

INTERIM CONDENSED CONSOLIDATED FINANCIAL RESULTS FOR THE THREE MONTHS ENDED 31 MARCH 2021

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

	At 31 March 2021 (Reviewed)	At 31 December 2020 (Audited)
ASSETS		
Cash and balances with banks and central banks	559,154	650,798
Commodity and other placements with banks, financial and other institutions	430,155	280,100
Murabaha and other financings	2,440,218	2,405,755
Musharaka financing	1,015,851	929,496
Sukuk and investment securities	2,431,675	2,157,179
Investment in associates	628,509	623,161
Assets acquired for leasing	395,928	385,534
Insurance and related receivables	110,414	101,107
Other assets	197,664	151,459
Investment in real estate	243,280	256,304
Development properties	273,535	272,018
Fixed assets	163,938	81,307
Intangible assets	86,766	89,447
Total assets	8,977,087	8,383,665
LIABILITIES, EQUITY OF UNRESTRICTED INVESTMENT ACCOUNTHOLDERS, NON-CONTROLLING INTEREST AND OWNERS' EQUITY		
LIABILITIES		
Customers' current accounts	1,875,267	1,753,006
Due to banks, financial and other institutions	1,393,953	1,114,914
Due to investors	1,396,656	1,364,020
Other liabilities	483,775	372,785
Insurance related reserves	129,676	123,167
Total liabilities	5,279,327	4,727,892
Equity of unrestricted investment accountholders	3,378,242	3,363,636
Non-controlling interests	285,437	277,375
Total liabilities, equity of unrestricted investment accountholders and non-controlling interest	8,943,006	8,368,903
Share capital	757,690	757,690
Treasury shares	(30,149)	(30,149)
Reserves	130,695	121,018
Accumulated losses	(824,155)	(833,797)
Total owners' equity	34,081	14,762
Total liabilities, equity of unrestricted investment accountholders, non-controlling interest and owners' equity	8,977,087	8,383,665

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2021 (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 2021 (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
Net income for the period	-	-	-	-	-	-	-	-	-	-	8,861	8,861
Increase in shareholding of subsidiary	-	-	-	-	-	-	-	-	-	-	781	781
Movement in fair value of sukuk and investment securities	-	-	-	-	-	248	-	-	-	248	-	248
Movement in hedging reserve	-	-	-	-	-	-	1,958	-	-	1,958	-	1,958
Movement in fair value reserves of associates	-	-	-	-	-	1,782	-	-	-	1,782	-	1,782
Foreign currency translation adjustments	-	-	-	-	-	343	-	90	5,256	5,689	-	5,689
At 31 March 2021 (Reviewed)	757,690	(30,149)	149,085	38,485	50,727	(1,843)	(5,366)	4,581	(104,974)	130,695	(824,155)	34,081

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY FOR THE THREE MONTH PERIOD ENDED 31 MARCH 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	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 FAS 33	-	-	-	-	-	10,660	-	-	10,660	-	10,660
At 1 January 2020 (Audited)	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	-	-	-	-	-	-	-	-	-	(22,584)	(22,584)
Modification loss	-	-	-	-	-	-	-	-	-	(54,818)	(54,818)
Movement in fair value of sukuk and investment securities	-	-	-	-	-	(15,410)	-	-	(15,410)	-	(15,410)
Movement in fair value reserve of associates	-	-	-	-	-	(100,611)	-	-	(100,611)	-	(100,611)
Foreign currency translation adjustments	-	-	-	-	-	84	(123)	(16,547)	(16,586)	-	(16,586)
At 31 March 2020 (Not reviewed)	757,690	(30,149)	149,085	38,485	50,727	(123,762)	4,055	(126,239)	(7,649)	(823,695)	(103,803)

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 for the three month period ended 31 March 2021, 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 11 May 2021. The comparative information for the interim condensed consolidated statement of financial position is based on the audited consolidated financial statements as at 31 December 2020. The comparative information for the interim condensed consolidated income statement, interim condensed statements of changes in owners' equity, cash flows and changes in restricted investment accounts and related explanatory notes, for the period ended 31 March 2020 has not been audited or reviewed.

