# ITHMAAR HOLDING B.S.C.

INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2019

# ITHMAAR HOLDING B.S.C. INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2019

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# AUDITOR'S REVIEW REPORT TO THE SHAREHOLDERS OF ITHMAAR HOLDING B.S.C.

# Introduction

We have reviewed the accompanying interim condensed consolidated financial information of Ithmaar Holding B.S.C. ("Ithmaar") and its subsidiaries (the "Group") which comprises the interim condensed consolidated statement of financial position as at 31 March 2019 and the related interim condensed consolidated income statement, changes in owners' equity, cash flows, and changes in restricted investment accounts for the three month period then ended, and a summary of significant accounting policies and other explanatory notes. The directors are responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with the basis of preparation stated in Note 2 to this interim condensed consolidated financial information. Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

#### **Scope of Review**

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

# Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial information has not been properly prepared, in all material respects, in accordance with basis of preparation stated in Note 2 of this interim condensed consolidated financial information.

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Partner registration no. 216 12 May 2019 Manama, Kingdom of Bahrain

# Interim condensed consolidated statement of financial position

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

(Reviewed)     (Audited)     (Reviewed)       ASSETS     Cash and balances with banks and central banks     3     594,894     596,234     583,478       Commodity and other institutions     4     496,425     285,627     444,563       Murabaha and other financings     5     3,160,251     3,284,885     3,355,510       Murabaha and other institutions     6     1,114,482     1,756,985     1,445,463       Investment in mudaraba     5,760     5,760     5,695     3,468,4587       Investment accounts     -     -     72,103       Assets acquired for leasing     406,363     410,765     348,687       Investment in real leate     226,315     270,066     249,923       Investment in real leate     226,338     -     -     62,627       Tixed assets     63,396     63,216     120,242     122,923     120,934     -     -     -     66,267       Tixed assets     63,396     63,216     120,242     120,242     127,867     159,751     150,493,973     1,476,108     1,715,821     120,242		Notes	At 31 March 2019	At 31 December 2018	At 31 March 2018
Cash and balances with banks and central banks     3     594,894     596,234     583,478       Commodity and other institutions     4     498,425     285,627     444,563       Murabaha and other institutions     4     498,425     285,627     444,563       Murabaha and other institutions     5     3,160,251     3,264,885     3,535,510       Murabaha and other institutions     6     1,114,422     1,756,695     1,456,469       Investment in mudaraba     5,760     5,760     5,760     5,695       Sukuk and investment securities     6     1,114,422     1,756,695     1,456,469       Investment in associates     7     586,334     611,194     592,593       Restricted investment accounts     -     -     72,103       Assets classified as held-for-sale     -     -     66,267       Fixed assets     65,396     63,216     120,242       Intangible assets     6,5396     63,216     120,242       Intangible assets     6,5396     63,216     120,242       Intangible assets     1,659,733     1,476,108 </th <th>100570</th> <th></th> <th>(Reviewed)</th> <th>(Audited)</th> <th>(Reviewed)</th>	100570		(Reviewed)	(Audited)	(Reviewed)
Commodity and other placements with banks, financial and other institutions     4     498,425     285,627     444,563       Murabaha and other financings     5     3,160,251     3,264,865     3,355,510       Musharaka financing     554,811     495,626     391,805       Investment in malaraba     5,760     5,750     5,695       Investment in associates     7     556,334     611,114,482     1,755,695       Investment in associates     7     556,334     611,194     592,593       Restricted investment accounts     -     -     72,103       Assets acquired for leasing     406,363     400,765     384,587       Insurance and related receivables     128,598     120,034     -       Other assets     8     248,489     211,319     229,523       Investment in real estate     -     -     66,267       Fixed assets     8,016,767     8,488,556     8,209,893       LiABILITIES, EQUITY OF UNRESTRICTED     1,059,733     1,476,108     1,715,821       Investment accountholders     10     2,622,714     2,622,311     2,		2	504 904	506 224	502 170
financial and other institutions     4     498,425     285,627     444,663       Murabaha and other financings     5     3,160,251     3,244,865     3,335,510       Investment in mandings     554,811     495,626     3,91,005     1,455,469       Investment in securities     6     1,114,462     1,756,695     1,455,469       Investment in accounts     -     -     7,21,103       Assets acquired for leasing     406,363     401,765     384,587       Investment in real estate     -     -     7,21,103       Development properties     269,388     269,388     -     -     66,267       Fixed assets     65,396     63,216     120,242     127,867     159,751       Total assets     65,396     63,216     120,242     124,261     127,867     159,751       Total assets     65,966     3,416,108     1,715,821     1002,042       Interglible assets     1,659,733     1,476,108     1,715,821       Due to banks, financial and other institutions     1,071,305     1,541,346     1,062,017		3	594,894	090,234	000,470
Murabaha and other financings     5     3,160,251     3,264,865     3,535,510       Musharaka financing     554,811     495,626     391,805       Investment in mudaraba     5,760     5,760     5,685       Sukuk and investment securities     6     1,114,482     1,756,695     1,455,493       Investment in associates     7     566,334     410,765     384,587       Insurance and related receivables     128,598     120,034     -     7       Other assets     8     248,499     211,319     2225,233       Investment in real estate     269,315     270,066     249,307       Development properties     269,383     -     -     66,267       Fixed assets     65,396     63,216     120,242     127,867     159,761       Intargible assets     124,261     127,897     159,761     1,894,977     1,806,325       Intargible assets     1,659,733     1,476,108     1,715,821     1,022,474     566,122     466,325       Intargible assets     1,699,151     1,894,977     1,806,679     1,806,6		4	109 125	295 627	111 563
Musharaka financing     554,811     495,626     391,805       Investment in mudaraba     5,760     5,760     5,695       Sukuk and investment accounts     -     -     72,103       Restricted investment accounts     -     -     72,103       Assets acquired for leasing     406,333     410,765     384,687       Investment in real estate     259,315     270,066     249,307       Development properties     269,388     269,388     -       Assets acquired for leasing     65,396     63,216     120,242       Intragible assets     65,396     63,216     120,242       Intagible assets     269,388     269,388     -       Total assets     8,016,767     8,488,656     8,290,893       LIABILITIES, EQUITY OF UNRESTRICTED     1,071,305     1,541,346     1,082,017       Due to banks, financial and other institutions     1,071,305     1,541,346     1,082,017       Due to banks, financial and other institutions     1,071,305     1,541,346     1,082,017       Due to investricted investment accountholders     10     2,628,748			,		
Investment in mudaraba     5,760     5,760     5,695       Sukuk and investment securities     6     1,114,482     1,756,695     1,455,499       Investment ascolates     7     566,334     611,194     592,593       Restricted investment accounts     -     -     72,103       Assets acquired for leasing     406,363     410,765     384,587       Investment in real estate     226,931     2270,066     2249,307       Development properties     226,938     -     -       Assets     226,938     249,307     150,751       Investment in real estate     -     -     -     66,267       Development properties     228,388     -     -     -     66,267       Intragible assets     124,261     127,867     150,751     1604,277     150,751       Intragible assets     1,559,733     1,476,108     1,715,821       Due to banks, financial and other institutions     1,071,305     1,541,346     1,082,017       Due to banks, financial and other institutions     1,071,305     1,541,346     5,070,842	-	0			
Sukuk and investment is associates     6     1,114,482     1,756,695     1,455,469       Investment in associates     7     556,334     611,194     592,593       Restricted investment accounts     406,363     410,765     384,587       Insurance and related receivables     128,598     120,034     -       Other assets     8     248,489     211,319     229,523       Investment in real estate     259,315     270,066     249,307       Development properties     269,388     -     -       Assets classified as held-for-sale     -     -     66,226       Fixed assets     8,016,767     8,488,956     8,290,893       LIABILITIES, EQUITY OF UNRESTRICTED     1,559,733     1,476,108     1,715,821       Due to banks, financial and other institutions     1,071,305     1,541,346     1,082,017       Due to banks, financial and other institutions     1,659,733     1,476,108     1,715,821       Due to banks, financial and other institutions     1,699,151     1,684,977     1,806,679       Insurance related reserves     1,659,733     1,476,108     1,715,82				,	
Investment in associates     7     586,334     611,194     592,593       Restricted investment accounts     -     -     72,103       Assets acquired for leasing     406,363     410,765     384,587       Insurance and related receivables     128,598     120,034     -       Other assets     8     248,489     211,319     2295,233       Investment in real estate     259,315     270,066     249,307       Development properties     269,388     269,388     -       Assets classified as held-for-sale     -     -     66,267       Fixed assets     124,261     122,067     149,093       Intragible assets     124,261     122,7867     159,751       Total assets     8,016,767     8,488,856     8,290,893       LLABILITIES, EQUITY OF UNRESTRICTED     1,071,305     1,541,346     1,082,017       Due to banks, financial and other institutions     1,071,305     1,541,346     1,082,017       Due to banks, financial and other institutions     1,071,305     1,541,346     1,082,017       Due to anks, financial and other institutions		6			
Restricted investment accounts     -     72,103       Assets acquired for leasing     406,363     410,765     384,587       Insurance and related receivables     128,598     120,034     -       Other assets     8     248,489     211,319     229,523       Investment in real estate     259,315     270,066     249,307       Development properties     269,388     269,388     -     -       Assets classified as held-for-sale     -     -     66,267       Fixed assets     65,396     63,216     120,242       Intangible assets     8,016,767     8,488,656     6,290,893       LIABILITIES, EQUITY OF UNRESTRICTED INVESTMENT ACCOUNTHOLDERS, MINORITY INTEREST AND OWNERS' EQUITY     1,071,305     1,541,346     1,062,017       Due to banks, financial and other institutions     1,071,305     1,541,346     1,086,679       Other liabilities     4,627,64     2,622,311     2,83,584       Insurance related reserves     136,659     134,873     -       Total liabilities     4,929,602     5,413,426     5,070,842       Equity of unrestricted investment acc					
Assets acquired for leasing   406,363   410,765   384,587     Insurance and related receivables   128,598   120,034   -     Other assets   8   248,489   211,319   229,523     Investment in real estate   269,315   270,066   249,307     Development properties   269,388   269,388   -     Assets classified as held-for-sale   -   -   66,267     Fixed assets   65,396   63,216   120,242     Intangible assets   124,261   127,867   159,751     Total assets   8,016,767   8,488,656   8,290,893     LIABILITIES, EQUITY OF UNRESTRICTED   1,071,305   1,476,108   1,715,821     Due to banks, financial and other institutions   1,071,305   1,541,346   1,082,017     Due to banks, financial and other institutions   1,071,305   1,541,346   1,082,017     Due to banks, financial and other institutions   1,699,151   1,694,977   1,806,679     Insurance related reserves   136,659   134,873   -   -     Total liabilities   4,929,602   5,413,426   5,070,842   -			-	-	
Insurance and related receivables     128,598     120,034     -       Other assets     8     248,489     211,319     229,523       Investment in real estate     269,385     269,385     269,385     -       Development properties     269,385     269,386     -     -     66,267       Fixed assets     65,396     63,216     120,242     127,867     159,751       Intangible assets     8,016,767     8,488,656     8,290,893     -       LIABILITIES, EQUITY OF UNRESTRICTED INVESTMENT ACCOUNTHOLDERS, MINORITY INTEREST AND OWNERS' EQUITY     1,559,733     1,476,108     1,715,821       Due to banks, financial and other institutions     1,071,305     1,446     1,082,017       Due to banks, financial and other institutions     1,071,305     1,413,46     1,082,017       Due to banks, financial and other institutions     1,071,305     1,413,46     1,082,017       Due to banks, financial and other institutions     1,071,305     1,413,473     -       Total liabilities     4,929,602     5,413,426     5,070,842       Equity of unrestricted investinent accountholders     10     2,628,7			406.363	410,765	
Other assets     8     248,489     211,319     229,523       Investment in real estate     259,315     270,066     249,307       Development properties     269,388     269,388     269,388     269,388       Assets classified as held-for-sale     -     -     66,267       Fixed assets     65,396     63,216     120,242       Intragible assets     124,261     127,867     159,751       Total assets     8,016,767     8,488,656     8,290,893       LIABILITIES, EQUITY OF UNRESTRICTED INVESTMENT ACCOUNTHOLDERS, MINORITY INTEREST AND OWNERS' EQUITY     1,559,733     1,476,108     1,715,821       Customers' current accounts     1,559,733     1,476,108     1,715,821       Due to banks, financial and other institutions     1,071,305     1,541,346     1,082,017       Due to investors     1,659,151     1,694,977     1,806,678       Other liabilities     462,754     566,122     466,325       Insurance related reserves     136,659     134,873     -       Total liabilities, equity of unrestricted     1     2,622,311     2,823,584 <t< td=""><td></td><td></td><td></td><td></td><td></td></t<>					
