

# Ithmaar reports stable growth

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Ithmaar Bank, a Bahrain-based Islamic retail bank, yesterday reported a net loss attributable to equity holders for the three months ended 31 December 2019 of BD4 million, a 2509 per cent increase compared to the net loss of BD0.15 m reported for 2018 helped mainly by prudent impairment provisions.

Total net loss for the quarter was BD2.8 m compared to a net profit of BD9.38 m reported for the same quarter of 2018.

As a result, net loss attributable to equity holders for the year ended 31 December 2019 was BD1.35 m compared to the net profit of BD1.41 m reported for 2018. Total full-year 2019 net profit was BD2.48 m, an 82.5pc decrease compared to the net profit of BD14.14 m reported for 2018, mainly due to a one-off gain from Dilmunia Development Fund I L.P when it became a subsidiary of the Bank in 2018.

“On behalf of the Ithmaar Bank Board of Directors, I am pleased to report that, although the Bank did not report a profit for the year, it continues to report stable, consistent growth with improved products and services as well as increased customer deposits,” said Ithmaar Bank Chairman His Royal Highness Prince Amr Al Faisal.

“This is in line with the Bank’s commitment to focusing on its core retail banking business



**The Bank’s unwavering focus on its core retail banking business is building a stable foundation while setting the stage for continued growth**

AHMED ABDUL RAHIM

ITHMAAR BANK CHIEF EXECUTIVE OFFICER



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HIS ROYAL HIGHNESS PRINCE AMR AL FAISAL, ITHMAAR BANK CHAIRMAN

while working to realise our shared vision of becoming one of the region’s leading retail banks,” he said.

Total income for the year was BD171.22 m, a 12.8pc increase compared to the total income of BD151.78 m reported for 2018, thanks to increases in core income. Operating income for the year was BD83.59 m, a 0.3pc decrease compared to the BD83.82 m in 2018.

“The bank’s unwavering focus on its core retail banking business is building a stable foundation while setting the stage for continued growth,” said Ithmaar Bank Chief Executive Officer, Ahmed Abdul Rahim. “The focus throughout 2019 has been on preparing the Bank to fully realise the tremendous opportunities that lie ahead. This, in turn, has earned the Bank two key awards in 2019, both reflecting our ability to stay ahead of the curve both locally and regionally as well as highlighting the significance of our digital initiatives,” he said.

Ithmaar Bank’s subsidiary, Faysal Bank Limited, one of the fastest-growing retail banks in Pakistan, also reported improved performance and continues with the aggressive branch expansion programme under which it has opened 275 new branches since 2016. In 2019 alone, Faysal Bank Limited opened 100 new branches. The total number of branches stood at 555 as of 31 December 2019.

## Tamannaah opens Malabar Gold’s Nizamabad outlet



Leading Indian Actress Tamannaah Bhatia inaugurates Malabar Gold & Diamonds’ new showroom at Nizamabad, Telangana in the presence of Dharmapuri Arvind, Member of Parliament, MP Ahammed, Chairman, Malabar Group, Abdul Salam KP, Group Executive Director, Malabar Group, Asher. O, Managing Director - India Operations, Management team members of Malabar Gold & Diamonds, media & well-wishers.

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Malabar Gold & Diamonds, one among the largest jewellery retailers globally with a strong retail network of over 250 outlets spread across 10 countries launched its new store in Dwaraka Nagar, Nizamabad, Telangana on 17th February 2020.

Leading Indian Actress Tamannaah Bhatia inaugurated the new showroom at Nizamabad, Telangana.

Dharmapuri Arvind, Member of Parliament, MP Ahammed, Chairman, Malabar Group, Abdul Salam KP, Group Executive Director, Malabar Group, Asher. O, Managing Director - India Operations, Management team members of Malabar Gold & Diamonds, media & well-wishers were present.

The new showroom is strategically located at Dwaraka Nagar, Hyderabad Road, Nizamabad, unveiling a significantly large collection of modern, stylish, traditional as well as contemporary designer jewellery in tune with the taste of jewellery lovers. Malabar Gold & Diamonds already has 11 showrooms in the state of Telangana. The new showroom will have plenty of space besides posh shopping amenities and valet parking facility.

