

INTERIM CONDENSED CONSOLIDATED FINANCIAL RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2020

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

	At 30 June 2020 (Reviewed)	At 31 December 2019 (Audited)	At 30 June 2019 (Reviewed)
ASSETS			
Cash and balances with banks and central banks	804,782	692,596	759,422
Commodity and other placements with banks, financial and other institutions	418,380	393,606	287,745
Murabaha and other financings	2,520,422	2,817,144	2,921,671
Musharaka and financing	653,322	635,151	497,521
Investment in mudaraba	-	-	5,760
Sukuk and investment securities	1,712,932	1,535,788	1,089,689
Investment in associates	574,178	633,292	668,442
Assets acquired for leasing	385,758	392,797	400,590
Insurance and related receivables	124,224	115,433	128,788
Other assets	184,655	168,994	230,945
Investment in real estate	255,742	251,005	254,478
Development properties	260,217	260,217	269,388
Fixed assets	80,186	78,285	64,140
Intangible assets	104,821	110,931	117,982
Total assets	8,079,619	8,085,239	7,696,561
LIABILITIES, EQUITY OF UNRESTRICTED INVESTMENT ACCOUNTHOLDERS, NON-CONTROLLING INTEREST AND OWNERS' EQUITY			
Customers' current accounts	1,578,192	1,515,182	1,482,773
Due to banks, financial and other institutions	1,196,655	1,282,867	1,018,385
Due to investors	1,412,736	1,563,797	1,570,261
Other liabilities	379,745	384,432	480,196
Insurance related reserves	133,502	129,768	132,862
Total liabilities	4,700,830	4,876,046	4,684,477
Equity of unrestricted investment accountholders	3,091,202	2,802,344	2,594,140
Non-controlling interest	278,785	311,303	324,093
Total liabilities, equity of unrestricted investment accountholders and non-controlling interest	8,070,817	7,989,693	7,602,710
Share capital	757,690	757,690	757,690
Treasury shares	(30,149)	(30,149)	(30,149)
Reserves	76,875	114,298	109,419
Accumulated losses	(795,614)	(746,293)	(743,109)
Total owners' equity	8,802	95,546	93,851
Total liabilities, equity of unrestricted investment accountholders, non-controlling interest and owners' equity	8,079,619	8,085,239	7,696,561

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2020 (Expressed in thousands of United States Dollars unless otherwise stated)

	Share capital	Treasury shares	Reserves						Total 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			
At 1 January 2020 (Audited)	757,690	(30,149)	149,085	38,485	50,727	(18,485)	4,178	(109,692)	114,298	(746,293)	95,546
Adjustments resulting from adoption of FAS 33	-	-	-	-	-	10,660	-	-	10,660	-	10,660
At 1 January 2020 (Reviewed)	757,690	(30,149)	149,085	38,485	50,727	(7,825)	4,178	(109,692)	124,958	(746,293)	106,206
Net loss for the period	-	-	-	-	-	-	-	-	-	(1,289)	(1,289)
Modification loss net of Government assistance	-	-	-	-	-	-	-	-	-	(51,443)	(51,443)
Increase in shareholding of subsidiary	-	-	-	-	-	-	-	-	-	3,411	3,411
Movement in fair value of sukuk and investment securities	-	-	-	-	-	(2,269)	-	-	(2,269)	-	(2,269)
Movement in fair value reserve of associates	-	-	-	-	-	(28,433)	-	-	(28,433)	-	(28,433)
Foreign currency translation adjustments	-	-	-	-	-	(549)	(1,976)	(14,856)	(17,381)	-	(17,381)
At 30 June 2020 (Reviewed)	757,690	(30,149)	149,085	38,485	50,727	(39,076)	2,202	(124,548)	76,875	(795,614)	8,802

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						Total 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			
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

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 2020, 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 20 August 2020.

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	
	30 June 2020 (Reviewed)	30 June 2019 (Reviewed)
INCOME		
Income from unrestricted investment accounts	107,294	105,305
Less: return to unrestricted investment accounts and impairment provisions	(57,125)	(71,421)
Group's share of income from unrestricted investment accounts as a Mudarib	50,169	33,884
Income from murabaha and other financings	74,117	88,650
Share of profit after tax from associates	15,048	20,700
Income from investments	79,642	55,401
Other income	54,454	48,022
Total income	273,430	246,657
Less: profit paid to banks, financial and other institutions - net	(112,962)	(102,680)
Operating income	160,468	143,977
EXPENSES		
Administrative and general expenses	(93,492)	(90,040)
Depreciation and amortization	(16,263)	(14,856)
Total expenses	(109,755)	(104,896)
Net income before provision for impairment and overseas taxation	50,713	39,081
Provision for impairment - net	(28,051)	(9,963)
Net income before overseas taxation	22,662	29,118
Overseas taxation	(15,259)	(16,090)
NET INCOME FOR THE PERIOD	7,403	13,028
Attributable to:		
Equity holders of Ithmaar	(1,289)	8,366
Non-controlling interest	8,692	4,662
	7,403	13,028
Basic and diluted (losses)/earnings per share	US Cts (0.04)	US Cts 0.29

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

	Six months ended	
	30 June 2020 (Reviewed)	30 June 2019 (Reviewed)
OPERATING ACTIVITIES		
Net income before overseas taxation	22,662	29,118
Adjustments for:		
Depreciation and amortization	16,263	14,856
Share of profit after tax from associates	(15,048)	(20,700)
Provision for impairment - net	28,051	9,963
Income from investments	(79,642)	(55,401)
Loss on sale of fixed assets	36	132
Operating loss before changes in operating assets and liabilities	(27,678)	(22,032)
Balances with banks maturing after ninety days and including with central banks relating to minimum reserve requirement	419,295	4,398
Changes in operating assets and liabilities:		
Murabaha and other financings	(235,646)	145,102
Musharaka financing	(69,577)	(101,775)
Other assets	(20,374)	(88,396)
Customers' current accounts	144,890	168,780
Due to banks, financial and other institutions	(57,082)	(474,462)
Due to investors	(33,754)	139,477
Other liabilities	4,613	(59,362)
Increase in equity of unrestricted investment accountholders	327,279	19,474
Taxes paid	(6,790)	(18,330)
Net cash provided by/(used in) operating activities	445,176	(287,126)
INVESTING ACTIVITIES		
Net changes in:		
Assets acquired for leasing	7,039	10,175
Sukuk and Investment securities	(217,192)	535,637
Dividend received from associates	26,892	26,737
Purchase of fixed assets	(6,313)	(12,127)
Net cash (used in)/provided by investing activities	(189,574)	560,422
FINANCING ACTIVITIES		
Non-controlling interest	-	532
Net cash provided by financing activities	-	532
Foreign currency translation adjustments	(44,902)	(97,482)
Net increase in cash and cash equivalents	210,700	176,346
Cash and cash equivalents at the beginning of the period	850,497	641,152
Cash and cash equivalents at the end of the period	1,061,197	817,498