Investment in real estate     259,315     270,066     249,307       Development properties     269,388     269,388     -       Assets classified as held-for-sale     -     -     66,267       Fixed assets     65,396     63,216     120,242       Intangible assets     124,261     127,867     159,751       Total assets     8,016,767     8,488,656     8,290,893       LIABILITIES, EQUITY OF UNRESTRICTED INVESTMENT ACCOUNTHOLDERS, MINORITY INTEREST AND OWNERS' EQUITY     1,559,733     1,476,108     1,715,821       Due to banks, financial and other institutions     1,071,305     1,541,346     1,082,017       Due to banks, financial and other institutions     1,071,305     1,541,346     1,082,017       Due to investors     1,699,151     1,694,977     1,806,679       Other liabilities     462,754     566,122     466,325       Insurance related reserves     136,659     134,873     -       Total liabilities     4,929,602     5,413,426     5,070,842       Equity of unrestricted     337,894     336,563     162,991       Total liabilities, equity of unrest		8			229.523
Development properties     269,388     269,388     -       Assets classified as held-for-sale     -     -     66,267       Fixed assets     65,396     63,216     120,242       Intangible assets     124,261     127,867     159,083       ILABILITIES, EQUITY OF UNRESTRICTED INVESTMENT ACCOUNTHOLDERS, MINORITY INTEREST AND OWNERS' EQUITY     8,016,767     8,488,656     8,290,893       Customers' current accounts     1,559,733     1,476,108     1,715,821       Due to banks, financial and other institutions     1,071,305     1,541,346     1,082,017       Due to investors     1,669,151     1,694,977     1,806,679       Other liabilities     462,754     566,122     466,325       Insurance related reserves     136,659     134,873     -       Total liabilities, equity of unrestricted     337,894     336,563     162,991       Investment accountholders and minority interest     7,896,244     8,372,300     8,057,417       Share capital     11     757,690     757,690     757,690       Treasury shares     11     (30,149)     (30,149)     (30,149) <td></td> <td>-</td> <td></td> <td></td> <td>-</td>		-			-
Assets classified as held-for-sale   -   -   66,267     Fixed assets   65,396   63,216   120,242     Intangible assets   124,261   127,867   159,751     Total assets   8,016,767   8,488,656   8,290,893     LIABILITIES, EQUITY OF UNRESTRICTED   INVESTMENT ACCOUNTHOLDERS, MINORITY   1,559,733   1,476,108   1,715,821     Due to banks, financial and other institutions   1,071,305   1,541,346   1,082,017     Due to banks, financial and other institutions   1,071,305   1,541,346   1,082,017     Due to investors   1,699,151   1,694,977   1,806,679     Other liabilities   462,754   566,122   466,325     Insurance related reserves   136,659   134,873   -     Total liabilities, equity of unrestricted investment accountholders   10   2,628,748   2,622,311   2,823,584     Minority interest   337,894   336,563   162,991     Total liabilities, equity of unrestricted investment accountholders and minority interest   11   7,896,244   8,372,300   8,057,417     Share capital   11   757,690   757,690   757,690   757,6	Development properties				-
Intangible assets     124,261     127,867     159,751       Total assets     8,016,767     8,488,656     8,290,893       LIABILITIES, EQUITY OF UNRESTRICTED INVESTMENT ACCOUNTHOLDERS, MINORITY INTEREST AND OWNERS' EQUITY     1,559,733     1,476,108     1,715,821       Customers' current accounts     1,071,305     1,541,346     1,082,017       Due to banks, financial and other institutions     1,071,305     1,694,977     1,806,679       Other liabilities     462,754     566,122     466,325       Insurance related reserves     136,659     134,873     -       Total liabilities     4,929,602     5,413,426     5,070,842       Equity of unrestricted investment accountholders     10     2,628,748     2,622,311     2,823,584       Minority interest     337,894     336,563     162,991       Total liabilities, equity of unrestricted investment accountholders and minority interest     11     757,690     757,690     757,690       Share capital Treasury shares     11     337,351     140,290     231,774       Minority interest accountholders     120,523     116,356     233,476       T			-	-	66,267
Intangible assets     124,261     127,867     159,751       Total assets     8,016,767     8,488,656     8,290,893       LIABILITIES, EQUITY OF UNRESTRICTED INVESTMENT ACCOUNTHOLDERS, MINORITY INTEREST AND OWNERS' EQUITY     1,559,733     1,476,108     1,715,821       Customers' current accounts     1,071,305     1,541,346     1,082,017       Due to banks, financial and other institutions     1,071,305     1,694,977     1,806,679       Other liabilities     462,754     566,122     466,325       Insurance related reserves     136,659     134,873     -       Total liabilities     4,929,602     5,413,426     5,070,842       Equity of unrestricted investment accountholders     10     2,628,748     2,622,311     2,823,584       Minority interest     337,894     336,563     162,991       Total liabilities, equity of unrestricted investment accountholders and minority interest     11     757,690     757,690     757,690       Share capital Treasury shares     11     337,351     140,290     231,774       Minority interest accountholders     120,523     116,356     233,476       T	Fixed assets		65,396	63,216	120,242
LIABILITIES, EQUITY OF UNRESTRICTED INVESTMENT ACCOUNTHOLDERS, MINORITY INTEREST AND OWNERS' EQUITYCustomers' current accounts1,559,7331,476,1081,715,821Due to banks, financial and other institutions1,071,3051,541,3461,082,017Due to investors1,699,1511,694,9771,806,679Other liabilities462,754566,122466,325Insurance related reserves136,659134,873-Total liabilities4,929,6025,413,4265,070,842Equity of unrestricted investment accountholders102,628,7482,622,3112,823,584Minority interest337,894336,663162,991Total liabilities, equity of unrestricted investment accountholders and minority interest11757,690757,690Share capital1111757,690757,690757,690Treasury shares11(30,149)(30,149)(30,149)Reserves1337,351140,290231,774Accumulated losses(744,369)(751,475)(725,839)Total liabilities, equity of unrestricted investment accountholders, minority interest and owners'120,523116,356233,476	Intangible assets				
INVESTMENT ACCOUNTHOLDERS, MINORITY INTEREST AND OWNERS' EQUITY       Customers' current accounts     1,559,733     1,476,108     1,715,821       Due to banks, financial and other institutions     1,071,305     1,541,346     1,082,017       Due to investors     1,699,151     1,694,977     1,806,679       Other liabilities     462,754     566,122     466,325       Insurance related reserves     136,659     134,873     -       Total liabilities     4,929,602     5,413,426     5,070,842       Equity of unrestricted investment accountholders     10     2,628,748     2,622,311     2,823,584       Minority interest     337,894     336,563     162,991       Total liabilities, equity of unrestricted investment accountholders and minority interest     7,896,244     8,372,300     8,057,417       Share capital     11     757,690     757,690     757,690       Treasury shares     11     (30,149)     (30,149)     (30,149)       Reserves     137,351     140,290     231,774       Accumulated losses     (744,369)     (751,475)     (725,839)       Total liabi	Total assets		8,016,767	8,488,656	8,290,893
Due to banks, financial and other institutions   1,071,305   1,541,346   1,082,017     Due to investors   1,699,151   1,694,977   1,806,679     Other liabilities   462,754   566,122   466,325     Insurance related reserves   136,659   134,873   -     Total liabilities   4,929,602   5,413,426   5,070,842     Equity of unrestricted investment accountholders   10   2,628,748   2,622,311   2,823,584     Minority interest   337,894   336,563   162,991     Total liabilities, equity of unrestricted investment accountholders and minority interest   7,896,244   8,372,300   8,057,417     Share capital   11   757,690   757,690   757,690     Treasury shares   11   (30,149)   (30,149)   (30,149)     Reserves   137,351   140,290   231,774     Accumulated losses   (744,369)   (751,475)   (725,839)     Total liabilities, equity of unrestricted investment accountholders, minority interest and owners'   120,523   116,356   233,476					
Due to investors   1,699,151   1,694,977   1,806,679     Other liabilities   462,754   566,122   466,325     Insurance related reserves   136,659   134,873   -     Total liabilities   4,929,602   5,413,426   5,070,842     Equity of unrestricted investment accountholders   10   2,628,748   2,622,311   2,823,584     Minority interest   337,894   336,563   162,991     Total liabilities, equity of unrestricted investment accountholders and minority interest   7,896,244   8,372,300   8,057,417     Share capital   11   757,690   757,690   757,690     Treasury shares   11   (30,149)   (30,149)   (30,149)     Reserves   (744,369)   (751,475)   (725,839)     Total liabilities, equity of unrestricted investment accountholders, minority interest and owners'   120,523   116,356   233,476	Customers' current accounts		1,559,733	1,476,108	<b>1</b> ,715,821
Other liabilities     462,754     566,122     466,325       Insurance related reserves     136,659     134,873     -       Total liabilities     4,929,602     5,413,426     5,070,842       Equity of unrestricted investment accountholders     10     2,628,748     2,622,311     2,823,584       Minority interest     337,894     336,563     162,991       Total liabilities, equity of unrestricted investment accountholders and minority interest     7,896,244     8,372,300     8,057,417       Share capital     11     757,690     757,690     757,690       Treasury shares     11     (30,149)     (30,149)     (30,149)       Reserves     137,351     140,290     231,774       Accumulated losses     (744,369)     (751,475)     (725,839)       Total liabilities, equity of unrestricted investment accountholders, minority interest and owners'     120,523     116,356     233,476	Due to banks, financial and other institutions		1,071,305	1,541,346	1,082,017
Insurance related reserves   136,659   134,873   -     Total liabilities   4,929,602   5,413,426   5,070,842     Equity of unrestricted investment accountholders   10   2,628,748   2,622,311   2,823,584     Minority interest   337,894   336,563   162,991     Total liabilities, equity of unrestricted investment accountholders and minority interest   7,896,244   8,372,300   8,057,417     Share capital   11   757,690   757,690   757,690   757,690     Treasury shares   11   (30,149)   (30,149)   (30,149)   (30,149)     Reserves   137,351   140,290   231,774   233,476     Total liabilities, equity of unrestricted investment accountholders, minority interest and owners'   120,523   116,356   233,476	Due to investors		1,699,151	1,694,977	1,806,679
Total liabilities4,929,6025,413,4265,070,842Equity of unrestricted investment accountholders102,628,7482,622,3112,823,584Minority interest337,894336,563162,991Total liabilities, equity of unrestricted investment accountholders and minority interest337,894336,563162,991Share capital11757,690757,690757,690Treasury shares11(30,149)(30,149)(30,149)Reserves137,351140,290231,774Accumulated losses(744,369)(751,475)(725,839)Total liabilities, equity of unrestricted investment accountholders, minority interest and owners'120,523116,356233,476	Other liabilities		462,754	566,122	466,325
Equity of unrestricted investment accountholders102,628,7482,622,3112,823,584Minority interest337,894336,563162,991Total liabilities, equity of unrestricted investment accountholders and minority interest7,896,2448,372,3008,057,417Share capital11757,690757,690757,690Treasury shares11(30,149)(30,149)(30,149)Reserves137,351140,290231,774Accumulated losses(744,369)(751,475)(725,839)Total liabilities, equity of unrestricted investment accountholders, minority interest and owners'120,523116,356	Insurance related reserves		136,659	134,873	-
Minority interest337,894336,563162,991Total liabilities, equity of unrestricted investment accountholders and minority interest7,896,2448,372,3008,057,417Share capital11757,690757,690757,690Treasury shares11(30,149)(30,149)(30,149)Reserves11(30,149)(30,149)(30,149)Accumulated losses(744,369)(751,475)(725,839)Total owners' equity120,523116,356233,476	Total liabilities		4,929,602	5,413,426	5,070,842
Total liabilities, equity of unrestricted investment accountholders and minority interest7,896,2448,372,3008,057,417Share capital11757,690757,690757,690Treasury shares11(30,149)(30,149)(30,149)Reserves137,351140,290231,774Accumulated losses(744,369)(751,475)(725,839)Total liabilities, equity of unrestricted investment accountholders, minority interest and owners'120,523116,356233,476	Equity of unrestricted investment accountholders	10	2,628,748	2,622,311	2,823,584
investment accountholders and minority interest     7,896,244     8,372,300     8,057,417       Share capital     11     757,690     757,690     757,690       Treasury shares     11     (30,149)     (30,149)     (30,149)       Reserves     137,351     140,290     231,774       Accumulated losses     (744,369)     (751,475)     (725,839)       Total owners' equity     120,523     116,356     233,476	Minority interest		337,894	336,563	162,991
Treasury shares   11   (30,149)   (30,149)   (30,149)     Reserves   137,351   140,290   231,774     Accumulated losses   (744,369)   (751,475)   (725,839)     Total owners' equity   120,523   116,356   233,476	investment accountholders and minority		7,896,244	8,372,300	8,057,417
Treasury shares   11   (30,149)   (30,149)   (30,149)     Reserves   137,351   140,290   231,774     Accumulated losses   (744,369)   (751,475)   (725,839)     Total owners' equity   120,523   116,356   233,476	Share canital	11	757 690	757 690	757 690
Reserves137,351140,290231,774Accumulated losses(744,369)(751,475)(725,839)Total owners' equity120,523116,356233,476Total liabilities, equity of unrestricted investment accountholders, minority interest and owners'120,523116,356					
Accumulated losses(744,369)(751,475)(725,839)Total owners' equity120,523116,356233,476Total liabilities, equity of unrestricted investment accountholders, minority interest and owners'				( ,	• •
Total owners' equity120,523116,356233,476Total liabilities, equity of unrestricted investment accountholders, minority interest and owners'233,476					
Total liabilities, equity of unrestricted investment accountholders, minority interest and owners'					
	Total liabilities, equity of unrestricted investment				
			8,016,767	8,488,656	8,290,893