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 2021 (Reviewed)	31 March 2020 (Not reviewed)
INCOME		
Income from assets financed by unrestricted investment accounts	63,899	68,104
Less: return to unrestricted investment accountholders and impairment provisions	(39,894)	(40,025)
Group's share of income from unrestricted investment accounts as a Mudarib	24,005	28,079
Income from murabaha and other financings	19,041	41,848
Share of results after tax from associates	8,407	3,901
Income from investments	27,908	42,820
Other income	32,588	21,919
Total income	111,949	138,567
Less: profit paid to banks, financial and other institutions - net	(40,225)	(62,903)
Operating income	71,724	75,664
EXPENSES		
Administrative and general expenses	(47,238)	(48,218)
Depreciation and amortization	(8,792)	(8,107)
Total expenses	(56,030)	(56,325)
Net income before provision for impairment and overseas taxation	15,694	19,339
Reversal of/(Provision for) impairment - net	7,229	(28,262)
Net income/(loss) before overseas taxation	22,923	(8,923)
Overseas taxation	(9,071)	(9,257)
NET INCOME/(LOSS) FOR THE PERIOD	13,852	(18,180)
Attributable to:		
Equity holders of Ithmaar	8,861	(22,584)
Non-controlling interest	4,991	4,404
	13,852	(18,180)
Basic and diluted earnings/(losses) per share	US Cts 0.30	US Cts (0.78)

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

	Three months ended	
	31 March 2021 (Reviewed)	31 March 2020 (Not reviewed)
OPERATING ACTIVITIES		
Net income/(loss) before overseas taxation	22,923	(8,923)
Adjustments for:		
Depreciation and amortization	8,792	8,107
Share of results after tax from associates	(8,407)	(3,901)
(Reversal of)/provision for impairment - net	(7,229)	28,262
Income from investments	(27,908)	(42,820)
Finance cost on net ijarah liability	2,767	-
Loss on sale of fixed assets	1,325	36
Operating loss before changes in operating assets and liabilities	(7,737)	(19,239)
Changes in operating assets and liabilities:		
Balances with banks maturing after ninety days including central banks balances relating to minimum reserve requirement	(35,580)	27,664
Murabaha and other financings	69,481	98,329
Musharaka financing	(35,806)	(16,538)
Other assets	(24,233)	(60,145)
Customers' current accounts	55,996	(94,806)
Due to banks, financial and other institutions	168,003	(50,621)
Due to investors	(38,198)	2,813
Other liabilities	100,766	(5,864)
Increase in equity of unrestricted investment accountholders	(29,700)	185,697
Taxes paid	(13,654)	(9,932)
Net cash generated from operating activities	209,338	57,358
INVESTING ACTIVITIES		
Net changes in:		
Investment in associates	(9,039)	-
Assets acquired for leasing	(10,394)	4,506
Sukuk and investment securities	(153,541)	(50,220)
Fixed assets	2,425	(6,153)
Net cash used in investing activities	(170,549)	(51,867)
FINANCING ACTIVITY		
Repayment of net ijarah liability	(3,228)	-
Net cash used in financing activity	(3,228)	-
Foreign currency translation adjustments	7,798	(39,835)
Net increase/(decrease) in cash and cash equivalents	43,359	(34,344)
Cash and cash equivalents at the beginning of the period	754,107	850,497
Cash and cash equivalents at the end of the period	797,466	816,153

Non-cash items:

- Additions to the fixed assets in relation to the recognition of right of use of assets amounted to \$84.5 million.
- Recognition of lease liabilities amounted to \$84.5 million recorded in other liabilities.
- Classification of investment securities to investment in associates amounted to \$7.6 million