

# INTERIM CONDENSED CONSOLIDATED FINANCIAL RESULTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2019

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Expressed in thousands of United States Dollars unless otherwise stated)

	At 30 September 2019 (Reviewed)	At 31 December 2018 (Audited)	At 30 September 2018 (Reviewed)
<b>ASSETS</b>			
Cash and balances with banks and central banks	599,269	596,234	665,559
Commodity and other placements with banks, financial and other institutions	400,634	285,627	80,852
Murabaha and other financings	2,902,960	3,264,865	3,649,627
Musharaka financing	548,308	495,626	455,875
Investment in mudaraba	5,760	5,760	5,760
Sukuk and investment securities	1,412,740	1,756,695	1,260,413
Investment in associates	664,586	611,194	586,426
Restricted investment accounts	-	-	72,104
Assets acquired for leasing	396,366	410,765	415,395
Insurance and related receivables	117,169	120,034	-
Other assets	197,279	211,319	227,263
Investment in real estate	264,156	270,066	247,523
Development properties	269,388	269,388	-
Assets classified as held-for-sale	-	-	57,690
Fixed assets	67,302	63,216	113,697
Intangible assets	118,283	127,867	154,710
<b>Total assets</b>	<b>7,964,200</b>	<b>8,488,656</b>	<b>7,992,894</b>
<b>LIABILITIES, EQUITY OF UNRESTRICTED INVESTMENT ACCOUNTHOLDERS, MINORITY INTEREST AND OWNERS' EQUITY</b>			
Customers' current accounts	1,412,449	1,476,108	1,618,320
Due to banks, financial and other institutions	1,264,471	1,541,346	1,077,809
Due to investors	1,514,706	1,694,977	1,894,054
Other liabilities	468,782	566,122	384,638
Insurance related reserves	128,590	134,873	-
<b>Total liabilities</b>	<b>4,788,998</b>	<b>5,413,426</b>	<b>4,974,821</b>
Equity of unrestricted investment accountholders	2,748,206	2,622,311	2,670,554
Minority interest	322,624	336,563	160,234
<b>Total liabilities, equity of unrestricted investment accountholders and minority interest</b>	<b>7,859,828</b>	<b>8,372,300</b>	<b>7,805,609</b>
Share capital	757,690	757,690	757,690
Treasury shares	(30,149)	(30,149)	(30,149)
Reserves	116,262	140,290	184,508
Accumulated losses	(739,431)	(751,475)	(724,764)
<b>Total owners' equity</b>	<b>104,372</b>	<b>116,356</b>	<b>187,285</b>
<b>Total liabilities, equity of unrestricted investment accountholders, minority interest and owners' equity</b>	<b>7,964,200</b>	<b>8,488,656</b>	<b>7,992,894</b>

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2019 (Expressed in thousands of United States Dollars unless otherwise stated)

	Share capital	Treasury shares	Reserves						Accumulated losses	Total owners' equity	
			Share premium	Statutory reserve	General reserve	Investments fair value reserve	Investment in real estate fair value reserve	Foreign currency translation			Total reserves
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	-	-	-	-	-	-	-	-	-	12,044	12,044
Movement in fair value of sukuk and investment securities	-	-	-	-	-	(993)	-	-	(993)	-	(993)
Movement in fair value of investment in real estate	-	-	-	-	-	-	794	-	794	-	794
Movement in fair value of associates	-	-	-	-	-	(2,320)	-	-	(2,320)	-	(2,320)
Foreign currency translation adjustments	-	-	-	-	-	122	(458)	(21,173)	(21,509)	-	(21,509)
At 30 September 2019 (Reviewed)	757,690	(30,149)	149,085	38,418	50,727	(10,115)	3,523	(115,376)	116,262	(739,431)	104,372

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2018 (Expressed in thousands of United States Dollars unless otherwise stated)

	Share capital	Treasury shares	Reserves						Accumulated losses	Total owners' equity	
			Share premium	Statutory reserve	General reserve	Investments fair value reserve	Investment in real estate fair value reserve	Foreign currency translation			Total reserves
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	-	-	-	-	-	-	-	-	-	2,730	2,730
Movement in fair value of sukuk and investment securities	-	-	-	-	-	(23,992)	-	-	(23,992)	-	(23,992)
Movement in fair value of investment in real estate	-	-	-	-	-	-	596	-	596	-	596
Movement in fair value of associates	-	-	-	-	-	(2,071)	-	-	(2,071)	-	(2,071)
Foreign currency translation adjustments	-	-	-	-	-	57	(925)	(22,918)	(23,786)	-	(23,786)
At 30 September 2018 (Reviewed)	757,690	(30,149)	149,085	38,418	50,727	12,767	3,121	(69,610)	184,508	(724,764)	187,285

The above Interim Condensed Consolidated Statement of Financial Position, Interim Condensed Consolidated Income Statement, Interim Condensed Consolidated Statement of Changes in Owners' Equity and Interim Condensed Consolidated Statement of Cash Flows have been extracted from the Interim Condensed Consolidated Financial Information of Ithmaar Holding B.S.C. for the nine month period ended 30 September 2019, which were approved for issue by the Board of Directors and reviewed by PricewaterhouseCoopers ME Limited, Kingdom of Bahrain, who expressed an unqualified review conclusion on 7 November 2019.