This interim condensed consolidated financial information was approved by the Board of Directors on 12 May 2019 and signed on their behalf by:

HRH Prince Amr Mohamed Al Faisal Chairman

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Elham Hasan Director

Ahmed Abdul Rahim CEO

Interim condensed consolidated income statement

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

		Three months ended		
	Notes	31 March 2019	31 March 2018	
INCOME		(Reviewed)	(Reviewed)	
INCOME Income from unrestricted investment accounts		50,250	42,467	
Less: return to unrestricted investment accounts and impairment provisions		(33,090)	(24,976)	
Group's share of income from unrestricted investment accounts as a Mudarib		17,160	17,491	
Income from murabaha and other financings		46,123	34,468	
Share of profit after tax from associates		9,251	27,748	
Income from investments		25,351	26,292	
Other income		28,082	8,150	
Total income		125,967	114,149	
Less: profit paid to banks, financial and other institutions – net		(49,892)	(41,992)	
Operating income		76,075	72,157	
EXPENSES				
Administrative and general expenses		(46,588)	(42,981)	
Depreciation and amortization		(7,572)	(11,093)	
Total expenses		(54,160)	(54,074)	
Net income before provision for impairment and overseas taxation		21,915	18,083	
Provision for impairment – net	9	(4,366)	(5,998)	
Net income before overseas taxation		17,549	12,085	
Overseas taxation		(8,929)	(7,274)	
NET INCOME FOR THE PERIOD		8,620	4,811	
Attributable to:				
Equity holders of Ithmaar		7,106	1,655	
Minority interests	0	<u>1,514</u> <b>8,620</b>	3,156 <b>4,811</b>	
Basic and diluted earnings per share	14	US Cts 0.24	US Cts 0.06	

This interim condensed consolidated financial information was approved by the Board of Directors on 12 May 2019 and signed on their behalf by:

HRH Prince Amr Mohamed Al Faisal Chairman

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Elham Hasan Director

Ahmed Abdul Rahim CEO

Interim condensed consolidated statement of changes in owners' equity for the three month period ended 31 March 2019 (Expressed in thousands of United States Dollars unless otherwise stated)

		_		Reserves							
	Share capital	Treasury shares	Share premium	Statutory reserve	General reserve		Investment in real estate fair value reserve	Foreign currency translation	Total reserves	Accumulated losses	Total owners' equity
At 1 January 2019 (Audited)	757,690	(30,149)	149,085	38,418	50,727	(6,924)	3,187	(94,203)	140,290	(751,475)	116,356
Net income for the period	-	-	-	-	-	-	-	-	-	7,106	7,106
Movement in fair value of sukuk and investment securities	-	-	-	-	-	(834)	-	-	(834)	-	(834)
Movement in fair value of investment in real estate	-	-	-	-	-	-	794	-	794	-	794
Movement in fair value of associates	-	-	-	-	-	(2,367)	-	-	(2,367)	-	(2,367)
Foreign currency translation adjustments	-	-	-	-	-	6	(291)	(247)	(532)	-	(532)
At 31 March 2019 (Reviewed)	757,690	(30,149)	149,085	38,418	50,727	(10,119)	3,690	(94,450)	137,351	(744,369)	120,523

Interim condensed consolidated statement of changes in owners' equity for the three month period ended 31 March 2018 (Expressed in thousands of United States Dollars unless otherwise stated)

		_		Reserves							
	Share capital	Treasury shares	Share premium	Statutory reserve	General reserve	Investments fair value reserve		Foreign currency translation	Total reserves	Accumulated losses	Total owners' equity
At 1 January 2018 (Audited)	757,690	(30,149)	149,085	38,418	50,727	38,773	3,450	(46,692)	233,761	(605,972)	355,330
Impact of FAS 30	-	-	-	-	-	-	-	-	-	(121,522)	(121,522)
Revised balance at 1 January 2018	757,690	(30,149)	149,085	38,418	50,727	38,773	3,450	(46,692)	233,761	(727,494)	233,808
Net income for the period	-	-	-	-	-	-	-	-	-	1,655	1,655
Movement in fair value of sukuk and investment securities	-	-	-	-	-	1,771	596	-	2,367	-	2,367
Movement in fair value of associates	-	-	-	-	-	(270)	-	-	(270)	-	(270)
Foreign currency translation adjustments	-	-	-	-	-	(10)	(803)	(3,271)	(4,084)	-	(4,084)
At 31 March 2018 (Reviewed)	757,690	(30,149)	149,085	38,418	50,727	40,264	3,243	(49,963)	231,774	(725,839)	233,476

