

INTERIM CONDENSED CONSOLIDATED FINANCIAL RESULTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2021

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

	At 30 September 2021 (Reviewed)	At 31 December 2020 (Audited)
ASSETS		
Cash and balances with banks and central banks	621,985	650,798
Commodity and other placements with banks, financial and other institutions	370,560	280,100
Murabaha and other financings	2,152,895	2,405,755
Musharaka financing	1,328,450	929,496
Sukuk and investment securities	2,408,050	2,157,179
Investment in associates	635,282	623,161
Assets acquired for leasing	397,832	385,534
Insurance and related receivables	111,863	101,107
Other assets	214,724	151,459
Investment in real estate	240,379	256,304
Development properties	232,509	272,018
Fixed assets	166,747	81,307
Intangible assets	80,525	89,447
Total assets	8,961,800	8,383,665
LIABILITIES, EQUITY OF UNRESTRICTED INVESTMENT ACCOUNTHOLDERS, NON-CONTROLLING INTEREST AND OWNERS' EQUITY		
LIABILITIES		
Customers' current accounts	1,875,471	1,753,006
Due to banks, financial and other institutions	1,345,133	1,114,914
Due to investors	1,279,779	1,364,020
Other liabilities	465,294	372,785
Insurance related reserves	128,584	123,167
Total liabilities	5,094,261	4,727,892
Equity of unrestricted investment accountholders	3,578,298	3,363,636
Non-controlling interests	277,218	277,375
Total liabilities, equity of unrestricted investment accountholders and non-controlling interest	8,949,777	8,368,903
Share capital	757,690	757,690
Treasury shares	(30,149)	(30,149)
Reserves	116,022	121,018
Accumulated losses	(831,540)	(833,797)
Total owners' equity	12,023	14,762
Total liabilities, equity of unrestricted investment accountholders, non-controlling interest and owners' equity	8,961,800	8,383,665

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 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	-	-	-	-	-	-	-	-	-	-	1,476	1,476
"Increase in shareholding of a subsidiary	-	-	-	-	-	-	-	-	-	-	781	781
Movement in fair value of sukuk and investment securities	-	-	-	-	-	4,706	-	-	-	4,706	-	4,706
Movement in hedging reserve	-	-	-	-	-	-	3,560	-	-	3,560	-	3,560
Movement in fair value reserves of associates	-	-	-	-	-	4,496	-	-	-	4,496	-	4,496
Foreign currency translation adjustments	-	-	-	-	-	(334)	-	(106)	(17,318)	(17,758)	-	(17,758)
At 30 September 2021 (Reviewed)	757,690	(30,149)	149,085	38,485	50,727	4,652	(3,764)	4,385	(127,548)	116,022	(831,540)	12,023

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 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	-	-	-	-	-	-	-	-	-	(3,288)	(3,288)
Modification loss	-	-	-	-	-	-	-	-	-	(51,443)	(51,443)
Increase in shareholding of a 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

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 nine month period ended 30 September 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 November 2021.

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)

	Nine months ended		Three months ended	
	30 September 2021 (Reviewed)	30 September 2020 (Reviewed)	30 September 2021 (Reviewed)	30 September 2020 (Reviewed)
INCOME				
Income from assets financed by unrestricted investment accounts	213,662	180,665	75,737	62,265
Less: return to unrestricted investment accountholders and impairment provisions	(119,579)	(107,306)	(41,061)	(39,075)
Group's share of income from assets financed by unrestricted investment accounts as a Mudarib	94,083	73,359	34,676	23,190
Income from murabaha and other financings	50,574	97,291	12,873	23,174
Share of results after tax from associates	26,040	20,594	9,011	5,546
Income from investments	87,564	117,291	28,801	37,649
Other income	75,176	61,785	24,465	7,331
Total income	333,437	370,320	109,826	96,890
Less: profit paid to banks, financial and other institutions - net	(116,788)	(155,383)	(37,592)	(42,421)
Operating income	216,649	214,937	72,234	54,469
EXPENSES				
Administrative and general expenses	(153,134)	(141,124)	(49,149)	(47,632)
Depreciation and amortization	(27,103)	(24,535)	(9,419)	(8,272)
Total expenses	(180,237)	(165,659)	(58,568)	(55,904)
Net income/(loss) before provision for impairment and overseas taxation	36,412	49,278	13,666	(1,435)
Reversal of/(provision for) impairment - net	5,458	(18,700)	(2,460)	9,351
Net income before overseas taxation	41,870	30,578	11,206	7,916
Overseas taxation	(26,133)	(21,799)	(8,430)	(6,540)
NET INCOME FOR THE PERIOD	15,737	8,779	2,776	1,376
Attributable to:				
Equity holders of Ithmaar	1,476	(3,288)	(2,530)	(1,999)
Non-controlling interest	14,261	12,067	5,306	3,375
	15,737	8,779	2,776	1,376
Basic and diluted earnings/(losses) per share	US Cts 0.05	US Cts (0.11)	US Cts (0.09)	US Cts (0.07)

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

	Nine months ended	
	30 September 2021 (Reviewed)	30 September 2020 (Reviewed)
OPERATING ACTIVITIES		
Net income before overseas taxation	41,870	30,578
Adjustments for:		
Depreciation and amortization	27,103	24,535
Share of results after tax from associates	(26,040)	(20,594)
(Reversal of)/provision for impairment - net	(5,458)	18,700
Income from investments	(87,564)	(117,291)
Finance cost on net ijarah liability	5,751	-
(Gain)/loss on sale of fixed assets	(1,532)	100
Operating loss before changes in operating assets and liabilities	(45,870)	(63,972)
Changes in operating assets and liabilities:		
Balances with banks maturing after ninety days including central banks balances relating to minimum reserve requirements	15,199	406,286
Murabaha and other financings	198,099	(296,178)
Musharaka financing	(488,866)	(131,132)
Other assets	(31,181)	26,037
Customers' current accounts	213,146	204,502
Due to banks, financial and other institutions	271,827	1,458
Due to investors	547	(32,599)
Other liabilities	37,531	9,187
Increase in equity of unrestricted investment accountholders	279,458	379,072
Taxes paid	(32,661)	(12,445)
Net cash generated from operating activities	417,229	490,216
INVESTING ACTIVITIES		
Net changes in:		
Investment in associates	(205)	-
Investment in real estate	2,130	-
Assets acquired for leasing	(12,297)	17,687
Sukuk and investment securities	(304,839)	(512,175)
Fixed assets	(12,303)	(9,931)
Dividend received from associates	22,777	26,892
Net cash used in investing activities	(304,737)	(477,527)
FINANCING ACTIVITY		
Repayment of net lajrah liability	(11,000)	-
Net cash used in financing activity	(11,000)	-
Foreign currency translation adjustments	(29,348)	(23,034)
Net increase/(decrease) in cash and cash equivalents	72,144	(10,345)
Cash and cash equivalents at the beginning of the period	754,107	850,497
Cash and cash equivalents at the end of the period	826,251	840,152

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 \$85.9 million recorded in other liabilities.
- Classification of investment securities to investment in associates amounted to \$5.9 million.