

INTERIM CONDENSED CONSOLIDATED FINANCIAL RESULTS FOR THE THREE MONTHS ENDED 31 MARCH 2022

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

	At 31 March 2022 (Reviewed)	At 31 December 2021 (Audited)
ASSETS		
Cash and balances with banks and central banks	522,406	545,116
Commodity and other placements with banks, financial and other institutions	268,865	249,569
Murabaha and other financings	1,284,203	2,190,974
Musharaka financing	1,474,344	1,425,743
Sukuk and investment securities	2,278,391	2,524,742
Investment in associates	105,792	676,933
Assets acquired for leasing	923	391,820
Insurance and related receivables	-	103,474
Other assets	143,677	180,624
Investment in real estate	246,962	256,319
Development properties	198,853	233,235
Fixed assets	156,309	171,774
Intangible assets	37,556	82,466
	6,718,281	9,032,789
Assets classified as held for sale	2,543,106	-
Total assets	9,261,387	9,032,789
LIABILITIES, EQUITY OF UNRESTRICTED INVESTMENT ACCOUNTHOLDERS, NON-CONTROLLING INTEREST AND OWNERS' EQUITY		
LIABILITIES		
Customers' current accounts	1,984,313	1,903,979
Due to banks, financial and other institutions	1,579,129	1,367,702
Due to investors	769,914	1,114,187
Other liabilities	388,285	453,276
Insurance related reserves	-	129,734
	4,721,641	4,968,878
Liabilities directly associated with assets classified as held for sale	384,147	-
Total liabilities	5,105,788	4,968,878
Equity of unrestricted investment accountholders	1,795,727	3,751,697
Equity of unrestricted investment accountholders directly associated with assets classified as held for sale	2,069,444	-
Total equity of unrestricted investment accountholders	3,865,171	3,751,697
Non-controlling interests	261,211	274,452
Total liabilities, equity of unrestricted investment accountholders and non-controlling interest	9,232,170	8,995,027
Share capital	757,690	757,690
Treasury shares	(30,149)	(30,149)
Reserves	103,196	109,009
Accumulated losses	(801,520)	(798,788)
Total owners' equity	29,217	37,762
Total liabilities, equity of unrestricted investment accountholders, non-controlling interest and owners' equity	9,261,387	9,032,789

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2022 (Expressed in thousands of United States Dollars unless otherwise stated)

	Share capital	Treasury shares	Reserves							Total 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			
At 1 January 2022 (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
Net income for the period	-	-	-	-	-	-	-	-	-	-	1,138	1,138
Movement from acquisition of a subsidiary	-	-	-	-	-	-	-	-	-	-	(3,870)	(3,870)
Movement in fair value of sukuk and investment securities	-	-	-	-	-	843	-	-	-	843	-	843
Movement in fair value of investment in real estate	-	-	-	-	-	-	-	(335)	-	(335)	-	(335)
Movement in hedging reserve	-	-	-	-	-	-	2,043	-	-	2,043	-	2,043
Movement in fair value reserve of associates	-	-	-	-	-	601	-	-	-	601	-	601
Foreign currency translation adjustments	-	-	-	-	-	(42)	-	(225)	(8,698)	(8,965)	-	(8,965)
At 31 March 2022 (Reviewed)	757,690	(30,149)	149,085	42,345	50,727	(1,480)	(1,538)	3,991	(139,934)	103,196	(801,520)	29,217

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							Total 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			
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 reserve 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

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 2022, 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 14 May 2022.

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 2022 (Reviewed)	31 March 2021 (Reviewed)
INCOME		
Income from assets financed by unrestricted investment accounts	72,216	45,369
Less: return to unrestricted investment accountholders and impairment provisions	(31,833)	(25,548)
Group's share of income from unrestricted investment accounts as a Mudarib	40,383	19,821
Income from murabaha and other financings	10,315	19,041
Share of results after tax from associates	(380)	(1,477)
Income from investments	25,279	27,132
Other income	15,595	23,939
Total income	91,192	88,456
Less: profit paid to banks, financial and other institutions - net	(35,891)	(40,225)
Operating income	55,301	48,231
EXPENSES		
Administrative and general expenses	(38,696)	(34,803)
Depreciation and amortization	(7,905)	(8,369)
Total expenses	(46,601)	(43,172)
Net income before provision for impairment and overseas taxation	8,700	5,059
Provision for impairment - net	1,548	8,902
Net income before overseas taxation	10,248	13,961
Overseas taxation	(9,292)	(8,627)
NET INCOME FROM CONTINUING OPERATIONS	956	5,334
Net results from discontinued operations	5,512	8,518
NET INCOME FOR THE PERIOD	6,468	13,852
Attributable to:		
Equity holders of Ithmaar	1,138	8,861
Non-controlling interest	5,330	4,991
	6,468	13,852
Basic and diluted earnings per share	US CTS 0.04	US CTS 0.30
Basic and diluted (losses)/earnings per share - continuing operations	US CTS (0.12)	US CTS 0.06

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

	Three months ended	
	31 March 2022 (Reviewed)	31 March 2021 (Reviewed)
OPERATING ACTIVITIES		
Net income before overseas taxation from:		
Continuing operations	10,248	13,961
Discontinued operations	5,512	8,518
Adjustments for:		
Depreciation and amortization	7,905	8,369
Share of results after tax from associates	380	1,477
Reversal of provision for impairment - net	(1,548)	(8,902)
Income from investments	(25,279)	(27,132)
Finance cost on net ijarah liability	1,970	2,767
Loss on sale of fixed assets	(141)	1,325
Operating loss before changes in operating assets and liabilities	(953)	383
Changes in operating assets and liabilities:		
Balances with banks maturing after ninety days including central banks balances relating to minimum reserve requirement	(137,323)	(35,580)
Murabaha and other financings	94,341	69,481
Musharaka financing	(100,016)	(35,806)
Other assets	(39,547)	(32,353)
Customers' current accounts	217,482	55,996
Due to banks, financial and other institutions	281,207	168,003
Due to investors	(173,981)	(38,198)
Other liabilities	75,335	100,766
Increase in equity of unrestricted investment accountholders	155,755	(29,700)
Taxes paid	(9,628)	(13,654)
Net cash generated from operating activities	362,672	209,338
INVESTING ACTIVITIES		
Net changes in:		
Investment in associates	-	(9,039)
Assets acquired for leasing	4,065	(10,394)
Sukuk and investment securities	(166,876)	(153,541)
Fixed assets	(14,369)	2,425
Net cash used in investing activities	(177,180)	(170,549)
FINANCING ACTIVITY		
Repayment of net ijarah liability	(3,510)	(3,228)
Net cash used in financing activity	(3,510)	(3,228)
Foreign currency translation adjustments	(29,084)	7,798
Net increase in cash and cash equivalents	152,898	43,359
Cash and cash equivalents at the beginning of the period	621,220	754,107
Cash and cash equivalents at the end of the period	774,118	797,466