Ithmaar Holding B.S.C. Interim condensed consolidated statement of cash flows

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

Notes     31 March 2019     31 March 2018 (Reviewed)       OPERATING ACTIVITIES     (Reviewed)     (Reviewed)       Net income before overseas taxation     17,549     12,085       Adjustments for:     (9,251)     (27,748)       Depreciation and amorization     7,572     11,093       Share of profit after tax from associates     (9,251)     (26,232)       Loss on sale of fixed assets     28     43       Operating income (loss) before changes in operating assets and liabilities     (5,087)     (24,821)       Balances with banks maturing after ninety days and including with central banks relating to minimum reserve requirement     (1,091)     (12,321)       Changes in operating assets and liabilities:     (10,310)     (11,069)       Murabaha and other financing     (62,865)     (39,777)       Other assets     (43,001)     (11,069)       Customers' current accounts     91,003     (15,421)       Due to banks, financial and other institutions     (462,779)     (46,295)       Other assets     (10,025)     (15,669)       Other ilabilities     (10,225)     (15,669)       Net cash used in operating activities			Three months ended			
OPERATING ACTIVITIES   17,549   12,085     Net income before oversees taxation   17,549   12,085     Depreciation and amortization   7,572   11,093     Share of profit after tax from associates   (9,251)   (27,749)     Provision for impairment - net   9   4,386   5,998     Income from other investments   (25,351)   (26,292)     Loss on sale of fixed assets   28   43     Operating income/(loss) before changes in operating   28   43     Balances with banks relating to minimum reserve requirement   (1,091)   (12,321)     Changes in operating assets and liabilities:   (1,091)   (12,321)     Murabaha and other financings   103,102   (131,567)     Murabaraka financing   (62,965)   (33,777)     Other assets   (44,010)   (11,008)     Customers' current accounts   91,003   (15,421)     Due to investors   (16,508   (19,028)     Other itabilities   (98,275)   43,477     Increase in equily of unrestricted investment   (36,827)   33,57     Taxes paid   (10,025)   (15,669)     Net cash used in		Notes	31 March 2019	31 March 2018		
Net income before overseas taxation17,54912,085Adjustments for: Depreciation and amortization7,57211,093Share of profit after tax from associates(9,251)(27,748)Provision for impairment – net94,3665,998Income from other investments2843Operating income/(loss) before changes in operating assets and liabilities2843Operating income/(loss) before changes in operating assets and liabilities: Murabaha and other investment requirement(1,091)(12,321)Changes in operating assets and liabilities: Murabaha and other institutions(62,965)(39,777)Other assets(10,3102(131,567)Oute to anks, financing(10,3102(131,567)Oute to investors(4,301)(11,608)Oute to investors(10,025)(45,669)Oute to investors(10,025)(15,669)Net cash used in operating activities(427,131)(259,074)INCESTING ACTIVITIES 			(Reviewed)	(Reviewed)		
Adjustments for:Adjustments for:Depreciation and amortization7,57211,093Share of profit after tax from associates(9,251)(27,748)Provision for impairment – net94,3665,998Income from other investments(25,351)(26,292)Loss on sale of fixed assets2843Operating income/(loss) before changes in operating assets and liabilities(5,087)(24,821)Balances with banks maturing after ninety days and including with central banks relating to minimum reserve requirement(1,091)(12,321)Changes in operating assets and liabilities:(10,01)(12,321)(11,667)Murabaha and other financings103,102(131,567)(462,966)Murabaha and other institutions(467,779)(46,296)Due to investors91,003(15,421)(15,629)Due to investors11,779(13,957)13,477Other assets(10,025)(15,669)(19,028)Net cash used in operating activities(427,131)(259,074)INVESTING ACTIVITES652,800365,764Net cash provided by investing activities532-Financing activities532-Increase in curver translation adjustments(14,216)(12,164)Induring interest532-Net cash provided by financing activities532-Increase in cash and cash equivalents211,94360,165Cash and cash equivalents211,94360,165			17 5 10	10.005		
Depreciation and amortization7,57211,093Share of profit after tax from associates(9,251)(27,748)Provision for inpairment – net94,3665,998Income from other investments(25,351)(26,292)Loss on sale of fixed assets2843Operating income/(loss) before changes in operating assets and liabilities(5,087)(24,821)Balances with banks maturing after ninety days and including with central banks relating to minimum reserve requirement(1,091)(12,321)Changes in operating assets and liabilities:(62,965)(39,777)Murabaha and other financings(103,102(131,667)Murabaha and other institutions(467,779)(46,296)Outer assets(1,003)(15,421)Due to banks, financial and other institutions(467,779)(46,296)Due to investors(16,508(19,028)Other liabilities(98,275)43,477Increase in equity of unrestricted investment accountholders(11,779)13,957Taxes paid(10,025)(15,669)Net cash used in operating activities652,800365,764Sale/(purchase) of fixed assets(44,44)2,466Net cash provided by financing activities532-FINANCING ACTIVITIES Minority interest532-Net cash provided by financing activities532-Foreign currency translation adjustments(14,216)(12,164)Net increase in cash and cash equivalents211,94360,165 <t< td=""><td></td><td></td><td>17,549</td><td>12,085</td></t<>			17,549	12,085		
Share of profit after tax from associates(9,251)(27,748)Provision for impairment – net94,3665,598Income from other investments(26,331)(26,222)Loss on sale of fixed assets2843Operating income/(loss) before changes in operating assets and liabilities(5,087)(24,821)Balances with banks maturing after ninety days and including with central banks relating to minimum reserve requirement(1,091)(12,321)Changes in operating assets and liabilities:103,102(131,677)Murabaha and other financings103,102(131,677)Other assets(4,301)(11,609)Customers' current accounts91,003(15,421)Due to investors(467,779)(46,296)Other assets(10,025)(13,667)Increase in equity of unrestricted investment accountholders(10,025)(15,669)Intrease in equity of unrestricted investment accountholders(10,025)(15,669)Net cash used in operating activities(427,131)(259,074)INVESTING ACTIVITIES Sukuk and Investment securities652,800365,764Sale/(purchase) of fixed assets(4,444)2,466Net cash provided by investing activities532-Foreign currency translation adjustments(14,216)(12,164)Net increase in cash and cash equivalents211,94360,165Cash and cash equivalents211,94360,165						
Provision for impairment – net94.3665.998Income from other investments(25.351)(26.292)Loss on sale of fixed assets2843Operating income/(loss) before changes in operating assets and liabilities(5.087)(24.821)Balances with banks maturing after ninety days and including with central banks relating to minimum reserve requirement(1.091)(12.321)Changes in operating assets and liabilities:(1.091)(12.321)Murabaha and other financings(62.965)(39.777)Other assets(4.301)(11.608)Customers' current accounts91.003(15.421)Due to banks, financial and other institutions(467.779)(46.2965)Due to investors(16,508(19.028)Other assets(1.025)(15.609)Net cash used in operating activities(1.025)(15.669)Net cash used in operating activities(4.27,131)(259.074)INVESTING ACTIVITIES Natc cash provided by investing activities652.800365.764Sale/(purchase) of fixed assets(4.444)2.466Net cash provided by financing activities532-Foreign currency translation adjustments(14.216)(12.164)Net increase in cash and cash equivalents211,94360,165Cash and cash equivalents at the beginning of the period641,151792,217						
Income from other investments(25,351)(22,292)Loss on sale of fixed assets2843Operating income/(loss) before changes in operating assets and liabilities(5,087)(24,821)Balances with banks maturing after ninety days and including with central banks relating to minimum reserve requirement(1,091)(12,321)Changes in operating assets and liabilities:103,102(131,567)Murabaha and other financings(02,966)(39,777)Other assets(4,301)(11,608)Customers' current accounts91,003(15,421)Due to banks, financing and other institutions(467,779)(46,296)Due to investors11,779(3,957)Taxes paid(10,025)(15,669)Net cash used in operating activities(427,131)(259,074)INVESTING ACTIVITIES Sukuk and Investment securities652,800365,764Sale/(purchase) of fixed assets(4,444)2,466Net cash provided by investing activities532-FINANCING ACTIVITIES Minority interest532-Net cash provided by financing activities532-Foreign currency translation adjustments(14,216)(12,164)Net increase in cash and cash equivalents211,94360,165Cash and cash equivalents at the beginning of the period641,151792,217			. ,			
Loss on sale of fixed assets   28   43     Operating income/(loss) before changes in operating assets and liabilities   (5,087)   (24,821)     Balances with banks maturing after ninety days and including with central banks relating to minimum reserve requirement   (1,091)   (12,321)     Changes in operating assets and liabilities:   (1,091)   (12,321)     Murabaha and other financings   103,102   (131,567)     Murabaha and other financings   (62,965)   (39,777)     Other assets   (4,301)   (11,608)     Customers' current accounts   91,003   (15,421)     Due to banks, financial and other institutions   (467,779)   (46,296)     Due to investors   (16,508   (19,028)     Other liabilities   (98,275)   43,477     Increase in equity of unrestricted investment accountholders   (11,779)   13,957     Taxes paid   (10,025)   (15,669)   Net cash used in operating activities   (252,807)     Net cash used in operating activities   652,800   365,764   Sale/(purchase) of fixed assets   (4,444)   2,466     Net cash provided by financing activities   532   -   -   -     Foreign curren	•	9		5,998		
Operating income/(loss) before changes in operating assets and liabilities   (5,087)   (24,821)     Balances with banks maturing after ninety days and including with central banks relating to minimum reserve requirement   (1,091)   (12,321)     Changes in operating assets and liabilities:   (1,091)   (12,321)     Murabaha and other financings   103,102   (131,567)     Murabaha and other financings   (4,301)   (11,608)     Customers' current accounts   91,003   (15,421)     Due to banks, financial and other institutions   (467,779)   (46,296)     Due to investors   16,508   (10,028)     Other labilities   (98,275)   43,477     Increase in equity of unrestricted investment accountholders   11,779   13,957     Taxes paid   (10,025)   (15,669)     Net cash used in operating activities   (427,131)   (259,074)     INVESTING ACTIVITIES   Assets acquired for leasing   4,402   (36,827)     Salak (purchase) of fixed assets   (4,444)   2,466     Net cash provided by investing activities   652,758   331,403     Financing activities   532   -     Foreign currency translation adjustments			(25,351)	(26,292)		
assets and liabilities(5,087)(24,821)Balances with banks maturing after ninety days and including with central banks relating to minimum reserve requirement(1,091)(12,321)Changes in operating assets and liabilities: Murabaha and other financings103,102(131,567)Musharaka financing(62,965)(39,777)Other assets(4,301)(11,608)Customers' current accounts91,003(15,421)Due to banks, financial and other institutions(46,296)(19,028)Other liabilities(98,275)43,477Increase in equity of unrestricted investment accountholders(10,025)(15,669)INVESTING ACTIVITIES(427,131)(259,074)INVESTING ACTIVITIES(4,444)2,466Net cash used in operating activities652,800365,764Sale/(purchase) of fixed assets(4,444)2,466Net cash provided by investing activities532-FINANCING ACTIVITIES532-Ninority interest532-Foreign currency translation adjustments(14,216)(12,164)Net increase in cash and cash equivalents211,94360,165Cash and cash equivalents at the beginning of the period641,151792,217			28	43		
Balances with banks maturing after ninety days and including with central banks relating to minimum reserve requirement   (1,091)   (12,321)     Changes in operating assets and liabilities:   (1,091)   (12,321)     Murabaha and other financings   103,102   (131,567)     Musharaka financing   (62,965)   (39,777)     Other assets   (4,301)   (11,608)     Customers' current accounts   91,003   (15,421)     Due to banks, financial and other institutions   (467,779)   (46,296)     Due to investors   (10,025)   (15,608)     Other liabilities   (10,025)   (15,669)     Increase in equity of unrestricted investment accountholders   (10,025)   (15,669)     Net cash used in operating activities   (427,131)   (259,074)     INVESTING ACTIVITIES   (10,025)   (36,827)     Sukuk and Investment securities   652,800   365,764     Sale/(purchase) of fixed assets   (44,444)   2,466     Net cash provided by investing activities   532   -     FINANCING ACTIVITIES   532   -     Minority interest   532   -     Foreign currency translation adjustments   (14,2	Operating income/(loss) before changes in operating					
including with central banks relating to minimum reserve requirement(1,091)(12,321)Changes in operating assets and liabilities: Murabaha and other financings103,102(131,567)Musharaka financing(62,965)(39,777)Other assets(4,301)(11,608)Customers' current accounts91,003(15,421)Due to banks, financial and other institutions(467,779)(46,296)Due to investors16,508(19,028)Other liabilities(98,275)43,477Increase in equity of unrestricted investment accountholders(10,025)(15,669)Net cash used in operating activities(427,131)(259,074)INVESTING ACTIVITIES Net changes in: Assets acquired for leasing4,402(36,827)Sukuk and Investment securities652,800365,764Sale/(purchase) of fixed assets(4,444)2,466Net cash provided by investing activities532-FINANCING ACTIVITIES Minority interest532-Net cash provided by financing activities532-Foreign currency translation adjustments(14,216)(12,164)Net increase in cash and cash equivalents211,94360,165Cash and cash equivalents at the beginning of the period641,151792,217	assets and liabilities		(5,087)	(24,821)		