Cineco

Bahrain Cinema Company B.S.C.

Cineco

## Consolidated financial statements for the year ended 31 December 2019

### Consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2019

	(Audited) (Expressed in Bahrain Dinars)	
	Year ended 31 December 2019	Year ended 31 December 2018
Operating income	9,019,933	8,343,718
Operating costs	(7,486,830)	(6,958,320)
<b>Operating gross profit</b>	<b>1,533,103</b>	<b>1,385,398</b>
Income from investments, net	4,486,647	4,909,215
Other income	1,186,470	1,009,823
General and administrative expenses	(2,537,251)	(3,012,097)
Impairment in investment in joint ventures	(5,548)	-
Finance costs	(432,383)	(71,835)
<b>Net profit and other comprehensive income for the year</b>	<b>4,231,038</b>	<b>4,220,504</b>
Basic earnings per share	54fills	53fills

### Consolidated statement of financial position as at 31 December 2019

	(Audited) (Expressed in Bahrain Dinars)	
	31 December 2019	31 December 2018
<b>ASSETS</b>		
Non-current assets		
Property, plant and equipment	6,345,249	7,382,410
Capital work-in-progress	389,380	389,380
Investment properties	23,409,302	23,012,531
Right-of-use assets	4,332,820	-
Investment in joint ventures	15,607	47,796
Investment in an associate	22,805,870	26,198,379
Non-current portion of receivable on disposal of business operations	9,457,056	12,609,409
Financial assets at fair value through profit or loss	9,033,470	7,795,797
	75,788,754	77,436,702
Current assets		
Inventories	275,583	327,888
Trade and other receivables	5,319,081	4,789,945
Financial assets at fair value through profit or loss	10,663,778	9,786,474
Cash and bank balances	352,256	461,142
	16,610,698	15,365,449
<b>Total assets</b>	<b>92,399,452</b>	<b>92,802,151</b>
<b>EQUITY AND LIABILITIES</b>		
Capital and reserves		
Share capital	8,262,345	8,262,345
Share premium	927,728	987,241
Revaluation reserve	4,557,442	4,557,442
Statutory reserve	4,131,173	4,131,173
Charity reserve	310,695	283,292
Retained earnings	57,017,385	56,811,461
Treasury shares	(368,426)	(359,103)
	74,838,342	74,673,851
Non-current liabilities		
Non-current portion of Murabaha facility	1,291,180	1,773,849
Non-current portion of lease liabilities	3,379,649	-
Employees' terminal and other benefits	2,687,003	3,222,133
	7,357,862	4,995,982
Current liabilities		
Current portion of Murabaha facility	5,481,036	5,423,934
Current portion of lease liabilities	902,250	-
Trade and other payables	2,341,997	6,890,806
Bank overdrafts	897,965	816,578
	10,203,248	13,131,318
<b>Total equity and liabilities</b>	<b>92,399,452</b>	<b>92,802,151</b>

