

# Ithmaar Bank reports Q1 2026 profits

## Manama

Ithmaar Bank B.S.C. (Closed), a Bahrain-based Islamic retail bank, reported improved net profit attributable to equity holders for the first quarter of the year as it announced its financial results for the three-month period ended 31 March 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.

Ithmaar Bank's financial results show a net profit attributable to equity holders for the three-month period ended 31



HRH Prince Amr Al Faisal, Ithmaar Bank Chairman



Ithmaar Bank Chief Executive Officer, Maysan Al Maskati

recent developments in the region," said HRH Prince Amr. "This is also due to the Bank

continuous efforts and focus to achieve further growth in its core Islamic banking business

in Bahrain and Pakistan and further enhancing the value of its strategic investments," he said.

Ithmaar Bank Chief Executive Officer, Maysan Al Maskati, said the results reflect the Bank's disciplined execution of its funding and balance-sheet strategy, enabling it to deliver improved profitability for shareholders. He noted that continued focus on optimising the funding mix and controlling funding costs has strengthened earnings resilience in a challenging market environment.

"Our prudent management of funding costs—evidenced by an 8.2 percent reduction in profits paid to quasi-equity holders—has helped the Bank navigate the challenging mar-

ket environment characterised by lower benchmark rates, limiting the decrease in total income to just 1.1 percent," said Al Maskati. "Despite lower operating income resulting from reduced benchmark rates in our overseas operations, we delivered improved profitability for our shareholders through disciplined balance sheet and funding management. The Bank continues to maintain sufficient liquid assets of BD238.89 million, which have remained largely unchanged from 31 December 2025 levels," he said.

"Our approach to balance sheet and funding management is also reflected in our efforts to reduce high-cost deposits and funding in favour of low-cost

deposits, said Al Maskati. "This has resulted in quasi-equity balances declining by BD221 million, from BD1.32 billion as at 31 December 2025 to BD1.10 billion as at 31 March 2026. This was partly offset by an increase in current account balances, which rose by BD93 million to BD1.02 billion, compared to BD0.93 billion at year-end 2025," he said.

"As a testimony to the Bank's growth journey, total equity attributable to shareholders of the Bank increased to BD56.36 million as at 31 March 2026, a 2.6 percent increase from BD54.94 million as at 31 December 2025, which demonstrates that the Bank is on the right trajectory," he said.

## Stocks rise ahead of US-China summit

### London, United Kingdom

Stock markets drifted higher Wednesday as investors awaited a high-stakes summit between the United States and China, while oil prices diverged as Middle East peace talks stalled.

Oil prices surged earlier this week on signs that no breakthrough was in sight to resume crucial Gulf tanker and cargo traffic through the Strait of Hormuz, paralysed by the Middle East war.

The International Energy

Agency warned that countries were tapping into oil inventories and strategic reserves at a "record pace", meaning further price volatility was likely.

Following surges for equities worldwide on the back of solid corporate earnings and hopes for a swift end to the Mideast conflict, investors were content to hunker down.

Wall Street indexes traded little changed after several weeks of hitting record highs despite the geopolitical turbulence, while Europe's main equity markets made modest gains.

### Key figures at around 1530 GMT

Brent North Sea Crude:	▼ 0.3% at \$107.45 a barrel
West Texas Intermediate:	▲ 0.7% at \$102.92
New York - DOW:	▼ 0.5% at 49,513.14 points
New York - S&P 500:	▼ 0.1% at 7,411.59
Nasdaq Composite:	▲ 0.6 at 26,248.93
London - FTSE 100:	▲ 0.4% at 10,301.36 (close)
Paris - CAC 40:	▲ 0.4% at 8,007.97 (close)
Frankfurt - DAX 30:	▲ 0.8% at 24,136.81 (close)
Tokyo - Nikkei 225:	▲ 0.8% at 63,272.11 (close)
Hang Seng Index:	▲ 0.2% at 26,388.44 (close)
Shanghai - Composite:	▲ 0.7% at 4,242.57 (close)

"There is a calmer tone to markets on Wednesday," said Kathleen Brooks, research director at trading group XTB, adding that markets were boosted by a "no news is good news" approach.