requirement(1,091)(12,321)Changes in operating assets and liabilities:Murabaha and other financings103,102(131,567)Murabaha and other financings(62,965)(39,777)Other assets(4,301)(11,608)Customers' current accounts91,003(15,421)Due to banks, financial and other institutions(467,779)(46,296)Due to investors(16,508(19,028)Other liabilities(98,275)43,477Increase in equity of unrestricted investment accountholders(10,025)(15,669)Net cash used in operating activities(427,131)(259,074)INVESTING ACTIVITIES(4,444)2,466(4,444)2,466Net changes in: Assets acquired for leasing4,402(36,827)331,403FINANCING ACTIVITIES652,800365,764331,403FINANCING ACTIVITIES532Minority interest532Foreign currency translation adjustments(14,216)(12,164)Net increase in cash and cash equivalents211,94360,165Cash and cash equivalents at the beginning of the period641,151792,217	Balances with banks maturing after ninety days and					
Changes in operating assets and liabilities:   103,102   (131,567)     Musharaka financing   103,102   (131,567)     Musharaka financing   (62,965)   (39,777)     Other assets   (4,301)   (11,608)     Customers' current accounts   91,003   (15,421)     Due to banks, financial and other institutions   (467,779)   (46,296)     Due to investors   16,508   (19,028)     Other liabilities   (98,275)   43,477     Increase in equity of unrestricted investment accountholders   11,779   13,957     Taxes paid   (10,025)   (15,669)     Net cash used in operating activities   (427,131)   (259,074)     INVESTING ACTIVITIES   Assets acquired for leasing   4,402   (36,827)     Sukuk and Investment securities   652,800   365,764     Sale/(purchase) of fixed assets   (4,444)   2,466     Net cash provided by investing activities   532   -     Financing currency translation adjustments   (14,216)   (12,164)     Minority interest   532   -     Net increase in cash and cash equivalents   211,943   60,165	including with central banks relating to minimum reserve					
Murabaha and other financings103,102(131,567)Musharaka financing(62,965)(39,777)Other assets(4,301)(11,608)Customers' current accounts91,003(15,421)Due to banks, financial and other institutions(467,779)(46,296)Due to investors16,508(19,028)Other liabilities(98,275)43,477Increase in equity of unrestricted investment accountholders11,77913,957Taxes paid(10,025)(15,669)Net cash used in operating activities(427,131)(259,074)INVESTING ACTIVITIES Net cash used in leasing4,402(36,827)Sukuk and Investment securities652,800365,764Sale/(purchase) of fixed assets(4,444)2,466Net cash provided by investing activities532-FinANCING ACTIVITIES Minority interest532-Net cash provided by financing activities532-Foreign currency translation adjustments(14,216)(12,164)Net increase in cash and cash equivalents211,94360,165Cash and cash equivalents at the beginning of the period641,151792,217	requirement		(1,091)	(12,321)		
Musharaka financing(62,965)(39,777)Other assets(4,301)(11,608)Customers' current accounts91,003(15,421)Due to banks, financial and other institutions(467,779)(46,296)Due to investors16,508(19,028)Other liabilities(98,275)43,477Increase in equity of unrestricted investment(10,025)(15,669)Accountholders11,77913,957Taxes paid(10,025)(15,669)Net cash used in operating activities(427,131)(259,074)INVESTING ACTIVITIESNet changes in:Assets acquired for leasing4,402(36,827)Sukuk and Investment securities652,800365,764Sale/(purchase) of fixed assets(4,444)2,466Net cash provided by investing activities532-FinANCING ACTIVITIES532-Minority interest532-Foreign currency translation adjustments(14,216)(12,164)Net increase in cash and cash equivalents211,94360,165Cash and cash equivalents at the beginning of the period641,151792,217	Changes in operating assets and liabilities:					
Other assets(4,301)(11,608)Customers' current accounts91,003(15,421)Due to banks, financial and other institutions(467,779)(46,296)Due to investors16,508(19,028)Other liabilities(98,275)43,477Increase in equity of unrestricted investment accountholders(11,002)(15,669)Net cash used in operating activities(427,131)(259,074)INVESTING ACTIVITIES Net changes in: Assets acquired for leasing4,402(36,827)Sukuk and Investment securities652,800365,764Sale/(purchase) of fixed assets(4,444)2,466Net cash provided by investing activities532-FINANCING ACTIVITIES Minority interest532-Net cash provided by financing activities532-Foreign currency translation adjustments(14,216)(12,164)Net increase in cash and cash equivalents211,94360,165Cash and cash equivalents at the beginning of the period641,151792,217	Murabaha and other financings		103,102	(131,567)		
Customers' current accounts91,003(15,421)Due to banks, financial and other institutions91,003(15,421)Due to investors16,508(19,028)Other liabilities(98,275)43,477Increase in equity of unrestricted investment accountholders11,77913,957Taxes paid(10,025)(15,669)Net cash used in operating activities(427,131)(259,074)INVESTING ACTIVITIES Net changes in: Assets acquired for leasing4,402(36,827)Sukuk and Investment securities652,800365,764Sale/(purchase) of fixed assets(4,444)2,466Net cash provided by investing activities652,758331,403FINANCING ACTIVITIES Minority interest532-Net cash provided by financing activities532-Foreign currency translation adjustments(14,216)(12,164)Net increase in cash and cash equivalents211,94360,165Cash and cash equivalents at the beginning of the period641,151792,217	Musharaka financing		(62,965)	(39,777)		
Due to banks, financial and other institutions(467,779)(46,296)Due to investors16,508(19,028)Other liabilities(98,275)43,477Increase in equity of unrestricted investment accountholders(11,779)13,957Taxes paid(10,025)(15,669)Net cash used in operating activities(427,131)(259,074)INVESTING ACTIVITIES Net changes in: Assets acquired for leasing4,402(36,827)Sukuk and Investment securities652,800365,764Sale/(purchase) of fixed assets(4,444)2,466Net cash provided by investing activities652,758331,403FINANCING ACTIVITIES Minority interest532-Net cash provided by financing activities532-Foreign currency translation adjustments(14,216)(12,164)Net increase in cash and cash equivalents211,94360,165Cash and cash equivalents at the beginning of the period641,151792,217	Other assets		(4,301)	(11,608)		
Due to investors16,508(19,028)Other liabilities(98,275)43,477Increase in equity of unrestricted investment accountholders11,77913,957Taxes paid(10,025)(15,669)Net cash used in operating activities(427,131)(259,074)INVESTING ACTIVITIES Net changes in: Assets acquired for leasing4,402(36,827)Sukuk and Investment securities652,800365,764Sale/(purchase) of fixed assets(4,444)2,466Net cash provided by investing activities652,758331,403FINANCING ACTIVITIES Minority interest532-Net cash provided by financing activities532-Foreign currency translation adjustments(14,216)(12,164)Net increase in cash and cash equivalents211,94360,165Cash and cash equivalents at the beginning of the period641,151792,217	Customers' current accounts		91,003	(15,421)		
Other liabilities(98,275)43,477Increase in equity of unrestricted investment accountholders11,77913,957Taxes paid(10,025)(15,669)Net cash used in operating activities(427,131)(259,074)INVESTING ACTIVITIES Net changes in: Assets acquired for leasing4,402(36,827)Sukuk and Investment securities652,800365,764Sale/(purchase) of fixed assets(4,444)2,466Net cash provided by investing activities652,758331,403FINANCING ACTIVITIES Minority interest532-Foreign currency translation adjustments(14,216)(12,164)Net increase in cash and cash equivalents211,94360,165Cash and cash equivalents at the beginning of the period641,151792,217	Due to banks, financial and other institutions		(467,779)	(46,296)		
Increase in equity of unrestricted investment accountholders11,77913,957Taxes paid(10,025)(15,669)Net cash used in operating activities(427,131)(259,074)INVESTING ACTIVITIES Net changes in: Assets acquired for leasing4,402(36,827)Sukuk and Investment securities652,800365,764Sale/(purchase) of fixed assets(4,444)2,466Net cash provided by investing activities652,758331,403FINANCING ACTIVITIES Minority interest532-Net cash provided by financing activities532-Foreign currency translation adjustments(14,216)(12,164)Net increase in cash and cash equivalents211,94360,165Cash and cash equivalents at the beginning of the period641,151792,217	Due to investors		16,508	(19,028)		
accountholders11,77913,957Taxes paid(10,025)(15,669)Net cash used in operating activities(427,131)(259,074)INVESTING ACTIVITIESNet changes in:Assets acquired for leasing4,402(36,827)Sukuk and Investment securities652,800365,764Sale/(purchase) of fixed assets(4,444)2,466Net cash provided by investing activities652,758331,403FINANCING ACTIVITIESMinority interest532-Net cash provided by financing activities532-Foreign currency translation adjustments(14,216)(12,164)Net increase in cash and cash equivalents211,94360,165Cash and cash equivalents at the beginning of the period641,151792,217	Other liabilities		(98,275)	43,477		
Taxes paid(10,025)(15,669)Net cash used in operating activities(427,131)(259,074)INVESTING ACTIVITIESNet changes in:Assets acquired for leasingAssets acquired for leasingSukuk and Investment securitiesSale/(purchase) of fixed assets(4,444)2,466Net cash provided by investing activitiesFINANCING ACTIVITIESMinority interestProvided by financing activities532Foreign currency translation adjustments(14,216)(14,216)Net increase in cash and cash equivalents211,94360,165Cash and cash equivalents at the beginning of the period641,151792,217	Increase in equity of unrestricted investment					
Net cash used in operating activities   (427,131)   (259,074)     INVESTING ACTIVITIES   Net changes in:   Assets acquired for leasing   4,402   (36,827)     Sukuk and Investment securities   652,800   365,764   Sale/(purchase) of fixed assets   (4,444)   2,466     Net cash provided by investing activities   652,758   331,403     FINANCING ACTIVITIES   532   -     Minority interest   532   -     Net cash provided by financing activities   532   -     Foreign currency translation adjustments   (14,216)   (12,164)     Net increase in cash and cash equivalents   211,943   60,165     Cash and cash equivalents at the beginning of the period   641,151   792,217	accountholders		11,779	13,957		
INVESTING ACTIVITIES     Net changes in:     Assets acquired for leasing   4,402   (36,827)     Sukuk and Investment securities   652,800   365,764     Sale/(purchase) of fixed assets   (4,444)   2,466     Net cash provided by investing activities   652,758   331,403     FINANCING ACTIVITIES   532   -     Minority interest   532   -     Net cash provided by financing activities   532   -     Foreign currency translation adjustments   (14,216)   (12,164)     Net increase in cash and cash equivalents   211,943   60,165     Cash and cash equivalents at the beginning of the period   641,151   792,217	Taxes paid		(10,025)	(15,669)		
Net changes in:   Assets acquired for leasing   4,402   (36,827)     Sukuk and Investment securities   652,800   365,764     Sale/(purchase) of fixed assets   (4,444)   2,466     Net cash provided by investing activities   652,758   331,403     FINANCING ACTIVITIES   532   -     Minority interest   532   -     Net cash provided by financing activities   532   -     Foreign currency translation adjustments   (14,216)   (12,164)     Net increase in cash and cash equivalents   211,943   60,165     Cash and cash equivalents at the beginning of the period   641,151   792,217	Net cash used in operating activities	_	(427,131)	(259,074)		
Assets acquired for leasing4,402(36,827)Sukuk and Investment securities652,800365,764Sale/(purchase) of fixed assets(4,444)2,466Net cash provided by investing activities652,758331,403FINANCING ACTIVITIESMinority interest532-Net cash provided by financing activities532-Foreign currency translation adjustments(14,216)(12,164)Net increase in cash and cash equivalents211,94360,165Cash and cash equivalents at the beginning of the period641,151792,217	INVESTING ACTIVITIES					
Sukuk and Investment securities   652,800   365,764     Sale/(purchase) of fixed assets   (4,444)   2,466     Net cash provided by investing activities   652,758   331,403     FINANCING ACTIVITIES   1000000000000000000000000000000000000	Net changes in:					
Sale/(purchase) of fixed assets(4,444)2,466Net cash provided by investing activities652,758331,403FINANCING ACTIVITIESMinority interest532-Net cash provided by financing activities532-Foreign currency translation adjustments(14,216)(12,164)Net increase in cash and cash equivalents211,94360,165Cash and cash equivalents at the beginning of the period641,151792,217	Assets acquired for leasing		4,402	(36,827)		
Net cash provided by investing activities652,758331,403FINANCING ACTIVITIES Minority interest532-Net cash provided by financing activities532-Foreign currency translation adjustments(14,216)(12,164)Net increase in cash and cash equivalents211,94360,165Cash and cash equivalents at the beginning of the period641,151792,217	Sukuk and Investment securities		652,800	365,764		
FINANCING ACTIVITIES     Minority interest     Minority interest     Net cash provided by financing activities     Foreign currency translation adjustments     (14,216)     Net increase in cash and cash equivalents     Cash and cash equivalents at the beginning of the period     641,151     792,217	Sale/(purchase) of fixed assets		(4,444)	2,466		
Minority interest   532   -     Net cash provided by financing activities   532   -     Foreign currency translation adjustments   (14,216)   (12,164)     Net increase in cash and cash equivalents   211,943   60,165     Cash and cash equivalents at the beginning of the period   641,151   792,217	Net cash provided by investing activities	_	652,758	331,403		
Net cash provided by financing activities   532     Foreign currency translation adjustments   (14,216)     Net increase in cash and cash equivalents   211,943     Cash and cash equivalents at the beginning of the period   641,151	FINANCING ACTIVITIES					
Foreign currency translation adjustments   (14,216)   (12,164)     Net increase in cash and cash equivalents   211,943   60,165     Cash and cash equivalents at the beginning of the period   641,151   792,217	Minority interest		532	-		
Net increase in cash and cash equivalents   211,943   60,165     Cash and cash equivalents at the beginning of the period   641,151   792,217	Net cash provided by financing activities	_	532	-		
Net increase in cash and cash equivalents   211,943   60,165     Cash and cash equivalents at the beginning of the period   641,151   792,217	Foreign currency translation adjustments		(14,216)	(12,164)		
Cash and cash equivalents at the beginning of the period 641,151 792,217		_	(17,210)	(12,104)		
	Net increase in cash and cash equivalents		211,943	60,165		
Cash and cash equivalents at the end of the period 4 853,094 852,382	Cash and cash equivalents at the beginning of the period		641,151	792,217		
	Cash and cash equivalents at the end of the period	4	853,094	852,382		

