

CONSOLIDATED FINANCIAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2021

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

	At 31 December 2021 (Audited)	At 31 December 2020 (Audited)
ASSETS		
Cash and balances with banks and central banks	545,116	650,798
Commodity and other placements with banks, financial and other institutions	249,569	280,100
Murabaha and other financings	2,190,974	2,405,755
Musharaka financing	1,425,743	929,496
Sukuk and investment securities	2,524,742	2,157,179
Investment in associates	676,933	623,161
Assets acquired for leasing	391,820	385,534
Insurance and related receivables	103,474	101,107
Other assets	180,624	151,459
Investment in real estate	256,319	256,304
Development properties	233,235	272,018
Fixed assets	171,774	81,307
Intangible assets	82,466	89,447
Total assets	9,032,789	8,383,665
LIABILITIES, EQUITY OF UNRESTRICTED INVESTMENT ACCOUNTHOLDERS, MINORITY INTERESTS AND OWNERS' EQUITY		
Customers' current accounts	1,903,979	1,753,006
Due to banks, financial and other institutions	1,367,702	1,114,914
Due to investors	1,114,187	1,364,020
Other liabilities	453,276	372,785
Insurance related reserves	129,734	123,167
Total liabilities	4,968,878	4,727,892
Equity of unrestricted investment accountholders	3,751,697	3,363,636
Minority interests	274,452	277,375
Total liabilities, equity of unrestricted investment accountholders and minority interests	8,995,027	8,368,903
Share capital	757,690	757,690
Treasury shares	(30,149)	(30,149)
Reserves	109,009	121,018
Accumulated losses	(798,788)	(833,797)
Total owners' equity	37,762	14,762
Total liabilities, equity of unrestricted investment accountholders, minority interests and owners' equity	9,032,789	8,383,665

CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY FOR THE YEAR ENDED 31 DECEMBER 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 profit for the year	-	-	-	-	-	-	-	-	-	-	38,603	38,603
Increase in shareholding of subsidiary	-	-	-	-	-	-	-	-	-	-	266	266
Transfer to statutory reserve	-	-	-	3,860	-	-	-	-	-	-	(3,860)	-
Movement in fair value of sukuk and investment securities	-	-	-	-	-	(3,161)	-	-	-	(3,161)	-	(3,161)
Movement in hedging reserve	-	-	-	-	-	-	3,743	-	-	3,743	-	3,743
Movement in fair value reserves of associates	-	-	-	-	-	4,712	-	-	-	4,712	-	4,712
Foreign currency translation adjustments	-	-	-	-	-	(217)	-	60	(21,006)	(21,163)	-	(21,163)
At 31 December 2021 (Audited)	757,690	(30,149)	149,085	42,345	50,727	(2,882)	(3,581)	4,551	(131,236)	109,009	(798,788)	37,762

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 IAS 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 a 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

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 2021, which were approved for issue by the Board of Directors on 14 February 2022 and audited by PricewaterhouseCoopers ME Limited, Kingdom of Bahrain, who expressed an unqualified opinion.

HRH Prince Amr Mohamed Al Faisal
Chairman

Elham Hasan
Director

Ahmed Abdul Rahim
CEO

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

	Year ended	
	31 December 2021 (Audited)	31 December 2020 (Audited)
INCOME		
Income from assets financed by unrestricted investment account holders	301,047	242,980
Less: return to unrestricted investment accounts and impairment provisions	(159,181)	(147,626)
Group's share of income from unrestricted investment accounts as a Mudarib	141,866	95,354
Income from murabaha and other financings	61,472	116,005
Share of profit from associates	36,453	30,978
Income from other investments	117,572	147,343
Other income	102,548	75,856
Total income	459,911	465,536
Less: profit paid to banks, financial and other institutions	(152,202)	(196,256)
Operating income	307,709	269,280
EXPENSES		
Administrative and general expenses	(208,764)	(202,615)
Depreciation and amortization	(35,914)	(32,616)
Total expenses	(244,678)	(235,231)
Net income before provision for impairment and overseas taxation	63,031	34,049
Reversal of/(provision for) impairment - net	27,408	(28,690)
Net income before overseas taxation	90,439	5,359
Overseas taxation	(30,115)	(26,838)
NET PROFIT/(LOSS) FOR THE YEAR	60,324	(21,479)
Attributable to:		
Equity holders of Ithmaar	38,603	(41,719)
Minority interests	21,721	20,240
	60,324	(21,479)
Basic and diluted earnings/(losses) per share	US CTS 1.33	US CTS (1.43)

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

	Year ended	
	31 December 2021 (Audited)	31 December 2020 (Audited)
OPERATING ACTIVITIES		
Net income before overseas taxation	90,439	5,359
Adjustments for:		
Depreciation and amortization	35,914	32,616
Share of profit from associates	(36,453)	(30,978)
(Reversal of)/provision for impairment - net	(27,408)	28,690
Income from other investments	(117,572)	(147,343)
Finance cost on net ijarah liability	7,617	-
(Gain)/loss on sale of fixed assets	(1,578)	133
Operating loss before changes in operating assets and liabilities	(49,041)	(111,523)
Increase in balances with banks maturing after ninety days and including with central banks relating to minimum reserve requirement	30,867	407,060
Changes in operating assets and liabilities:		
Murabaha and other financings	226,949	(91,872)
Musharaka financing	(725,461)	(313,978)
Other assets	(17,153)	10,464
Customers' current accounts	283,818	270,646
Due to banks, financial and other institutions	310,398	(151,515)
Due to investors	(135,938)	(145,070)
Other liabilities	34,266	(9,011)
Increase in equity of unrestricted investment accountholders	496,364	572,992
Taxes paid	(42,316)	(15,162)
Net cash provided by operating activities	412,753	423,031
INVESTING ACTIVITIES		
Net (increase)/decrease:		
Assets acquired for leasing	(6,286)	7,263
Sukuk and investment securities	(456,851)	(515,549)
Investment in real estate	2,130	(915)
Fixed assets	(39,484)	(10,230)
Dividend received from associates	20,139	28,649
Net cash used in by investing activities	(480,352)	(490,782)
FINANCING ACTIVITY		
Repayment of net ijarah liability	(16,421)	-
Net cash used in financing activities	(16,421)	-
Foreign currency translation adjustments	(48,867)	(28,639)
Net decrease in cash and cash equivalents	(132,887)	(96,390)
Cash and cash equivalents at the beginning of the year	754,107	850,497
Cash and cash equivalents at the end of the year	621,220	754,107

Non-cash items:

1. Additions to the fixed assets in relation to the recognition of right of use of assets amounted to \$91.5 million.
2. Recognition of lease liabilities amounted to \$85.9 million recorded in other liabilities.
3. Classification of investment securities to investment in associates amounted to \$5.9 million.