### Consolidated statement of cash flows for the year ended 31 December 2019

	(Audited) (Expressed in Bahrain Dinars)	
	Year ended 31 December 2019	Year ended 31 December 2018
<b>Operating activities</b>		
Net profit for the year	4,231,038	4,220,504
Adjustments for:		
Depreciation	968,072	815,582
Amortisation of cost to right-of-use assets	1,146,186	-
Write-off of property, plant and equipment, net	84,095	13,460
Unrealised fair value (gain)/loss on investment properties	(3,689)	(2,444,966)
Reversal of impairment loss from investment in joint venture	-	(115,985)
Net share of (loss)/profit from investment in joint ventures	10,382	(16,259)
Impairment loss on investment in joint ventures	5,548	-
Net share of profit from investment in an associate	(1,602,526)	(1,774,485)
Unrealised gain on financial assets at fair value through profit or loss	(1,919,695)	(34,795)
Dividend income	(418,035)	(385,955)
Interest income from trading of bonds	(509,258)	(77,158)
Interest income	(11,615)	(25,997)
Realised gain on sale of financial assets at fair value through profit or loss	(32,211)	(33,615)
Profit on sale of property, plant and equipment	(4,761)	-
Interest income on long term receivable	(673,815)	(815,671)
Finance costs	432,383	71,835
Changes in operating assets and liabilities:		
Inventories	52,305	(10,221)
Trade and other receivables	(630,332)	855,179
Trade and other payables	(3,706,383)	2,195,868
Other employee benefits	(558,904)	(556,904)
Employee terminal benefits net	23,804	130,527
<b>Net cash (used in)/provided by operating activities</b>	<b>(3,117,411)</b>	<b>2,010,944</b>
<b>Investing activities</b>		
Purchase of property, plant and equipment	(86,751)	(668,008)
Additions to capital work-in-progress	-	(2,614,470)
Proceeds from sale of property, plant and equipment	4,761	-
Purchase of investment properties	(393,082)	(88,833)
Proceeds from disposal of business operations	3,152,353	3,152,353
Purchase of financial assets at fair value through profit or loss	(416,639)	(9,650,200)
Proceeds from sale of financial assets at fair value through profit or loss	253,568	235,484
Interest income on long term receivable	673,815	815,671
Interest income from bonds and sukuk	509,258	77,158
Profits received from fixed deposits	11,615	25,997
Dividend received from joint ventures	16,259	140,785
Dividend received from an associate	4,995,035	534,860
Dividend income received	418,035	385,955
<b>Net cash provided by/(used in) investing activities</b>	<b>9,138,227</b>	<b>(7,653,248)</b>
<b>Financing activities</b>		
Purchase of treasury shares	(68,836)	(110,282)
Murabaha facility obtained during the year	-	7,478,367
Amount repaid against Murabaha facility	(445,568)	(280,584)
Lease liabilities paid	(1,220,148)	-
Dividends paid	(4,158,127)	(3,916,885)
Charity paid	(46,090)	(74,092)
Finance costs paid	(272,320)	(71,835)
<b>Net cash (used in)/provided by financing activities</b>	<b>(6,211,089)</b>	<b>3,024,689</b>
<b>Net decrease in cash and bank balances</b>	<b>(190,273)</b>	<b>(2,617,615)</b>
Cash and cash equivalents, beginning of the year	(355,436)	2,262,179
Cash and cash equivalents, end of the year	(545,709)	(355,436)
Comprising: Cash and bank balances	352,256	461,142
Bank overdrafts	(897,965)	(816,578)
	(545,709)	(355,436)

### Consolidated statement of changes in shareholders' equity for the year ended 31 December 2019

	(Audited) (Expressed in Bahrain Dinars)							
	Share capital	Share premium	Revaluation reserve	Statutory reserve	Charity reserve	Retained earnings	Treasury shares	Total
At 31 December 2017	8,262,345	1,084,396	4,557,442	4,131,173	266,134	56,640,392	(345,976)	74,595,906
Dividends for 2017	-	-	-	-	-	(3,958,185)	-	(3,958,185)
Transferred to charity reserve	-	-	-	-	91,250	(91,250)	-	-
Charity paid	-	-	-	-	(74,092)	-	-	(74,092)
Purchase of treasury shares	-	(97,155)	-	-	-	-	(13,127)	(110,282)
Net profit and other comprehensive income for the year	-	-	-	-	-	4,220,504	-	4,220,504
At 31 December 2018	8,262,345	987,241	4,557,442	4,131,173	283,292	56,811,461	(359,103)	74,673,851
Dividends for 2018	-	-	-	-	-	(3,951,621)	-	(3,951,621)
Transferred to charity reserve	-	-	-	-	73,493	(73,493)	-	-
Charity paid	-	-	-	-	(46,090)	-	-	(46,090)
Purchase of treasury shares	-	(59,513)	-	-	-	-	(9,323)	(68,836)
Net profit and other comprehensive income for the year	-	-	-	-	-	4,231,038	-	4,231,038
At 31 December 2019	8,262,345	927,728	4,557,442	4,131,173	310,695	57,017,385	(368,426)	74,838,342

Dr Esam Abdulla Yusuf Fakhro  
ChairmanAli Yusuf Ali Ubaydli  
Vice-ChairmanAhmad A. Rashed Albastaki  
MD & CEOAuditors  
BDO