Interim condensed consolidated statement of changes in restricted investment accounts for the three month period ended 31 March 2019 (Expressed in thousands of United States Dollars unless otherwise stated)

		Income /		Fair value	Net Deposits /	
	At 1 January 2019	(Expenses)	Mudarib's Fee	movements	(Withdrawals)	At 31 March 2019
Shamil Bosphorus Modaraba*	6,250	-	-	-	-	6,250
European Real Estate Placements*	15,639	-	-	(287)	-	15,352
US Real Estate Placements*	25,236	-	-	-	-	25,236
TOTAL	47,125	-	-	(287)	-	46,838
Funds managed on agency basis	63,257	-	-	-	-	63,257
	110,382	-	-	(287)	-	110,095

\* Income/(loss) will be recognised and distributed at the time of disposal of the underlying investments

Interim condensed consolidated statement of changes in restricted investment accounts for the three month period ended 31 March 2018 (Expressed in thousands of United States Dollars unless otherwise stated)

	At 1 January 2018	Income / (Expenses)	Mudarib's Fee	Fair value movements	Net Deposits / (Withdrawals)	At 31 March 2018
Dilmunia Development Fund I L.P.*	145,329	(37)	-	-	-	145,292
Shamil Bosphorus Modaraba*	6,250	-	-	-	-	6,250
European Real Estate Placements*	16,404	-	-	444	-	16,848
US Real Estate Placements*	25,236	-	-	-	-	25,236
Listed and non-listed equities	55	-	-	-	-	55
Cash and Placements with banks	558	-	-	-	-	558
TOTAL	193,832	(37)	-	444	-	194,239
Funds managed on agency basis	63,301	-	-	-	(48)	63,253
	257,133	(37)	-	444	(48)	257,492

\* Income/(loss) will be recognised and distributed at the time of disposal of the underlying investments

#### Ithmaar Holding B.S.C. Notes to interim condensed consolidated financial information for the three month period ended 31 March 2019

#### 1 INCORPORATION AND ACTIVITIES

Ithmaar Holding B.S.C. (formerly Ithmaar Bank B.S.C.) ("Ithmaar") was incorporated in the Kingdom of Bahrain on 13 August 1984 and was licensed as an investment bank regulated by the Central Bank of Bahrain (the "CBB").

Dar Al-Maal Al-Islami Trust ("DMIT"), a Trust incorporated in the commonwealth of Bahamas is the ultimate parent company of Ithmaar.

The principal activities of Ithmaar and its subsidiaries (collectively the "Group") are a wide range of financial services, including retail, commercial, investment banking, private banking, takaful and real estate development.

Ithmaar's activities are supervised by the CBB and are subject to the supervision of Shari'a Supervisory Board.

Ithmaar's shares are listed for trading on the Bahrain Bourse, Boursa Kuwait and Dubai Financial Market.

The Group's activities also include acting as a Mudarib (manager, on a trustee basis), of funds deposited for investment in accordance with Islamic laws and principles particularly with regard to the prohibition of receiving or paying interest. These funds are included in the interim condensed consolidated financial information as equity of unrestricted investment accountholders and restricted investment accounts. In respect of equity of unrestricted investment accountholders, the investment accountholders authorise the Group to invest the accountholders' funds in a manner which the Group deems appropriate without laying down any restrictions as to where, how and for what purpose the funds should be invested. In respect of restricted investment accounts, the investment accountholders impose certain restrictions as to where, how and for what purpose the funds are to be invested. Further, the Group may be restricted from commingling its own funds with the funds of restricted investment accounts.

The Group carries out its business activities through the Bank's head office and its following principal subsidiary companies:

	% o\	wned		
	Voting E	Economi	Country of c Incorporation	Principal business activity
Direct subsidiaries				
Ithmaar Bank B.S.C. (C)	100	100	Kingdom of Bahrain	Banking
IB Capital B.S.C. (C)	100	100	Kingdom of Bahrain	Asset management
Faisal Private Bureau (Switzerland) S.A.	100	100	Switzerland	Wealth and asset management
Shamil Financial (Luxembourg) S.A.	100	100	Luxembourg	Investment holding
Principal indirect subsidiaries				
Faysal Bank Limited	67	67	Pakistan	Banking
Solidarity Group Holding B.S.C. (C)	55	55	Kingdom of Bahrain	Takaful
Ithmaar Development Company Limited	100	100	Cayman Islands	Real estate
Health Island B.S.C. (C)	50	50	Kingdom of Bahrain	Real estate
Dilmunia Development Fund I L.P.	58	58	Cayman Islands	Real estate
City View Real Estate Development Co. B.S.C. (C)	51	51	Kingdom of Bahrain	Real estate

Islamic Investment Company of the Gulf (Bahamas) Limited (IICG), a company incorporated in the Commonwealth of Bahamas and owned 100% by DMIT, is an affiliate of Ithmaar.

#### Ithmaar Holding B.S.C. Notes to interim condensed consolidated financial information for the three month period ended 31 March 2019

#### 2 SIGNIFICANT GROUP ACCOUNTING POLICIES

The interim condensed consolidated financial information has been prepared using accounting policies consistent with those adopted by the Group in its consolidated financial statements for the year ended 31 December 2018, which were prepared in accordance with the Financial Accounting Standards issued by the Accounting and Auditing Organisation for Islamic Financial Institutions (AAOIFI), the Shari'a rules and principles as determined by the Shari'a Supervisory Board of Ithmaar, the Bahrain Commercial Companies Law, Central Bank of Bahrain (CBB) and the Financial Institutional Law. In accordance with the requirement of AAOIFI, for matters where no AAOIFI standards exist, the Group uses the relevant International Financial Reporting Standards (IFRS).

The Group has certain assets, liabilities and related income and expenses which are not Sharia compliant as these existed before Ithmaar (the ultimate parent) converted to an Islamic retail bank in April 2010. These are currently presented in accordance with AAOIFI standards in the interim condensed consolidated financial information as appropriate.

The Sharia Supervisory Board has approved the Sharia Compliance Plan ("Plan") for assets and liabilities which are not Sharia Compliant. The Sharia Supervisory Board is monitoring the implementation of this Plan.

The interim condensed consolidated financial information have been prepared in accordance with the guidance given by the International Accounting Standard 34 – "Interim Financial Reporting". The interim condensed consolidated financial information do not contain all information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the annual consolidated financial statements as at 31 December 2018. In addition, results for the three months ended 31 March 2019 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2019.

The principal accounting policies adopted in the preparation of the consolidated financial statements are set out below:

#### New accounting standard: Issued and not effective

#### FAS 33 "Investments in Sukuk, Shares and Similar Instruments"

FAS 33 "Investments in Sukuk, Shares and Similar Instruments" was issued on 31 December 2018. FAS 33 (which supersedes earlier FAS 25) sets out the improved principles for classification, recognition, measurement, presentation and disclosure of investment in Sukuk, shares and other similar instruments of investments made by Islamic financial institutions (IFIs / the institutions), in line with Sharia principles. It defines the key types of instruments of Sharia compliant investments and defines the primary accounting treatments commensurate to the characteristics and business model of the institution under which the investments are made, managed and held. The standard will be effective from the financial periods beginning on or after 1 January 2020 with earlier adoption being permitted. The Group is in process of assessing impact on its accounting policies.

