

Ithmaar Bank income rises to BD200.18m

ITHMAAR Bank, a Bahrain-based Islamic bank, reported profits for the nine-month period ended September 30, 2023.

The announcement, by Ithmaar Bank chairman 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 September 30, 2023 of BD2.30 million compared to the net profit of BD9.90m reported for the same period in 2022. Decrease is mainly due to income from discontinued operations being part of previous period's results. Total profit for the three-month period ended September 30, 2023 was BD4.8m, compared to a net profit of BD11.69m for

the same period in 2022.

The results also show a net profit attributable to equity holders for the nine-month period ended September 30, 2023 of BD3.9m, compared to a net profit of BD11.39m for the same period in 2022. Decrease is mainly due to income from discontinued operations being part of previous period's results. Total profit for the nine-month period ended 30 September 2023 was BD10.12 million, compared to a net profit of BD15.21 million for the same period in 2022.

Total income for the nine-



■ Prince Amr

month period ended September 30, 2023 increased by 19 per cent to BD200.18m, compared to BD167.72m for the same period in 2022, mainly due to increase in the bank's core income, partly offset by adverse foreign exchange impact during the period resulting from the bank's strategic investment.

"On behalf of Ithmaar Bank board of directors, I am pleased to announce that the bank continues to report profits for the year as the bank is growing further by focusing on providing its products and services exclusively to meet the financial and

investment needs of small and medium enterprises (SMEs) as well as corporates and institutions," said Prince Amr. "This is also due to the bank's 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.

Total assets stood at BD2.13 billion as at September 30, 2023, 7.8pc lower than BD2.31bn as at December 31, 2022. This is mainly due to foreign exchange impact during the period resulting from the bank's strategic investment.

Total owners' equity increased to BD40m as at September 30, 2023, a 10.7pc increase from BD36.12m as at December 31, 2022 mainly due to profits for the period.

Gulf stocks mixed on interest rate worries

STOCK markets in the Gulf put in a mixed performance yesterday as focus turned to this week's US inflation data for more clues on whether global interest rates have peaked.

Economists polled by Reuters expect US headline consumer price inflation to have slowed to 3.3 per cent in October from 3.7pc in September when the data is released today, although the core inflation rate that strips out volatile components is not expected to change.

Monetary policy in the six-member Gulf Cooperation Council (GCC) is usually guided by Fed decisions as most regional currencies are pegged to the US dollar.

Saudi Arabia's benchmark index fell 0.4pc with rental firm Lumi 4262.SE down by 3.3pc and Etihad Atheeb Telecommunication 1.6pc lower.

Foreign investors pulled a record amount of money from US equity funds tracking Saudi Arabia in October as the Middle East's worst violence in decades shook the region's business-friendly narrative.

Dubai's main share index

rose 0.3pc, with Mashreq Bank up 4.2pc.

The Dubai bourse remains volatile and potentially exposed to the downside, said Daniel Takieddine, CEO Mena at BDSwiss.

"However, strong local fundamentals could help limit risks while the announced initial public offering of Dubai Taxi could drive up interest in the stock market and fuel a stronger rebound."

Dubai plans to offer 25pc of shares in the taxi business through an initial public offering (IPO), the company said in a statement on Monday, the latest public share sale as part of a broader privatisation programme of state assets.

In Abu Dhabi, the index eased 0.2pc.

Crude oil prices eased as demand worries trumped supply concerns ahead of Chinese retail sales data later in the week that may darken an outlook already dimmed by declining industrial activity in the world's second largest economy.

The Qatari benchmark rose 0.3pc, led by a 3.9pc gain for Islamic lender Masraf Al Rayan.

Interim Consolidated Statement of Financial Position				
As at 30 September 2023 (Reviewed)				
	Reviewed 30 September 2023 US\$ 000	Audited 31 December 2022 US\$ 000	Reviewed 30 September 2022 US\$ 000	
ASSETS				
Demand and call deposits with banks	86,444	102,969	82,421	
Placements with banks	88,335	96,465	113,204	
Investments carried at fair value through profit or loss	121,652	88,064	90,203	
Investments carried at fair value through other comprehensive income	106,198	104,021	99,878	
Investments carried at amortised cost	-	25,036	25,034	
Loans and receivables	19,198	21,690	28,377	
Other assets	43,424	46,922	48,889	
Investment in associates	83,498	87,050	87,517	
Investment properties	99,160	99,962	98,375	
Property and equipment	15,725	15,846	14,656	
Goodwill and other intangible assets	62,482	63,556	64,446	
Assets held for sale	-	2,306	7,279	
TOTAL ASSETS	726,116	753,887	760,279	
LIABILITIES AND EQUITY				
LIABILITIES				
Due to banks and other financial institutions	125,921	138,878	151,024	
Deposits from customers	21,424	20,772	24,625	
Term loans	203,581	61,324	61,139	
Long term bonds	-	130,595	129,116	
Other liabilities	65,479	80,741	74,542	
TOTAL LIABILITIES	416,405	432,310	440,446	
EQUITY				
Share capital	116,132	116,132	116,132	
Share premium	5,687	5,687	5,687	
Statutory reserve	54,034	54,034	53,519	
General reserve	3,765	33,765	33,250	
Fair value reserve	9,780	(7,586)	(9,252)	
Foreign currency translation reserve	(5,775)	(5,379)	(6,252)	
Retained earnings / (accumulated deficit)	1,429	(1,425)	2,350	
Equity attributable to shareholders of the Parent	185,052	195,228	195,434	
Perpetual Additional Tier 1 Capital	33,000	33,000	33,000	
Non-controlling interests	91,659	93,349	91,399	
TOTAL EQUITY	309,711	321,577	319,833	
TOTAL LIABILITIES AND EQUITY	726,116	753,887	760,279	