Investors also digested sharply higher US inflation data. Wholesale prices rose 6.0% for the 12 months ending in April, according to US Department of Labor data.

Month-on-month increases greatly exceeded expectations and were at their highest level since March 2022.

## INTERIM CONDENSED CONSOLIDATED FINANCIAL RESULTS FOR THE THREE MONTHS ENDED 31 MARCH 2026

### CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

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

	At 31 March 2026 (Reviewed)	At 31 December 2025 (Audited)
<b>ASSETS</b>		
Cash and balances with banks and central banks	510,467	457,309
Commodity placements with banks and other financial institutions	142,538	193,617
Financing contracts	3,200,281	3,546,721
Investment securities	2,606,776	2,451,824
Investment in associates	110,071	108,580
Other assets	231,241	218,031
Investment in real estate	154,123	153,770
Development properties	182,289	181,776
Property and equipment	264,122	258,779
Intangible assets	17,047	13,830
<b>Total assets</b>	<b>7,418,955</b>	<b>7,584,237</b>
<b>LIABILITIES, QUASI-EQUITY AND OWNERS' EQUITY</b>		
Customers' current accounts	2,698,994	2,453,658
Due to banks, financial and other institutions	1,329,624	1,108,605
Other liabilities	313,300	357,224
<b>Total liabilities</b>	<b>4,341,918</b>	<b>3,919,487</b>
<b>Quasi-equity</b>	<b>2,898,285</b>	<b>3,483,667</b>
<b>OWNERS' EQUITY</b>		
Share capital	757,690	757,690
Treasury shares	(30,149)	(30,149)
Reserves	112,114	112,045
Accumulated losses	(826,440)	(827,641)
<b>Total equity attributable to shareholders of the Company</b>	<b>13,215</b>	<b>11,945</b>
Non-controlling interests	165,537	169,138
<b>Total owners' equity</b>	<b>178,752</b>	<b>181,083</b>
<b>Total liabilities, quasi-equity and owners' equity</b>	<b>7,418,955</b>	<b>7,584,237</b>

### CONDENSED CONSOLIDATED STATEMENT OF INCOME

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

	Three months ended	
	31 March 2026 (Reviewed)	31 March 2025 (Reviewed)
<b>INCOME</b>		
Income from financing contracts	80,509	72,097
Income from investments	80,717	95,795
Other income - net	20,445	19,067
Finance expense on placements from financial and non-financial institutions	(3,392)	(4,518)
<b>Net income</b>	<b>178,279</b>	<b>182,441</b>
Share of loss from equity accounted investees	2,119	(469)
<b>Total income</b>	<b>180,398</b>	<b>181,972</b>
<b>EXPENSES</b>		
Operating expenses	54,038	52,314
Depreciation and amortization	7,324	6,342
<b>Total expenses</b>	<b>61,362</b>	<b>58,656</b>
<b>Profit before impairment allowances, income attribution to quasi-equity and tax</b>	<b>119,036</b>	<b>123,316</b>
Allowances for impairment and expected credit losses, net	(1,667)	7,441
<b>Profit before income attribution to quasi-equity and tax</b>	<b>117,369</b>	<b>130,757</b>
Less: Net profit attributable to quasi-equity	(88,040)	(95,893)
<b>Profit before overseas taxation</b>	<b>29,329</b>	<b>34,864</b>
Tax expense	(22,394)	(27,450)
<b>PROFIT FOR THE PERIOD</b>	<b>6,935</b>	<b>7,414</b>
<b>Attributable to:</b>		
Shareholders of the Company	1,201	1,005
Non-controlling interest	5,734	6,409
	<b>6,935</b>	<b>7,414</b>
<b>Basic and diluted earnings per share</b>	<b>US Cts 0.04</b>	<b>US Cts 0.03</b>

### CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

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

	Three months ended	
	31 March 2026 (Reviewed)	31 March 2025 (Reviewed)
<b>OPERATING ACTIVITIES</b>		
<b>Net profit before tax:</b>	<b>29,329</b>	<b>34,864</b>
Adjustments for:		
Depreciation and amortization	7,324	6,342
Share of results after tax from associates	(2,119)	469
Provision for / (reversal of) impairment - net	1,667	(7,441)
Income from investments	(80,717)	(95,795)
Finance cost on net Ijarah liability	2,040	1,805
Gain on sale of property and equipment	(77)	(15)
<b>Operating loss before changes in operating assets and liabilities</b>	<b>(42,553)</b>	<b>(59,771)</b>
<b>Net changes in operating assets and liabilities:</b>		
Balances with banks maturing after 90 days including central banks balances relating to minimum reserve requirement	3,978	7,932
Financing contracts	354,492	(6,315)
Other assets	(25,329)	(13,518)
Customers' current accounts	238,512	194,935
Due to banks, financial and other institutions	219,323	18,120
Due to investors	-	5
Other liabilities	(18,686)	(106,615)
Quasi-equity	(593,646)	60,665
Taxes paid	(52,633)	(49,294)
<b>Net cash generated from operating activities</b>	<b>83,458</b>	<b>46,144</b>
<b>INVESTING ACTIVITIES</b>		
Investment securities	(65,789)	23,782
Property and equipment	(9,694)	(12,461)
<b>Net cash (used in) / generated from investing activities</b>	<b>(75,483)</b>	<b>11,321</b>
<b>FINANCING ACTIVITIES</b>		
Repayment of net Ijarah liability	(2,694)	(2,646)
<b>Net cash used in financing activity</b>	<b>(2,694)</b>	<b>(2,646)</b>
Foreign currency translation adjustments	779	(1,354)
<b>Net increase in cash and cash equivalents</b>	<b>6,060</b>	<b>53,465</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>600,915</b>	<b>515,303</b>
<b>Cash and cash equivalents at end of the period</b>	<b>606,975</b>	<b>568,768</b>

### CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2026

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

31 March 2026 (Reviewed)	Share capital	Treasury shares	Reserves	Total equity attributable to shareholders of the Company		Non-controlling interests	Total owners' equity
				Accumulated losses			
At 1 January 2026	757,690	(30,149)	112,045	(827,641)	11,945	169,138	181,083
Profit for the period	-	-	-	1,201	1,201	5,734	6,935
Other comprehensive income for the period	-	-	69	-	69	(5,704)	(5,635)
<b>Total comprehensive income for the period</b>	-	-	69	1,201	1,270	30	1,300
Movement from dividend distribution by subsidiaries	-	-	-	-	-	(3,631)	(3,631)
<b>At 31 March 2026</b>	<b>757,690</b>	<b>(30,149)</b>	<b>112,114</b>	<b>(826,440)</b>	<b>13,215</b>	<b>165,537</b>	<b>178,752</b>

### CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2025

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

At 31 March 2025 (Reviewed)	Share capital	Treasury shares	Reserves	Total equity attributable to shareholders of the Company		Non-controlling interests	Total owners' equity
				Accumulated losses			
At 1 January 2025	757,690	(30,149)	112,527	(828,650)	11,418	169,448	180,866
Profit for the period	-	-	-	1,005	1,005	6,409	7,414
Other comprehensive income for the period	-	-	475	-	475	(6,440)	(5,965)
<b>Total comprehensive income for the period</b>	-	-	475	1,005	1,480	(31)	1,449
Movement from dividend distribution by subsidiaries	-	-	-	-	-	(4,544)	(4,544)
Decrease in shareholding of subsidiary	-	-	-	-	-	(2,789)	(2,789)
<b>At 31 March 2025</b>	<b>757,690</b>	<b>(30,149)</b>	<b>113,002</b>	<b>(827,645)</b>	<b>12,898</b>	<b>162,084</b>	<b>174,982</b>

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 three month period ended 31 March 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 13 May 2026.

HRH Prince Amr Mohamed Al Faisal  
Chairman

Elham Hasan  
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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Ithmaar Holding