

# CONSOLIDATED FINANCIAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2020

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

	At 31 December 2020 (Audited)	At 31 December 2019 (Audited)
<b>ASSETS</b>		
Cash and balances with banks and central banks	650,798	692,596
Commodity and other placements with banks, financial and other institutions	280,100	393,606
Murabaha and other financings	2,405,755	2,817,144
Musharaka financing	929,496	635,151
Sukuk and investment securities	2,157,179	1,535,788
Investment in associates	623,161	633,292
Assets acquired for leasing	385,534	392,797
Insurance and related receivables	101,107	115,433
Other assets	151,459	150,801
Investment in real estate	256,304	251,005
Development Properties	272,018	278,410
Fixed assets	81,307	78,285
Intangible assets	89,447	110,931
<b>Total assets</b>	<b>8,383,665</b>	<b>8,085,239</b>
<b>LIABILITIES, EQUITY OF UNRESTRICTED INVESTMENT ACCOUNTHOLDERS, MINORITY INTERESTS AND OWNERS' EQUITY</b>		
Customers' current accounts	1,753,006	1,515,182
Due to banks, financial and other institutions	1,114,914	1,282,867
Due to investors	1,364,020	1,563,797
Other liabilities	372,785	384,432
Insurance related reserves	123,167	129,768
<b>Total liabilities</b>	<b>4,727,892</b>	<b>4,876,046</b>
Equity of unrestricted investment accountholders	3,363,636	2,802,344
Minority interests	277,375	311,303
<b>Total liabilities, equity of unrestricted investment accountholders and minority interests</b>	<b>8,368,903</b>	<b>7,989,693</b>
Share capital	757,690	757,690
Treasury shares	(30,149)	(30,149)
Reserves	121,018	114,298
Accumulated losses	(833,797)	(746,293)
<b>Total owners' equity</b>	<b>14,762</b>	<b>95,546</b>
<b>Total liabilities, equity of unrestricted investment accountholders, minority interests and owners' equity</b>	<b>8,383,665</b>	<b>8,085,239</b>

## CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY FOR THE YEAR ENDED 31 DECEMBER 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 fair value reserve	Hedging 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	(14,630)	(3,855)	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 (Audited)	757,690	(30,149)	149,085	38,485	50,727	(3,970)	(3,855)	4,178	(109,692)	124,958	(746,293)	106,206
Net loss for the year	-	-	-	-	-	-	-	-	-	-	(41,719)	(41,719)
Modification loss net of Government assistance	-	-	-	-	-	-	-	-	-	-	(51,443)	(51,443)
Increase in shareholding of subsidiary	-	-	-	-	-	-	-	-	-	-	5,658	5,658
Movement in fair value of sukuk and investment securities	-	-	-	-	-	(5,223)	-	-	-	(5,223)	-	(5,223)
Movement in hedging reserve	-	-	-	-	-	-	(3,469)	-	-	(3,469)	-	(3,469)
Movement in fair value of investment in real estate	-	-	-	-	-	-	-	1,000	-	1,000	-	1,000
Movement in fair value reserve of associates	-	-	-	-	-	4,994	-	-	-	4,994	-	4,994
Foreign currency translation adjustments	-	-	-	-	-	(17)	-	(687)	(538)	(1,242)	-	(1,242)
At 31 December 2020 (Audited)	757,690	(30,149)	149,085	38,485	50,727	(4,216)	(7,324)	4,491	(110,230)	121,018	(833,797)	14,762

## CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY FOR THE YEAR ENDED 31 DECEMBER 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	Hedging 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 profit for the year	-	-	-	-	-	-	-	-	-	-	669	669
Transfer to statutory reserve	-	-	-	67	-	-	-	-	-	67	(67)	-
Increase in shareholding of subsidiary	-	-	-	-	-	-	-	-	-	-	4,580	4,580
Movement in fair value of sukuk and investment securities	-	-	-	-	-	2,847	-	-	-	2,847	-	2,847
Movement in hedging reserve	-	-	-	-	-	-	(3,855)	-	-	(3,855)	-	(3,855)
Movement in fair value of investment in real estate	-	-	-	-	-	-	-	1,163	-	1,163	-	1,163
Movement in fair value reserve of associates	-	-	-	-	-	(10,590)	-	-	-	(10,590)	-	(10,590)
Foreign currency translation adjustments	-	-	-	-	-	37	-	(172)	(15,489)	(15,624)	-	(15,624)
At 31 December 2019 (Audited)	757,690	(30,149)	149,085	38,485	50,727	(14,630)	(3,855)	4,178	(109,692)	114,298	(746,293)	95,546

