

# INTERIM CONDENSED CONSOLIDATED FINANCIAL RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2021

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

	At 30 June 2021 (Reviewed)	At 31 December 2020 (Audited)
<b>ASSETS</b>		
Cash and balances with banks and central banks	579,181	650,798
Commodity and other placements with banks, financial and other institutions	450,725	280,100
Murabaha and other financings	2,310,261	2,405,755
Musharaka financing	1,217,222	929,496
Sukuk and investment securities	2,490,176	2,157,179
Investment in associates	634,435	623,161
Assets acquired for leasing	401,378	385,534
Insurance and related receivables	111,514	101,107
Other assets	199,297	151,459
Investment in real estate	242,471	256,304
Development properties	250,299	272,018
Fixed assets	170,398	81,307
Intangible assets	82,927	89,447
<b>Total assets</b>	<b>9,140,284</b>	<b>8,383,665</b>
<b>LIABILITIES, EQUITY OF UNRESTRICTED INVESTMENT ACCOUNTHOLDERS, NON-CONTROLLING INTEREST AND OWNERS' EQUITY</b>		
<b>LIABILITIES</b>		
Customers' current accounts	1,986,756	1,753,006
Due to banks, financial and other institutions	1,294,561	1,114,914
Due to investors	1,384,772	1,364,020
Other liabilities	505,986	372,785
Insurance related reserves	131,207	123,167
<b>Total liabilities</b>	<b>5,303,282</b>	<b>4,727,892</b>
Equity of unrestricted investment accountholders	3,514,488	3,363,636
Non-controlling interests	283,890	277,375
<b>Total liabilities, equity of unrestricted investment accountholders and non-controlling interest</b>	<b>9,101,660</b>	<b>8,368,903</b>
<b>Share capital</b>	<b>757,690</b>	<b>757,690</b>
Treasury shares	(30,149)	(30,149)
Reserves	140,093	121,018
Accumulated losses	(829,010)	(833,797)
<b>Total owners' equity</b>	<b>38,624</b>	<b>14,762</b>
<b>Total liabilities, equity of unrestricted investment accountholders, non-controlling interest and owners' equity</b>	<b>9,140,284</b>	<b>8,383,665</b>

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY FOR THE SIX MONTH PERIOD ENDED 30 JUNE 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	-	-	-	-	-	-	-	-	-	-	4,006	4,006
Increase in shareholding of subsidiary	-	-	-	-	-	-	-	-	-	-	781	781
Movement in fair value of sukuk and investment securities	-	-	-	-	-	7,532	-	-	-	7,532	-	7,532
Movement in hedging reserve	-	-	-	-	-	-	1,958	-	-	1,958	-	1,958
Movement in fair value reserves of associates	-	-	-	-	-	8,725	-	-	-	8,725	-	8,725
Foreign currency translation adjustments	-	-	-	-	-	109	-	22	729	860	-	860
At 30 June 2021 (Reviewed)	757,690	(30,149)	149,085	38,485	50,727	12,150	(5,366)	4,513	(109,501)	140,093	(829,010)	38,624

## 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							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 IAS 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	-	-	-	-	-	-	-	-	-	(1,289)	(1,289)
Modification loss	-	-	-	-	-	-	-	-	-	(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

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 six month period ended 30 June 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 12 August 2021. The comparative information for the interim condensed consolidated income statement for the three month period ended 30 June 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)

