

INTERIM CONDENSED CONSOLIDATED FINANCIAL RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2019

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

	At 30 June 2019 (Reviewed)	At 31 December 2018 (Audited)	At 30 June 2018 (Reviewed)
ASSETS			
Cash and balances with banks and central banks	759,422	596,234	626,468
Commodity and other placements with banks, financial and other institutions	287,745	285,627	300,146
Murabaha and other financings	2,921,671	3,264,865	3,691,655
Musharaka financing	497,521	495,626	434,707
Investment in mudaraba	5,760	5,760	5,654
Sukuk and investment securities	1,089,689	1,756,695	1,684,324
Investment in associates	668,442	611,194	588,758
Restricted investment accounts	-	-	70,603
Assets acquired for leasing	400,590	410,765	414,502
Insurance and related receivables	128,788	120,034	-
Other assets	230,945	211,319	220,771
Investment in real estate	254,478	270,066	250,517
Development properties	269,388	269,388	-
Assets classified as held-for-sale	-	-	59,252
Fixed assets	64,140	63,216	116,776
Intangible assets	117,982	127,867	154,207
Total assets	7,696,561	8,488,656	8,618,340
LIABILITIES, EQUITY OF UNRESTRICTED INVESTMENT ACCOUNTHOLDERS, MINORITY INTEREST AND OWNERS' EQUITY			
Customers' current accounts	1,482,773	1,476,108	1,735,677
Due to banks, financial and other institutions	1,018,385	1,541,346	1,597,489
Due to investors	1,570,261	1,694,977	1,784,551
Other liabilities	480,196	566,122	413,885
Insurance related reserves	132,862	134,873	-
Total liabilities	4,684,477	5,413,426	5,531,602
Equity of unrestricted investment accountholders	2,594,140	2,622,311	2,741,932
Minority interest	324,093	336,563	159,621
Total liabilities, equity of unrestricted investment accountholders and minority interest	7,602,710	8,372,300	8,433,155
Share capital	757,690	757,690	757,690
Treasury shares	(30,149)	(30,149)	(30,149)
Reserves	109,419	140,290	180,288
Accumulated losses	(743,109)	(751,475)	(722,644)
Total owners' equity	93,851	116,356	185,185
Total liabilities, equity of unrestricted investment accountholders, minority interest and owners' equity	7,696,561	8,488,656	8,618,340

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY FOR THE SIX MONTH PERIOD ENDED 30 JUNE 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	-	-	-	-	-	-	-	-	-	8,366	8,366
Movement in fair value of sukuk and investment securities	-	-	-	-	-	(2,166)	-	-	(2,166)	-	(2,166)
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	-	-	-	-	-	283	(516)	(26,946)	(27,179)	-	(27,179)
At 30 June 2019 (Reviewed)	757,690	(30,149)	149,085	38,418	50,727	(11,127)	3,465	(121,149)	109,419	(743,109)	93,851

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY FOR THE SIX MONTH PERIOD ENDED 30 JUNE 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	-	-	-	-	-	-	-	-	-	4,850	4,850
Movement in fair value of sukuk and investment securities	-	-	-	-	-	(24,834)	-	-	(24,834)	-	(24,834)
Movement in fair value of investment in real estate	-	-	-	-	-	-	596	-	596	-	596
Movement in fair value of associates	-	-	-	-	-	(10,601)	-	-	(10,601)	-	(10,601)
Foreign currency translation adjustments	-	-	-	-	-	28	(905)	(17,757)	(18,634)	-	(18,634)
At 30 June 2018 (Reviewed)	757,690	(30,149)	149,085	38,418	50,727	3,366	3,141	(64,449)	180,288	(722,644)	185,185

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 six month period ended 30 June 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 August 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)

	Six months ended		Three months ended	
	30 June 2019 (Reviewed)	30 June 2018 (Reviewed)	30 June 2019 (Reviewed)	30 June 2018 (Reviewed)
INCOME				
Income from unrestricted investment accounts	105,305	87,303	55,055	44,836
Less: return to unrestricted investment accounts and impairment provisions	(71,421)	(52,076)	(38,331)	(27,100)
Group's share of income from unrestricted investment accounts as a Mudarib	33,884	35,227	16,724	17,736
Income from murabaha and other financings	88,650	71,355	42,527	36,887
Share of profit after tax from associates	20,700	40,366	11,449	12,618
Income from investments	55,401	52,390	30,050	26,098
Other income	48,022	30,005	19,940	21,855
Total income	246,657	229,343	120,690	115,194
Less: profit paid to banks, financial and other institutions - net	(102,680)	(80,661)	(52,788)	(38,669)
Operating income	143,977	148,682	67,902	76,525
EXPENSES				
Administrative and general expenses	(90,040)	(88,636)	(43,452)	(45,655)
Depreciation and amortization	(14,856)	(18,349)	(7,284)	(7,256)
Total expenses	(104,896)	(106,985)	(50,736)	(52,911)
Net income before provision for impairment and overseas taxation	39,081	41,697	17,166	23,614
Provision for impairment - net	(9,963)	(14,347)	(5,597)	(8,349)
Net income before overseas taxation	29,118	27,350	11,569	15,265
Overseas taxation	(16,090)	(16,528)	(7,161)	(9,254)
NET INCOME FOR THE PERIOD	13,028	10,822	4,408	6,011
Attributable to:				
Equity holders of Ithmaar	8,366	4,850	1,260	3,195
Minority interests	4,662	5,972	3,148	2,816
	13,028	10,822	4,408	6,011
Basic and diluted earnings per share	US Cts 0.29	US Cts 0.17	US Cts 0.04	US Cts 0.11

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

	Six months ended	
	30 June 2019 (Reviewed)	30 June 2018 (Reviewed)
OPERATING ACTIVITIES		
Net income before overseas taxation	29,118	27,350
Adjustments for:		
Depreciation and amortization	14,856	18,349
Share of profit after tax from associates	(20,700)	(40,366)
Provision for impairment - net	9,963	14,347
Income from investments	(55,401)	(52,390)
Loss on sale of fixed assets	132	235
Operating income/(loss) before changes in operating assets and liabilities	(22,032)	(32,475)
Balances with banks maturing after ninety days and including with central banks relating to minimum reserve requirement	4,398	(12,782)
Changes in operating assets and liabilities:		
Murabaha and other financings	145,102	(429,670)
Musharaka financing	(101,775)	(105,298)
Other assets	(88,396)	(32,240)
Customers' current accounts	168,780	62,011
Due to banks, financial and other institutions	(474,462)	520,865
Due to investors	139,477	53,352
Other liabilities	(59,362)	(2,201)
Increase/(decrease) in equity of unrestricted investment accountholders	19,474	(50,606)
Taxes paid	(18,330)	(14,982)
Net cash used in operating activities	(287,126)	(44,026)
INVESTING ACTIVITIES		
Net changes in:		
Assets acquired for leasing	10,175	(68,550)
Sukuk and investment securities	535,637	82,526
Dividend received from associates	26,737	26,101
Sale/(purchase) of fixed assets	(12,127)	2,995
Net cash provided by investing activities	560,422	43,072
FINANCING ACTIVITIES		
Minority interest	532	-
Net cash provided by financing activities	532	-
Foreign currency translation adjustments	(97,482)	(44,008)
Net increase/(decrease) in cash and cash equivalents	176,346	(44,962)
Cash and cash equivalents at the beginning of the period	641,152	792,218
Cash and cash equivalents at the end of the period	817,498	747,256