

INTERIM CONDENSED CONSOLIDATED FINANCIAL RESULTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2020

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

	At 30 September 2020 (Reviewed)	At 31 December 2019 (Audited)	At 30 September 2019 (Reviewed)
ASSETS			
Cash and balances with banks and central banks	596,927	692,596	599,269
Commodity and other placements with banks, financial and other institutions	419,433	393,606	400,634
Murabaha and other financings	2,523,907	2,817,144	2,902,960
Musharaka financing	721,114	635,151	548,308
Sukuk and investment securities	2,057,767	1,535,788	1,412,740
Investment in associates	579,272	633,292	664,586
Assets acquired for leasing	375,110	392,797	396,366
Insurance and related receivables	115,179	115,433	117,169
Other assets	198,637	168,994	203,039
Investment in real estate	255,043	251,005	264,156
Development properties	260,217	260,217	269,388
Fixed assets	81,396	78,285	67,302
Intangible assets	101,909	110,931	118,283
Total assets	8,285,911	8,085,239	7,964,200
LIABILITIES, EQUITY OF UNRESTRICTED INVESTMENT ACCOUNTHOLDERS, NON-CONTROLLING INTEREST AND OWNERS' EQUITY			
Customers' current accounts	1,649,202	1,515,182	1,412,449
Due to banks, financial and other institutions	1,253,369	1,282,867	1,264,471
Due to investors	1,428,400	1,563,797	1,514,706
Other liabilities	386,566	384,432	468,782
Insurance related reserves	126,482	129,768	128,590
Total liabilities	4,844,019	4,876,046	4,788,998
Equity of unrestricted investment accountholders	3,148,541	2,802,344	2,748,206
Non-controlling interests	283,279	311,303	322,624
Total liabilities, equity of unrestricted investment accountholders and non-controlling interest	8,275,839	7,989,693	7,859,828
Share capital	757,690	757,690	757,690
Treasury shares	(30,149)	(30,149)	(30,149)
Reserves	80,144	114,298	116,262
Accumulated losses	(797,613)	(746,293)	(739,431)
Total owners' equity	10,072	95,546	104,372
Total liabilities, equity of unrestricted investment accountholders, non-controlling interest and owners' equity	8,285,911	8,085,239	7,964,200

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2020 (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 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 IAS 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	-	-	-	-	-	-	-	-	-	(3,288)	(3,288)
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	-	-	-	-	-	(8,234)	-	-	(8,234)	-	(8,234)
Movement in fair value reserve of associates	-	-	-	-	-	(24,548)	-	-	(24,548)	-	(24,548)
Foreign currency translation adjustments	-	-	-	-	-	(315)	(1,959)	(9,758)	(12,032)	-	(12,032)
At 30 September 2020 (Reviewed)	757,690	(30,149)	149,085	38,485	50,727	(40,922)	2,219	(119,450)	80,144	(797,613)	10,072

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 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	-	-	-	-	-	-	-	-	-	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 reserve 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 INCOME STATEMENT (Expressed in thousands of United States Dollars unless otherwise stated)

	Nine months ended		Three months ended	
	30 September 2020 (Reviewed)	30 September 2019 (Reviewed)	30 September 2020 (Reviewed)	30 September 2019 (Reviewed)
INCOME				
Income from unrestricted investment accounts	180,665	159,433	73,371	54,128
Less: return to unrestricted investment accounts and impairment provisions	(107,306)	(108,992)	(50,181)	(37,571)
Group's share of income from unrestricted investment accounts as a Mudarib	73,359	50,441	23,190	16,557
Income from murabaha and other financings	97,291	137,975	23,174	49,325
Share of results after tax from associates	20,594	31,342	5,546	10,642
Income from investments	117,291	87,137	37,649	31,736
Other income	61,785	75,396	7,331	27,374
Total income	370,320	382,291	96,890	135,634
Less: profit paid to banks, financial and other institutions - net	(155,383)	(164,276)	(42,421)	(61,596)
Operating income	214,937	218,015	54,469	74,038
EXPENSES				
Administrative and general expenses	(141,124)	(134,958)	(47,632)	(44,918)
Depreciation and amortization	(24,535)	(22,542)	(8,272)	(7,686)
Total expenses	(165,659)	(157,500)	(55,904)	(52,604)
Net income/(loss) before provision for impairment and overseas taxation	49,278	60,515	(1,435)	21,434
(Provision for)/reversal of impairment	(18,700)	(20,099)	9,351	(10,136)
Net income before overseas taxation	30,578	40,416	7,916	11,298
Overseas taxation	(21,799)	(21,528)	(6,540)	(5,438)
NET INCOME FOR THE PERIOD	8,779	18,888	1,376	5,860
Attributable to:				
Equity holders of Ithmaar	(3,288)	12,044	(1,999)	3,678
Non-controlling interest	12,067	6,844	3,375	2,182
	8,779	18,888	1,376	5,860
Basic and diluted (losses)/earnings per share	US Cts (0.11)	US Cts 0.41	US Cts (0.07)	US Cts 0.13

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

	Nine months ended	
	30 September 2020 (Reviewed)	30 September 2019 (Reviewed)
OPERATING ACTIVITIES		
Net income before overseas taxation	30,578	40,416
<u>Adjustments for:</u>		
Depreciation and amortization	24,535	22,542
Share of results after tax from associates	(20,594)	(31,342)
Provision for impairment - net	18,700	20,099
Income from investments	(117,291)	(87,137)
Loss on sale of fixed assets	100	602
Operating loss before changes in operating assets and liabilities	(63,972)	(34,820)
Balances with banks maturing after ninety days including central banks balances relating to minimum reserve requirement	406,286	3,588
Changes in operating assets and liabilities:		
Murabaha and other financings	(296,178)	216,513
Musharaka financing	(131,132)	(127,044)
Other assets	26,037	(54,954)
Customers' current accounts	204,502	55,045
Due to banks, financial and other institutions	1,458	(219,902)
Due to investors	(32,599)	15,304
Other liabilities	9,187	(78,918)
Increase in equity of unrestricted investment accountholders	379,072	165,424
Taxes paid	(12,445)	(25,015)
Net cash provided by/(used in) operating activities	490,216	(84,779)
INVESTING ACTIVITIES		
Net changes in:		
Assets acquired for leasing	17,687	14,399
Sukuk and Investment securities	(512,175)	250,434
Dividend received from associates	26,892	45,632
Purchase of fixed assets	(9,931)	(15,982)
Net cash (used in)/provided by investing activities	(477,527)	294,483
FINANCING ACTIVITIES		
Non-controlling interest	-	532
Net cash provided by financing activities	-	532
Foreign currency translation adjustments	(23,034)	(85,550)
Net increase/(decrease) in cash and cash equivalents	(10,345)	124,686
Cash and cash equivalents at the beginning of the period	850,497	641,152
Cash and cash equivalents at the end of the period	840,152	765,838

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 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 12 November 2020.

HRH Prince Amr Mohamed Al Faisal
Chairman

Elham Hasan
Director

Ahmed Abdul Rahim
CEO

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الإثمار القابضة
Ithmaar Holding