	Six months ended		Three months ended	
	30 June 2021 (Reviewed)	30 June 2020 (Reviewed)	30 June 2021 (Reviewed)	30 June 2020 (Not reviewed)
<b>INCOME</b>				
Income from assets financed by unrestricted investment accounts	137,925	118,400	74,026	50,296
Less: return to unrestricted investment accountholders and impairment provisions	(78,518)	(68,231)	(38,624)	(28,206)
<b>Group's share of income from unrestricted investment accounts as a Mudarib</b>	<b>59,407</b>	<b>50,169</b>	<b>35,402</b>	<b>22,090</b>
Income from murabaha and other financings	37,701	74,117	18,660	32,269
Share of results after tax from associates	17,029	15,048	8,622	11,147
Income from investments	58,763	79,642	30,855	36,822
Other income	50,711	54,454	18,123	32,535
<b>Total income</b>	<b>223,611</b>	<b>273,430</b>	<b>111,662</b>	<b>134,863</b>
Less: profit paid to banks, financial and other institutions - net	(79,196)	(112,962)	(38,971)	(50,059)
<b>Operating income</b>	<b>144,415</b>	<b>160,468</b>	<b>72,691</b>	<b>84,804</b>
<b>EXPENSES</b>				
Administrative and general expenses	(103,985)	(93,492)	(56,747)	(45,274)
Depreciation and amortization	(17,684)	(16,263)	(8,892)	(8,156)
<b>Total expenses</b>	<b>(121,669)</b>	<b>(109,755)</b>	<b>(65,639)</b>	<b>(53,430)</b>
<b>Net income before provision for impairment and overseas taxation</b>	<b>22,746</b>	<b>50,713</b>	<b>7,052</b>	<b>31,374</b>
Reversal of/(Provision for) impairment - net	7,918	(28,051)	689	211
<b>Net income before overseas taxation</b>	<b>30,664</b>	<b>22,662</b>	<b>7,741</b>	<b>31,585</b>
Overseas taxation	(17,703)	(15,259)	(8,632)	(6,002)
<b>NET INCOME/(LOSS) FOR THE PERIOD</b>	<b>12,961</b>	<b>7,403</b>	<b>(891)</b>	<b>25,583</b>
<b>Attributable to:</b>				
Equity holders of Ithmaar	4,006	(1,289)	(4,855)	21,295
Non-controlling interest	8,955	8,692	3,964	4,288
	<b>12,961</b>	<b>7,403</b>	<b>(891)</b>	<b>25,583</b>
<b>Basic and diluted earnings/(losses) per share</b>	<b>US CTS 0.14</b>	<b>US CTS (0.04)</b>	<b>US CTS (0.17)</b>	<b>US CTS 0.73</b>

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

	Six months ended	
	30 June 2021 (Reviewed)	30 June 2020 (Reviewed)
<b>OPERATING ACTIVITIES</b>		
Net income before overseas taxation	30,664	22,662
<b>Adjustments for:</b>		
Depreciation and amortization	17,684	16,263
Share of results after tax from associates	(17,029)	(15,048)
(Reversal of)/provision for impairment - net	(7,918)	28,051
Income from investments	(58,763)	(79,642)
Finance cost on net ijarah liability	3,884	-
(Gain)/Loss on sale of fixed assets	(1,557)	36
<b>Operating loss before changes in operating assets and liabilities</b>	<b>(33,035)</b>	<b>(27,678)</b>
<b>Changes in operating assets and liabilities:</b>		
Balances with banks maturing after ninety days including central banks balances relating to minimum reserve requirements	3,010	419,295
Murabaha and other financings	119,301	(235,646)
Musharaka financing	(278,592)	(69,577)
Other assets	(23,707)	(20,374)
Customers' current accounts	221,555	144,890
Due to banks, financial and other institutions	176,556	(57,082)
Due to investors	3,342	(33,754)
Other liabilities	56,808	4,613
Increase in equity of unrestricted investment accountholders	140,272	327,279
Taxes paid	(15,904)	(6,790)
<b>Net cash generated from operating activities</b>	<b>369,606</b>	<b>445,176</b>
<b>INVESTING ACTIVITIES</b>		
Net changes in:		
Investment in associates	(205)	-
Assets acquired for leasing	(15,844)	7,039
Sukuk and investment securities	(261,832)	(217,192)
Fixed assets	(4,207)	(6,313)
Dividend received from associates	21,653	26,892
<b>Net cash used in investing activities</b>	<b>(260,435)</b>	<b>(189,574)</b>
<b>FINANCING ACTIVITY</b>		
Repayment of net ijarah liability	(5,385)	-
<b>Net cash used in financing activity</b>	<b>(5,385)</b>	<b>-</b>
Foreign currency translation adjustments	(8,522)	(44,902)
<b>Net increase in cash and cash equivalents</b>	<b>95,264</b>	<b>210,700</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>754,107</b>	<b>850,497</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>849,371</b>	<b>1,061,197</b>

### Non-cash items:

- Additions to the fixed assets in relation to the recognition of right of use of assets amounted to \$91.5 million.
- Recognition of lease liabilities amounted to \$91.5 million recorded in other liabilities.
- Classification of investment securities to investment in associates amounted to \$5.9 million.