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

	Year ended	
	31 December 2020 (Audited)	31 December 2019 (Audited)
<b>INCOME</b>		
Income from assets financed by unrestricted investment account holders	242,980	218,968
Less: return to unrestricted investment accounts and impairment provisions	(147,626)	(144,189)
<b>Group's share of income from unrestricted investment accounts as a Mudarib</b>	<b>95,354</b>	<b>74,779</b>
Income from murabaha and other financings	116,005	184,246
Share of profit from associates	30,978	40,415
Income from other investments	147,343	124,597
Other income	75,856	101,427
<b>Total income</b>	<b>465,536</b>	<b>525,464</b>
Less: profit paid to banks, financial and other institutions	(196,256)	(229,267)
<b>Operating income</b>	<b>269,280</b>	<b>296,197</b>
<b>EXPENSES</b>		
Administrative and general expenses	(202,615)	(191,084)
Depreciation and amortization	(32,616)	(30,993)
<b>Total expenses</b>	<b>(235,231)</b>	<b>(222,077)</b>
<b>Net income before provision for impairment and overseas taxation</b>	<b>34,049</b>	<b>74,120</b>
Provision for impairment (net)	(28,690)	(32,270)
<b>Net income before overseas taxation</b>	<b>5,359</b>	<b>41,850</b>
Overseas taxation	(26,838)	(29,652)
<b>NET (LOSS)/PROFIT FOR THE YEAR</b>	<b>(21,479)</b>	<b>12,198</b>
Attributable to:		
Equity holders of the Ithmaar	(41,719)	669
Minority interests	20,240	11,529
	(21,479)	12,198
<b>Basic and diluted (losses)/earnings per share</b>	<b>US Cts (1.43)</b>	<b>US Cts 0.02</b>

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

	Year ended	
	31 December 2020 (Audited)	31 December 2019 (Audited)
<b>OPERATING ACTIVITIES</b>		
Net income before overseas taxation	5,359	41,850
<u>Adjustments for:</u>		
Depreciation and amortization	32,616	30,993
Share of profit after tax from associates	(30,978)	(40,415)
Provision for impairment (net)	28,690	32,270
Income from other investments	(147,343)	(124,597)
Gain on sale of fixed assets	133	798
<b>Operating loss before changes in operating assets and liabilities</b>	<b>(111,523)</b>	<b>(59,101)</b>
(Increase)/decrease in balances with banks maturing after ninety days and including with central banks relating to minimum reserve requirement	407,060	5,632
<b>Changes in operating assets and liabilities:</b>		
Murabaha and other financings	(91,872)	300,667
Musharaka financing	(313,978)	(184,771)
Other assets	10,464	(28,074)
Customers' current accounts	270,646	148,314
Due to banks, financial and other institutions	(151,515)	(209,032)
Due to investors	(145,070)	48,851
Other liabilities	(9,011)	(163,815)
(Decrease)/Increase in equity of unrestricted investment accountholders	572,992	217,761
Taxes paid	(15,162)	(29,895)
<b>Net cash provided by operating activities</b>	<b>423,031</b>	<b>46,537</b>
<b>INVESTING ACTIVITIES</b>		
Net (increase)/decrease:		
Investment in mudaraba	-	5,760
Assets acquired for leasing	7,263	17,968
Sukuk and investment securities	(515,549)	175,419
Investment in associates	-	17,585
Investment in real estate	(915)	-
Dividend received from associates	28,649	45,632
Purchase of fixed assets	(10,230)	(29,131)
<b>Net cash (used in)/ provided by investing activities</b>	<b>(490,782)</b>	<b>233,233</b>
<b>FINANCING ACTIVITIES</b>		
Minority interests	-	(532)
<b>Net cash used in financing activities</b>	<b>-</b>	<b>(532)</b>
Foreign currency translation adjustments	(28,639)	(69,892)
<b>Net (decrease)/ increase in cash and cash equivalents</b>	<b>(96,390)</b>	<b>209,346</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>850,497</b>	<b>641,151</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>754,107</b>	<b>850,497</b>

The above Consolidated Statement of Financial Position, Consolidated Income Statement, Consolidated Statement of Changes in Owners' Equity and Consolidated Statement of Cash Flows have been extracted from the Consolidated Financial Statements of Ithmaar Holding B.S.C. for the year ended 31 December 2020, which were approved for issue by the Board of Directors on 18 February 2021 and audited by PricewaterhouseCoopers ME Limited, Kingdom of Bahrain, who expressed an unqualified opinion.

HRH Prince Amr Mohamed Al Faisal  
Chairman

Elham Hasan  
Director

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CEO

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Ithmaar Holding

