

INTERIM CONDENSED CONSOLIDATED FINANCIAL RESULTS FOR THE THREE MONTHS ENDED 31 MARCH 2019

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

	At 31 March 2019 (Reviewed)	At 31 December 2018 (Audited)	At 31 March 2018 (Reviewed)
ASSETS			
Cash and balances with banks and central banks	594,894	596,234	583,478
Commodity and other placements with banks, financial and other institutions	498,425	285,627	444,563
Murabaha and other financings	3,160,251	3,264,865	3,535,510
Musharaka financing	554,811	495,626	391,805
Investment in mudaraba	5,760	5,760	5,695
Sukuk and investment securities	1,114,482	1,756,695	1,455,469
Investment in associates	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	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	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			
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	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	757,690	757,690	757,690
Treasury shares	(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
Total liabilities, equity of unrestricted investment accountholders, minority interest and owners' equity	8,016,767	8,488,656	8,290,893

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)

	Share capital	Treasury shares	Reserves						Accumulated losses	Total owners' equity	
			Share premium	Statutory reserve	General reserve	Investments in real estate 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	-	-	-	-	-	-	-	-	-	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)

	Share capital	Treasury shares	Reserves						Accumulated losses	Total owners' equity	
			Share premium	Statutory reserve	General reserve	Investments in real estate 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	-	-	-	-	-	-	-	-	-	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

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 three month period ended 31 March 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 12th May 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)

	Three months ended	
	31 March 2019 (Reviewed)	31 March 2018 (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	(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	1,514	3,156
	8,620	4,811
Basic and diluted earnings per share	US cts 0.24	US cts 0.06

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

	Three months ended	
	31 March 2019 (Reviewed)	31 March 2018 (Reviewed)
OPERATING ACTIVITIES		
Net income before overseas taxation	17,549	12,085
Adjustments for:		
Depreciation and amortization	7,572	11,093
Share of profit after tax from associates	(9,251)	(27,748)
Provision for impairment - net	4,366	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 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 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	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		
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		
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
Cash and cash equivalents at the end of the period	853,094	852,382