Interim Consolidated Statement of Changes In Equity				
For the nine-month period ended 30 September 2023 (Reviewed)				
	Share capital US\$ 000	Share premium US\$ 000	Statutory reserve US\$ 000	General reserve US\$ 000
Balance at 1 January 2023	116,132	5,687	54,034	33,765
Net loss for the period	-	-	-	-
Other comprehensive income (loss)	-	-	-	-
Total comprehensive income (loss) for the period	-	-	-	-
Transfer upon disposal of equity investments carried at FVOCI	-	-	-	-
Movements in associates	-	-	-	-
Other movements	-	-	-	-
Interest payment on Tier 1 Capital	-	-	-	-
Transfer from general reserve to accumulated deficit	-	-	-	-
Other movements in non-controlling interests	-	-	-	-
Balance at 30 September 2023	116,132	5,687	54,034	3,765
Balance at 1 January 2022	116,132	5,687	53,519	33,250
Net profit for the period	-	-	-	-
Other comprehensive income (loss)	-	-	-	-
Total comprehensive income (loss) for the period	-	-	-	-
Transfer upon disposal of equity investments carried at FVOCI	-	-	-	-
Interest payment on Perpetual Tier 1 Capital	-	-	-	-
Other movements in non-controlling interests	-	-	-	-
Balance at 30 September 2022	116,132	5,687	53,519	33,250

Interim Consolidated Statement of Income				
For the nine-month period ended 30 September 2023 (Reviewed)				
	Three-month period ended 30 September		Nine-month period ended 30 September	
	2023 US\$ 000	2022 US\$ 000	2023 US\$ 000	2022 US\$ 000
Interest income	2,287	2,543	7,550	6,315
Investment (loss) income - net	(1,260)	761	4,079	7,443
Fees and commission income - net	1,027	3,304	11,629	13,758
Foreign exchange gain (loss) - net	10,763	10,207	31,985	45,596
Share of results of associates	698	536	1,283	(575)
Total income	10,401	12,498	39,537	63,932
Interest expense	(5,548)	(4,640)	(16,236)	(12,082)
Operating income before expenses and expected credit losses	4,853	7,858	23,301	51,850
Salaries and benefits	(8,203)	(7,850)	(25,744)	(29,664)
General and administrative expenses	(3,869)	(3,399)	(13,459)	(13,173)
Operating (loss) income before expected credit losses	(7,219)	(3,391)	(15,902)	9,013
Expected credit losses	(481)	(601)	(268)	(480)
(Loss) profit before tax	(7,700)	(3,992)	(16,170)	8,533
Tax credit / (expense)	28	(33)	(97)	(49)
Net (loss) profit for the period	(7,672)	(4,025)	(16,267)	8,484
Net (loss) profit attributable to non-controlling interests	(2,251)	(1,366)	(2,069)	4,405
Net (loss) profit attributable to shareholders of the Parent	(5,421)	(2,659)	(14,198)	4,079

Interim Consolidated Statement of Comprehensive Income				
For the nine-month period ended 30 September 2023 (Reviewed)				
	Three-month period ended 30 September		Nine-month period ended 30 September	
	2023 US\$ 000	2022 US\$ 000	2023 US\$ 000	2022 US\$ 000
Net (loss) profit for the period	(7,672)	(4,025)	(16,267)	8,484
Other Comprehensive Income (OCI)				
Items that may be reclassified to profit or loss in subsequent periods				
Foreign currency translation changes	2,506	(1,812)	2,055	(3,998)
Net change in cashflow hedges	402	406	591	406
Share of other comprehensive (loss) income of associates	(2,236)	4,524	(2,236)	4,554
Items that will not be reclassified to profit or loss in subsequent periods				
Fair value changes of equity investments carried at fair value through other comprehensive income	(813)	(1,805)	2,644	(153)
Share of other comprehensive loss of associates	(1,215)	-	(134)	-
Other comprehensive (loss) income for the period	(1,356)	1,313	2,920	809
Total comprehensive (loss) income for the period	(9,028)	(2,712)	(13,347)	9,293
Total comprehensive (loss) income attributable to:				
- Shareholders of the Parent	(6,178)	(597)	(10,452)	6,386
- non-controlling interests	(2,850)	(2,115)	(2,895)	2,907
	(9,028)	(2,712)	(13,347)	9,293

Interim Condensed Consolidated Statement of Cash Flows			
For the nine-month period ended 30 September 2023 (Reviewed)			
	Nine-month period ended 30 September		
	2023 US\$ 000	2022 US\$ 000	
Net cash flows used in operating activities	(39,577)	(36,423)	
Net cash flows used in investing activities	(2,374)	(6,549)	
Net cash flows from financing activities	10,448	38,838	
NET CHANGE IN CASH AND CASH EQUIVALENTS	(31,503)	(4,134)	
Foreign currency translation adjustments	5,163	(4,589)	
Cash and cash equivalents at 1 January	184,906	191,083	
CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER	158,566	182,360	

The above Interim Consolidated Statement of Financial Position, Interim Consolidated Statement of Income, Interim Consolidated Statement of Comprehensive Income, Interim Condensed Consolidated Statement of Cash Flows and Interim Consolidated Statement of Changes In Equity have been extracted from the Interim Condensed Consolidated Financial Statements of United Gulf Bank B.S.C.(c) for the nine month period ended 30 September 2023 which were approved by the Board of Directors on 13 November 2023 and was reviewed by Ernst & Young, Kingdom of Bahrain.

Masaud Hayat
Chairman

Faisal Al Ayyar
Vice Chairman

Hussain Lalani
Chief Executive Officer



بنك الخليج المتحد
United Gulf Bank B.S.C.(c)