HRH Prince Amr Mohamed Al Faisal  
Chairman

Elham Hasan  
Director

Ahmed Abdul Rahim  
CEO

## INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT (Expressed in thousands of United States Dollars unless otherwise stated)

	Nine months ended		Three months ended	
	30 September 2019 (Reviewed)	30 September 2018 (Reviewed)	30 September 2019 (Reviewed)	30 September 2018 (Reviewed)
<b>INCOME</b>				
Income from unrestricted investment accounts	159,433	132,818	54,128	45,515
Less: return to unrestricted investment accounts and impairment provisions	(108,992)	(77,490)	(37,571)	(25,414)
<b>Group's share of income from unrestricted investment accounts as a Mudarib</b>	<b>50,441</b>	<b>55,328</b>	<b>16,557</b>	<b>20,101</b>
Income from murabaha and other financings	137,975	113,343	49,325	41,988
Share of profit after tax from associates	31,342	50,249	10,642	9,883
Income from investments	87,137	74,964	31,736	22,574
Other income	75,396	45,563	27,374	15,558
<b>Total income</b>	<b>382,291</b>	<b>339,447</b>	<b>135,634</b>	<b>110,104</b>
Less: profit paid to banks, financial and other institutions - net	(164,276)	(127,973)	(61,596)	(47,312)
<b>Operating income</b>	<b>218,015</b>	<b>211,474</b>	<b>74,038</b>	<b>62,792</b>
<b>EXPENSES</b>				
Administrative and general expenses	(134,958)	(131,488)	(44,918)	(42,852)
Depreciation and amortization	(22,542)	(25,810)	(7,686)	(7,461)
<b>Total expenses</b>	<b>(157,500)</b>	<b>(157,298)</b>	<b>(52,604)</b>	<b>(50,313)</b>
<b>Net income before provision for impairment and overseas taxation</b>	<b>60,515</b>	<b>54,176</b>	<b>21,434</b>	<b>12,479</b>
Provision for impairment - net	(20,099)	(17,656)	(10,136)	(3,309)
<b>Net income before overseas taxation</b>	<b>40,416</b>	<b>36,520</b>	<b>11,298</b>	<b>9,170</b>
Overseas taxation	(21,528)	(25,184)	(5,438)	(8,656)
<b>NET INCOME FOR THE PERIOD</b>	<b>18,888</b>	<b>11,336</b>	<b>5,860</b>	<b>514</b>
<b>Attributable to:</b>				
Equity holders of Ithmaar	12,044	2,730	3,678	(2,120)
Minority interests	6,844	8,606	2,182	2,634
	<b>18,888</b>	<b>11,336</b>	<b>5,860</b>	<b>514</b>
<b>Basic and diluted earnings per share</b>	<b>US Cts 0.41</b>	<b>US Cts 0.09</b>	<b>US Cts 0.13</b>	<b>US Cts (0.07)</b>

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (Expressed in thousands of United States Dollars unless otherwise stated)

	Nine months ended	
	30 September 2019 (Reviewed)	30 September 2018 (Reviewed)
<b>OPERATING ACTIVITIES</b>		
Net income before overseas taxation	40,416	36,520
<b>Adjustments for:</b>		
Depreciation and amortization	22,542	25,810
Share of profit after tax from associates	(31,342)	(50,249)
Provision for impairment - net	20,099	17,656
Income from investments	(87,137)	(74,964)
Loss on sale of fixed assets	602	238
<b>Operating loss before changes in operating assets and liabilities</b>	<b>(34,820)</b>	<b>(44,989)</b>
Balances with banks maturing after ninety days and including with central banks relating to minimum reserve requirement	3,588	(1,251)
Changes in operating assets and liabilities:		
Murabaha and other financings	216,513	(389,155)
Musharaka financing	(127,044)	(129,884)
Other assets	(54,954)	(46,572)
Customers' current accounts	55,045	(48,534)
Due to banks, financial and other institutions	(219,902)	(23,354)
Due to investors	15,304	186,050
Other liabilities	(78,918)	(34,387)
Increase/(decrease) in equity of unrestricted investment accountholders	165,424	(120,614)
Taxes paid	(25,015)	(24,842)
<b>Net cash used in operating activities</b>	<b>(84,779)</b>	<b>(677,532)</b>
<b>INVESTING ACTIVITIES</b>		
Net changes in:		
Assets acquired for leasing	14,399	(72,494)
Sukuk and investment securities	250,434	531,032
Dividend received from associates	45,632	44,080
Sale/(purchase) of fixed assets	(15,982)	1,415
<b>Net cash provided by investing activities</b>	<b>294,483</b>	<b>504,033</b>
<b>FINANCING ACTIVITIES</b>		
Minority interest	532	-
<b>Net cash provided by financing activities</b>	<b>532</b>	<b>-</b>
Foreign currency translation adjustments	(85,550)	(44,379)
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>124,686</b>	<b>(217,878)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>641,152</b>	<b>792,218</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>765,838</b>	<b>574,340</b>