#### FAS 34 "Financial Reporting for Sukuk-holders"

FAS 34 "Financial Reporting for Sukuk-holders" was issued on 31 December 2018. FAS 34 aims to establish the principles of accounting and financial reporting for assets and businesses underlying the Sukuk to ensure transparent and fair reporting to all relevant stakeholders, particularly including Sukuk-holders. The standard will be effective from the financial periods beginning on or after 1 January 2020 with earlier adoption being permitted. The standard is not applicable for the Group's consolidated financial statements.

## 3 CASH AND BALANCES WITH BANKS AND CENTRAL BANKS

		31 M		31 December 2018			
	Relating to	Relating to unrestricted investment		Relating to	Relating to unrestricted investment		
	owners	accounts	Total	owners	accounts	Total	
Cash reserve with central banks Cash and balances with banks	167,279	2,210	169,489	165,526	2,136	167,662	
and central banks	370,450 <b>537,729</b>	54,955 <b>57,165</b>	425,405 <b>594,894</b>	373,131 <b>538,657</b>	55,441 <b>57,577</b>	428,572 <b>596,234</b>	

# 4 COMMODITY AND OTHER PLACEMENTS WITH BANKS, FINANCIAL AND OTHER INSTITUTIONS

		31 December 2018				
	Relating to	Relating to unrestricted investment		Relating to	Relating to unrestricted investment	
	owners	accounts	Total	owners	accounts	Total
Commodity placements	482,958	15,715	498,673	269,943	15,827	285,770
Less: Provision for impairment	(248)	-	(248)	(143)	-	(143)
	482,710	15,715	498,425	269,800	15,827	285,627

Cash and cash equivalents for the purpose of cash flow statement are as under:

		31	31 March 2018			
	Relating to	Relating to unrestricted investment	Tatal	Relating to	Relating to unrestricted investment	Total
	owners	accounts	Total	owners	accounts	Total
Cash and balances with banks						
and central banks	537,729	57,165	594,894	501,142	82,336	583,478
Commodity and other placements						
with banks, financial and other institutions - net	482,710	15,715	498,425	444,563	-	444,563
Less: Placement maturing after						
ninety days	(55,021)	(15,715)	(70,736)	-	-	-
Less: Balances with central						
banks relating to minimum						
reserve requirement	(167,279)	(2,210)	(169,489)	(173,352)	(2,307)	(175,659)
	798,139	54,955	853,094	772,353	80,029	852,382

# 5 MURABAHA AND OTHER FINANCINGS

	31 March 2019			31 December 2018		
	Relating to	Relating to unrestricted investment		Relating to	Relating to unrestricted investment	
	owners	accounts	Total	owners	accounts	Total
Murabaha and other financings	2,093,505	1,435,939	3,529,444	2,211,536	1,433,544	3,645,080
Less: Provision for impairment	(334,892)	(34,301)	(369,193)	(346,067)	(34,148)	(380,215)
	1,758,613	1,401,638	3,160,251	1,865,469	1,399,396	3,264,865

The movement in provisions is as follows:

	31 March 2019			31 December 2018		
	Relating to	Relating to unrestricted investment		Relating to	Relating to unrestricted investment	
	owners	accounts	Total	owners	accounts	Total
At 1 January	346,067	34,148	380,215	306,644	14,933	321,577
Impact of FAS 30	-	-	-	116,441	888	117,329
Transfer from Investment Risk						
Reserve for FAS 30	-	-	-	-	17,950	17,950
Charge for the period/year	9,456	159	9,615	16,094	6,606	22,700
Write back during the period/year	(12,415)	-	(12,415)	(31,519)	(284)	(31,803)
Utilised during the period/year	(16)	-	(16)	(391)	(5,741)	(6,132)
Reclassification	(6,976)	-	(6,976)	(15,154)	90	(15,064)
Exchange differences and						
other movements	(1,224)	(6)	(1,230)	(46,048)	(294)	(46,342)
	334,892	34,301	369,193	346,067	34,148	380,215

# 6 SUKUK AND INVESTMENT SECURITIES

	31 March 2019			31 December 2018		
	Relating to	Relating to unrestricted investment	<b>T</b> .(.)	Relating to	Relating to unrestricted investment	
	owners	accounts	Total	owners	accounts	Total
Investment securities at fair						
value through income statement						
Held for trading	40,400		10 100	226 242		226 242
Debt-type instruments – unlisted	42,483	-	42,483	226,243	-	226,243
Equity-type securities – listed	4,756 <b>47,239</b>	-	4,756 <b>47,239</b>	1,932 <b>228,175</b>	-	1,932 <b>228,175</b>
Investment securities at fair			·			
value through equity						
Equity-type securities – listed	61,706	-	61,706	62,485	-	62,485
Equity-type securities – unlisted	269,376	-	269,376	269,583	-	269,583
	331,082	-	331,082	332,068	-	332,068
Provision for impairment	(176,000)	-	(176,000)	(170,530)	-	(170,530)
	155,082	-	155,082	161,538	-	161,538
Investment securities						
carried at amortised cost						
Sukuk – unlisted	226,557	232,144	458,701	11,307	188,717	200,024
Other debt-type instruments – listed	125,972	-	125,972	128,573	-	128,573
Other debt-type instruments – unlisted	342,611		342,611	1,053,572		1,053,572
	695,140	232,144	927,284	1,193,452	188,717	1,382,169
Provision for impairment	(15,123)		(15,123)	(15,187)	-	(15,187)
	680,017	232,144	912,161	1,178,265	188,717	1,366,982
	882,338	232,144	1,114,482	1,567,978	188,717	1,756,695

#### 6 SUKUK AND INVESTMENT SECURITIES (continued)

FAS 25 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the Group's market assumptions. These two types of inputs have created the following fair value hierarchy:

Level 1 – Quoted prices (unadjusted) in active markets for identical investments.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the investments, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3 - Inputs for the investments that are not based on observable market data (unobservable inputs).

This hierarchy requires the use of observable market data when available. The Group considers relevant and observable market prices in its valuations where possible.

#### Investments measured at fair value

	Level 1	Level 2	Level 3	Total
At 31 March 2019				
Investment securities at fair value				
through income statement				
Debt-type instruments	-	42,483	-	42,483
Equity-type securities	4,756	-	-	4,756
Investment securities at fair value through equity				
Equity-type securities	59,131	3,471	92,480	155,082
	63,887	45,954	92,480	202,321
	Level 1	Level 2	Level 3	Total
At 31 December 2018				
Investment securities at fair value				
through income statement				
Debt-type instruments	-	226,243	-	226,243
Equity-type securities	1,932	-	-	1,932
Investment securities at fair value through equity				
Equity-type securities	59,489	3,845	98,204	161,538
Equity-type securities	53,409	5,045	30,204	101,000
	61,421	230,088	98,204	389,713

#### **Reconciliation of Level 3 Items**

	Investment securities at fair value through ec			
	31 March 2019	31 December 2018		
Opening balance	98,204	157,652		
Total gains/(losses) recognised in				
- Income statement	(5,500)	(23,353)		
- Equity	(224)	(42,374)		
Movement due to acquisition				
of subsidiary	-	12,184		
Sales	-	(1,421)		
Reallocation	-	(4,484)		
Closing balance	92,480	98,204		
Total income for the three month period included in the interim condensed consolidated income statement	615	1,400		

#### 7 INVESTMENT IN ASSOCIATES

Investment in associated companies, as adjusted for the Group's share of their results comprise:

Name of a meaning	24 Marsh 2040	31 December	% of	Country	A - 41 14
Name of company	31 March 2019	2018	Shareholding	Country	Activity
Unlisted:					
Citic International Assets Management					
Limited	43,231	42,189	20	Hong Kong	Asset management
Sanpak Engineering Industries (Pvt) Limited	715	720	31	Pakistan	Manufacturing
Ithraa Capital Company	3,439	3,859	23	Saudi Arabia	Investment company
Naseej B.S.C. (c)	94,094	93,658	31	Bahrain	Infrastructure
Islamic Trading Company E.C	288	288	24	Bahrain	Trading
Solidarity Saudi Takaful Company	38,895	42,815	28	Saudi Arabia	Takaful
Listed:					
BBK B.S.C.	405,672	427,665	25	Bahrain	Banking
-	586,334	611,194			

During March 2019, the shareholders of BBK approved the conversion of Perpetual Convertible Bonds (PCB) to shares at exercise price of BD0.400 per share. The conversion will be affected 2 May 2019 and the Group's holding in BBK will increase fo 26.06% from current 25.38%.

Summarised financial position of associates that have been equity accounted:

		31 December	
	31 March 2019	2018	31 March 2018
Total assets	10,160,850	10,178,879	10,401,831
Total liabilities	8,276,757	8,295,620	8,549,694
Total revenues	131,594	334,758	271,376
Total net profit	61,407	69,185	69,135

In case of associates where audited financial statements are not available, the Group's share of results is arrived at by using the latest available management accounts.

Notes to interim condensed consolidated financial information

for the three month period ended 31 March 2019

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

# 8 OTHER ASSETS

	31 March 2019			31 December 2018		
	Relating to	Relating to unrestricted investment		Relating to	Relating to unrestricted investment	
	owners	accounts	Total	owners	accounts	Total
Accounts receivable	212,038	37,912	249,950	199,391	35,152	234,543
Due from related parties	40,638	-	40,638	11,574	-	11,574
Taxes – deferred	10,638		10,638	9,718	-	9,718
Taxes – current	18,310	-	18,310	24,909	57	24,966
Assets acquired against claims	13,217	-	13,217	13,312	-	13,312
	294,841	37,912	332,753	258,904	35,209	294,113
Provision for impairment	(72,110)	(12,154)	(84,264)	(70,640)	(12,154)	(82,794)
	222,731	25,758	248,489	188,264	23,055	211,319

# 9 PROVISION FOR IMPAIRMENT

		31 N	31 December 2018			
	<b>Boloting</b> to	Relating to unrestricted		<b>Boloting</b> to	Relating to unrestricted	
	Relating to owners	investment accounts	Total	Relating to owners	investment accounts	Total
At 1 January	834,101	49,938	884,039	739,715	29,426	769,141
Impact of FAS 30 on adoption	-	-	-	123,850	888	124,738
Transfer from Investment Risk						
Reserve	-	-	-	-	17,950	17,950
Charge for the period/year	16,797	159	16,956	88,399	8,880	97,279
Write back during the period/year	(12,431)	-	(12,431)	(33,061)	(394)	(33,455)
Utilised during the period/year	(2,532)	-	(2,532)	(15,605)	(5,741)	(21,346)
Movement due to acquisition						
of subsidiary	-	-	-	(12,778)	-	(12,778)
Exchange differences	(1,684)	(30)	(1,714)	(56,419)	(1,071)	(57,490)
	834,251	50,067	884,318	834,101	49,938	884,039

# 9 PROVISION FOR IMPAIRMENT (continued)

The following table sets out information about the credit quality of financial assets measured at amortized cost. Unless specifically indicated, for financial assets, the amounts in the table represent gross carrying amounts.

