2,451,824
Investment in associates	111,503	108,580
Other assets	248,927	218,031
Investment in real estate	152,357	153,770
Development properties	181,040	181,776
Property and equipment	265,486	258,779
Intangible assets	16,646	13,830
Total assets	**7,970,006**	7,584,237
LIABILITIES, QUASI-EQUITY AND OWNERS' EQUITY		
Customers' current accounts	2,821,053	2,453,658
Due to banks, financial and other institutions	928,533	1,108,605
Other liabilities	332,444	357,224
Total liabilities	**4,082,030**	3,919,487
Quasi-equity	**3,707,995**	3,483,667
OWNERS' EQUITY		
Share capital	757,690	757,690
Treasury shares	(30,149)	(30,149)
Reserves	112,040	112,045
Accumulated losses	(827,385)	(827,641)
Total equity attributable to shareholders of the Company	**12,196**	11,945
Non-controlling interests	167,785	169,138
Total owners' equity	**179,981**	181,083
Total liabilities, quasi-equity and owners' equity	**7,970,006**	7,584,237

CONDENSED CONSOLIDATED STATEMENT OF INCOME

(Expressed in thousands of United States Dollars unless otherwise stated)

	Six months ended		Three months ended	
	30 June 2026 (reviewed)	30 June 2025 (reviewed)	30 June 2026 (reviewed)	30 June 2025 (reviewed)
INCOME				
Income from financing contracts	172,379	150,758	91,870	78,661
Income from investments	156,826	180,547	76,109	84,752
Other income - net	43,108	37,856	22,663	18,789
Finance expense on placements from financial and non-financial institutions	(7,427)	(9,044)	(4,035)	(4,526)
Net income	**364,886**	360,117	**186,607**	177,676
Share of profit / (loss) from equity accounted investees	2,381	(1,021)	262	(552)
Total income	**367,267**	359,096	**186,869**	177,124
EXPENSES				
Operating expenses	112,853	102,035	58,815	49,721
Depreciation and amortization	14,789	13,162	7,465	6,820
Total expenses	**127,642**	115,197	**66,280**	56,541
Profit before impairment allowances, income attribution to quasi-equity and tax	**239,625**	243,899	**120,589**	120,583
Allowances for impairment and expected credit losses, net	(2,199)	11,647	(532)	4,206
Profit before income attribution to quasi-equity and tax	**237,426**	255,546	**120,057**	124,789
Less: Net profit attributable to quasi-equity	(186,271)	(191,547)	(98,231)	(95,654)
Profit before overseas taxation	**51,155**	63,999	**21,826**	29,135
Tax expense	(40,612)	(51,125)	(18,218)	(23,675)
PROFIT FOR THE PERIOD	**10,543**	12,874	**3,608**	5,460
Attributable to:				
Shareholders of the Company	256	1,577	(945)	573
Non-controlling interests	10,287	11,297	4,553	4,887
	10,543	12,874	**3,608**	5,460
Basic and diluted earnings/ (losses) per share	**US CTS 0.01**	US CTS 0.05	**US CTS (0.03)**	US CTS 0.02

CONDENSED CONSOLIDATED STATEMENT OF CASHFLOWS

(Expressed in thousands of United States Dollars unless otherwise stated)

	Six months ended	
	30 June 2026 (reviewed)	30 June 2025 (reviewed)
OPERATING ACTIVITIES		
Net profit before tax:	**51,155**	63,999
Adjustments for:		
Depreciation and amortization	14,789	13,162
Share of results after tax from associates	(2,381)	1,021
Provision for / (reversal of) impairment - net	2,199	(11,647)
Income from investments	(156,826)	(180,547)
Finance cost on net ijarah liability	4,127	3,685
Gain on sale of property and equipment	(863)	(64)
Operating loss before changes in operating assets and liabilities	**(87,800)**	(110,391)
Net changes in operating assets and liabilities:		
Balances with banks maturing after 90 days including central banks balances relating to minimum reserve requirement	11,848	333
Financing contracts	237,531	(265,242)
Other assets	(45,990)	(38,303)
Customers' current accounts	350,116	401,593
Due to banks, financial and other institutions	(207,694)	(261,403)
Other liabilities	21,200	(11,772)
Quasi-equity	201,960	329,794
Taxes paid	(64,159)	(68,123)
Net cash generated from / (used in) operating activities	**417,012**	(23,514)
INVESTING ACTIVITIES		
Investment securities	(121,198)	106,616
Property and equipment	(14,489)	(19,028)
Net cash (used in) / generated from investing activities	**(135,687)**	87,588
FINANCING ACTIVITIES		
Repayment of net ijarah liability	(6,929)	(6,875)
Net cash used in financing activity	**(6,929)**	(6,875)
Foreign currency translation adjustments	1,863	(8,925)
Net increase in cash and cash equivalents	**276,259**	48,274
Cash and cash equivalents at the beginning of the period	**600,916**	515,303
Cash and cash equivalents at the end of the period	**877,175**	563,577

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2026

(Expressed in thousands of United States Dollars unless otherwise stated)

30 June 2026 (reviewed)	Share capital	Treasury shares	Reserves	Accumulated losses	Total equity attributable to shareholders of the Company	Non-controlling interests	Total owners' equity
At 1 January 2026	757,690	(30,149)	112,045	(827,641)	11,945	169,138	181,083
Profit for the period	-	-	-	256	256	10,287	10,543
Other comprehensive income for the period	-	-	(5)	-	(5)	(2,913)	(2,918)
Total comprehensive income for the period	-	-	(5)	256	251	7,374	7,625
Movement from dividend distribution by subsidiaries	-	-	-	-	-	(6,368)	(6,368)
Decrease in shareholding of subsidiary	-	-	-	-	-	(2,359)	(2,359)
At 30 June 2026	757,690	(30,149)	112,040	(827,385)	12,196	167,785	179,981

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2025

(Expressed in thousands of United States Dollars unless otherwise stated)

At 30 June 2025 (reviewed)	Share capital	Treasury shares	Reserves	Accumulated losses	Total equity attributable to shareholders of the Company	Non-controlling interests	Total owners' equity
At 1 January 2025	757,690	(30,149)	112,527	(828,650)	11,418	169,448	180,866
Profit for the period	-	-	-	1,577	1,577	11,297	12,874
Other comprehensive income for the period	-	-	609	-	609	(5,182)	(4,573)
Total comprehensive income for the period	-	-	609	1,577	2,186	6,115	8,301
Movement from dividend distribution by subsidiaries	-	-	-	-	-	(7,240)	(7,240)
Decrease in shareholding of subsidiary	-	-	-	-	-	(4,298)	(4,298)
At 30 June 2025	757,690	(30,149)	113,136	(827,073)	13,604	164,025	177,629

The above Interim Condensed Consolidated Statement of Financial Position, Interim Condensed Consolidated Statement of Income, 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 Holding for the six month period ended 30 June 2026, which were approved for issue by the Board of Directors and reviewed by KPMG Fakhro, Kingdom of Bahrain, who expressed an unqualified review conclusion on 12 Aug 2026.

HRH Prince Amr Mohammed Al Faisal
Chairman

Elham Hassan
Director

Maysan Al Maskati
CEO

Ithmaar Holding B.S.C., C.R.: 15210-20, P.O. Box 2820, Seef District, Kingdom of Bahrain.
Tel: (+973) 17584000, Fax: (+973) 17584017, Website: www.ithmaarholding.com
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