31 March 2019				
	Stage 1	Stage 2	Stage 3	Total
Financial assets - amortized cost				
Cash, Commodity and other placements with banks,				
financial and other institutions	1,093,563	-	-	1,093,563
Financings (Funded and unfunded exposure) Corporate	1,000,000			1,000,000
Low risks (1-3)	968,007	79,319	-	1,047,326
Acceptable risks (4-6)	1,375,769	64,639	-	1,440,408
Watch list (7)	-	580,264	-	580,264
Non performing (8-10)	-	-	368,336	368,336
Carrying amount - Corporate	2,343,776	724,222	368,336	3,436,334
Retail (un-rated)	1,486,759	12,090	66,341	1,565,190
Carrying amount	3,830,535	736,312	434,677	5,001,524
	-,,	,-	- ,-	-,,-
Sukuk and investment securities	911,873	-	15,412	927,285
Other receivables	377,946	5,714	64,092	447,752
Loss allowance	(50,022)	(66,520)	(361,591)	(478,133)
Total Financial assets carrying amount	6,163,895	675,506	152,590	6,991,991
31 December 2018	Ctows 4	Otomo 0	Otomo 0	Tatal
Financial assets - amortized cost	Stage 1	Stage 2	Stage 3	Total
Cash, Commodity and other placements with banks,				
financial and other institutions	882,004	-	-	882,004
Financings (Funded and unfunded exposure) Corporate				
Low risks (1-3)	936,356	80,142	-	1,016,498
Acceptable risks (4-6)	1,356,248	365,197	-	1,721,445
Watch list (7)	6,232	643,688	-	649,920
Non performing (8-10)	-	-	352,881	352,881
Carrying amount - Corporate	2,298,836	1,089,027	352,881	3,740,744
Retail (un-rated)	1,425,686	20,339	77,087	1,523,112
Carrying amount	3,724,522	1,109,366	429,968	5,263,856
	-,,	-,,		-,,
Sukuk and investment securities	1,366,592	-	15,577	1,382,169
Other receivables	336,495	-	64,249	400,744
Loss allowance	(135,050)	(5,197)	(347,192)	(487,439)
Total Financial assets carrying amount	6,174,563	1,104,169	162,602	7,441,334

Gross financings (funded) as of 31 March 2019 amounted to \$3.4 billion, \$0.7 billion and \$0.4 billion for Stage 1, Stage 2 and Stage 3 respectively (31 December 2018: \$3.2 billion, \$0.9 billion and \$0.4 billion). Collateral coverage for gross financing as of 31 March 2019 was 133%, 21% and 53% for Stage 1, Stage 2 and Stage 3 respectively (31 December 2018: 132%, 17% and 46%).

## 10 EQUITY OF UNRESTRICTED INVESTMENT ACCOUNTHOLDERS

The funds received from Unrestricted Investment Accountholders (URIA) are invested on their behalf without recourse to the Group as follows:

	31 March 2019	31 December 2018
Cash and balances with banks and central banks	57,165	57,577
Commodity and other placements with banks,		
financial and other institutions	15,715	15,827
Murabaha and other financings	1,401,638	1,399,396
Musharaka financing	554,285	495,053
Sukuk and investment securities	232,144	188,717
Assets acquired for leasing	402,906	407,290
Other assets	25,758	23,055
Due from Group	375,966	442,333
	3,065,577	3,029,248
Customers' current accounts	(248,928)	(219,047)
Due to banks, financial and other institutions	(98,330)	(79,927)
Other liabilities	(89,571)	(107,963)
Equity of unrestricted investment accountholders	2,628,748	2,622,311

# 11 SHARE CAPITAL

	Number of shares (thousands)	Share capital
		0.000.000
Authorised	8,000,000	2,000,000
Issued and fully paid		
Total outstanding as at 1 January 2019	3,030,755	757,690
Treasury shares	(120,595)	(30,149)
At 31 March 2019 (Reviewed)	2,910,160	727,541
Issued and fully paid		
Total outstanding	3,030,755	757,690
Treasury shares	(120,595)	(30,149)
At 31 December 2018 (Audited)	2,910,160	727,541

Ithmaar's total issued and fully paid share capital at 31 March 2019 comprises 3,030,755,027 shares at \$0.25 per share amounting to \$757,688,757. The share capital of Ithmaar is denominated in United States dollars and these shares are traded on Bahrain Bourse in United States dollars, Boursa Kuwait in Kuwaiti Dinars and Dubai Financial Market in Arab Emirates Dirham.

Ithmaar owned 120,595,238 of its own shares at 31 March 2019 (31 December 2018: 120,595,238). The shares are held as treasury shares and Ithmaar has the right to reissue these shares at a later date.

#### 12 RELATED PARTY TRANSACTIONS AND BALANCES

Parties are considered to be related if one party has the ability to control the other party or to exercise significant influence or joint control over the other party in making financial and operating decisions.

- (a) Directors and companies in which they have an ownership interest.
- (b) Major shareholders of Ithmaar, Ultimate Parent and companies in which Ultimate Parent has ownership interest and subsidiaries of such companies (affiliates).
- (c) Associated companies of Ithmaar.
- (d) Senior management.

A related party transaction is a transfer of resources, services, or obligations between related parties, regardless of whether a price is charged.

Significant balances with related parties comprise:

				31	March 2019
	Shareholders & Affiliates	Associates and other investments	Directors and related entities	Senior management	Total
Assets					
Murabaha and other financings	407,791	-	12,809	-	420,600
Sukuk and investment securities	-	69,615	-	-	69,615
Investment in associates	-	586,334	-	-	586,334
Other assets	-	39,579	-	1,059	40,638
Liabilities					
Customers' current accounts	1,664	-	-	765	2,429
Due to banks, financial and other institutions	-	68,366	-	-	68,366
Equity of unrestricted investment accounts	-	-	-	2,512	2,512
Other liabilities	107	-	-	-	107
Income					
Return to unrestricted investment accounts	-	-	-	19	19
Income from murabaha and other financings	985	-	-	-	985
Share of profit/(loss) after tax from associates	-	9,251	-	-	9,251
Profit paid to banks, financial and other institutions – net	-	715	-	-	715
Expenses					<b>a</b> / -
Administrative and general expenses	200	-	13	-	213

# 12 RELATED PARTY TRANSACTIONS AND BALANCES (continued)

				31 December 2018		
	Shareholders & Affiliates	Associates and other investments	Directors and related entities	Senior management	Total	
Assets						
Murabaha and other financings	409,479	-	12,809	-	422,288	
Sukuk and investment securities	-	68,234	-	-	68,234	
Investment in associates	-	611,194	-	-	611,194	
Other assets	-	10,455	-	1,119	11,574	
Liabilities						
Customers' current accounts	-	-	-	1,209	1,209	
Due to banks, financial and other institutions	-	118,312	-	-	118,312	
Equity of unrestricted investment accounts	-	-	-	2,886	2,886	
Other liabilities	107	-	-	-	107	
				31	March 2018	
Income						
Return to unrestricted investment accounts	211	211	2	-	424	
Income from murabaha and other financings	1,051	-	-	-	1,051	
Share of profit/(loss) after tax from associates	-	27,748	-	-	27,748	
Income from investments	1,244	-	-	-	1,244	
Other income	451	-	-	-	451	
Profit paid to banks, financial and other						
institutions – net	-	749	-	-	749	
Expenses						
Administrative and general expenses	194	-	13	-	207	

#### **13 DIVIDEND**

No dividend was declared for 2018 and 2017.

#### 14 EARNINGS PER SHARE (BASIC & DILUTED)

Earnings per share (Basic & Diluted) are calculated by dividing the net income/(loss) attributable to shareholders by the weighted average number of issued and fully paid up ordinary shares during the period.

	Three month p	Three month period ended		
	31 March 2019	31 March 2018		
Net income/(loss) attributable to shareholders (\$'000)	7,106	1,655		
Weighted average number of issued and fully paid up ordinary shares ('000)	2,910,160	2,910,160		
Earnings per share (Basic & Diluted) – US Cents	0.24	0.06		

# **15 CONTINGENT LIABILITIES AND COMMITMENTS**

Contingent liabilities		
	31 March 2019	31 December 2018
Acceptances and endorsements	50,857	78,081
Guarantees and irrevocable letters of credit	614,858	796,057
Customer and other claims	255,310	257,042
	921,025	1,131,180
Commitments		
	31 March 2019	31 December 2018
Undrawn facilities, financing lines and other		
commitments to finance	1,737,568	2,064,257

#### **16 SEGMENTAL INFORMATION**

The Group constitutes of three main business segments, namely;

- (i) Retail and Corporate banking, in which the Group receives customer funds and deposits and extends financing to its retail and corporate clients.
- (ii) Trading Portfolio, where the Group trades in equity deals, foreign exchange and other transactions with the objective of realizing short-term gains.
- (iii) Asset Management/Investment Banking, in which the Group directly participates in investment opportunities.

	31 March 2019								31	March 2018
	Retail & Corporate banking	Trading Portfolio	Asset Management / Investment Banking	Others	Total	Retail & Corporate banking	Trading Portfolio	Asset Management / Investment Banking	Others	Total
Operating income	53,360	9,603	10,134	2,978	76,075	32,475	20,957	18,658	67	72,157
Total expenses	(33,624)	(8,819)	(5,931)	(5,786)	(54,160)	(28,402)	(12,154)	(13,455)	(63)	(54,074)
Net income/(loss) before provision and overseas taxation	19,736	784	4,203	(2,808)	21,915	4,073	8,803	5,203	4	18,083
Provision and overseas taxation	(3,565)	(2,958)	(7,146)	374	(13,295)	(246)	(5,395)	(7,630)	(1)	(13,272)
Net income/(loss) for the period	16,171	(2,174)	(2,943)	(2,434)	8,620	3,827	3,408	(2,427)	3	4,811
Attributable to: Equity holders of the Bank	11,596	(1,447)	(1,451)	(1,592)	7,106	1,534	2,270	(2,154)	5	1,655
Minority interests	4,575	(727)	(1,492)	(842)	1,514	2,293	1,138	(273)	(2)	3,156
	16,171	(2,174)	(2,943)	(2,434)	8,620	3,827	3,408	(2,427)	3	4,811
		31 March 2019							31 Dece	ember 2018
Total assets	4,320,904	1,599,446	1,704,702	391,715	8,016,767	4,842,981	1,563,543	1,700,091	382,041	8,488,656
Total liabilities and equity of unrestricted investment										
account holders	6,950,271	286,840	116,341	204,898	7,558,350	7,014,201	711,032	116,489	194,015	8,035,737