

CONSOLIDATED FINANCIAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2019

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Expressed in thousands of Bahraini Dinars unless otherwise stated)

	At 31 December 2019 (Audited)	At 31 December 2018 (Audited)
ASSETS		
Cash and balances with banks and central banks	253,124	217,138
Commodity and other placements with banks, financial and other institutions	127,602	86,055
Murabaha and other financings	1,497,391	1,683,865
Musharaka financing	239,452	186,851
Sukuk and investment securities	523,702	576,171
Assets acquired for leasing	148,084	154,859
Other assets	55,544	79,085
Investment in real estate	2,398	3,359
Development Properties	75,838	79,296
Fixed assets	22,235	17,802
Intangible assets	33,576	43,314
Total assets	2,978,946	3,127,795
LIABILITIES, EQUITY OF UNRESTRICTED INVESTMENT ACCOUNTHOLDERS, MINORITY INTEREST AND OWNERS' EQUITY		
Customers' current accounts	572,466	561,506
Due to banks, financial and other institutions	501,616	603,731
Due to investors	589,550	639,005
Other liabilities	104,908	173,908
Total liabilities	1,768,540	1,978,150
Equity of unrestricted investment accountholders	1,063,928	994,780
Minority interest	67,307	69,480
Total liabilities, equity of unrestricted investment accountholders and minority interest	2,899,775	3,042,410
Share capital	100,000	100,000
Reserves	7,590	14,178
Accumulated losses	(28,419)	(28,793)
Total owners' equity	79,171	85,385
Total liabilities, equity of unrestricted investment accountholders, minority interest and owners' equity	2,978,946	3,127,795

CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY FOR THE YEAR ENDED 31 DECEMBER 2019 (Expressed in thousands of Bahraini Dinars unless otherwise stated)

	Share capital	Reserves						Accumulated losses	Total owners' equity
		Statutory reserve	Investments fair value reserve	Investment in real estate fair value reserve	Foreign currency translation	Share premium	Total reserves		
At 1 January 2019 (Audited)	100,000	299	3,446	808	(30,655)	40,280	14,178	(28,793)	85,385
Net loss for the year	-	-	-	-	-	-	-	(1,352)	(1,352)
Increase in shareholding of subsidiary	-	-	-	-	-	-	-	1,726	1,726
Movement in fair value of sukuk and investment securities	-	-	281	-	-	-	281	-	281
Foreign currency translation adjustments	-	-	13	(64)	(6,818)	-	(6,869)	-	(6,869)
At 31 December 2019 (Audited)	100,000	299	3,740	744	(37,473)	40,280	7,590	(28,419)	79,171

CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY FOR THE YEAR ENDED 31 DECEMBER 2018 (Expressed in thousands of Bahraini Dinars unless otherwise stated)

	Share capital	Reserves						Accumulated losses	Total owners' equity
		Statutory reserve	Investments fair value reserve	Investment in real estate fair value reserve	Foreign currency translation	Share premium	Total reserves		
At 1 January 2018 (Audited)	100,000	158	3,815	890	(13,241)	40,280	31,902	22,701	154,603
Impact of FAS 30	-	-	-	-	-	-	-	(52,762)	(52,762)
Adjusted balance at 1 January 2018	100,000	158	3,815	890	(13,241)	40,280	31,902	(30,061)	101,841
Net income for the year	-	-	-	-	-	-	-	1,409	1,409
Transfer to statutory reserve	-	141	-	-	-	-	141	(141)	-
Movement in fair value of sukuk and investment securities	-	-	(471)	-	-	-	(471)	-	(471)
Movement in fair value of investment in real estate	-	-	-	(82)	-	-	(82)	-	(82)
Foreign currency translation adjustments	-	-	102	-	(17,414)	-	(17,312)	-	(17,312)
At 31 December 2018 (Audited)	100,000	299	3,446	808	(30,655)	40,280	14,178	(28,793)	85,385

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 Bank B.S.C.(c) for the year ended 31 December 2019, which were approved for issue by the Board of Directors on 20 February 2020 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 Bahraini Dinars unless otherwise stated)

	Year ended	
	31 December 2019 (Audited)	31 December 2018 (Audited)
INCOME		
Income from unrestricted investment accounts	82,551	67,949
Less: return to unrestricted investment accounts and impairment provisions	(54,359)	(40,959)
Group's share of income from unrestricted investment accounts as a Mudarib	28,192	26,990
Income from murabaha and other financings	77,958	70,328
Income from other investments	41,854	34,729
Other income	23,212	19,735
Total income	171,216	151,782
Less: profit paid to banks, financial and other institutions	(87,630)	(67,967)
Operating income	83,586	83,815
EXPENSES		
Administrative and general expenses	(59,250)	(61,347)
Depreciation and amortization	(8,669)	(8,768)
Total expenses	(67,919)	(70,115)
Net income before provision for impairment and overseas taxation	15,667	13,700
Gain arising on acquisition of a business (net)	-	19,194
Provision for impairment (net)	(2,779)	(8,260)
Net income before overseas taxation	12,888	24,634
Overseas taxation	(10,408)	(10,494)
NET PROFIT FOR THE YEAR	2,480	14,140
Attributable to:		
Equity holders of the Bank	(1,352)	1,409
Minority interests	3,832	12,731
	2,480	14,140
Basic and diluted earnings per share	Fils (1.35)	Fils 1.41

CONSOLIDATED STATEMENT OF CASH FLOWS (Expressed in thousands of Bahraini Dinars unless otherwise stated)

	Year ended	
	31 December 2019 (Audited)	31 December 2018 (Audited)
OPERATING ACTIVITIES		
Net income before overseas taxation	12,888	24,634
Adjustments for:		
Depreciation and amortization	8,669	8,768
Gain arising on acquisition of a business (net)	-	(19,194)
Provision for impairment - net	2,779	8,260
Income from other investments	(41,854)	(34,729)
Loss on sale of fixed assets	287	94
Operating loss before changes in operating assets and liabilities	(17,231)	(12,167)
(Increase)/decrease in balances with banks maturing after ninety days and including with central banks relating to minimum reserve requirement	(19)	(178)
Changes in operating assets and liabilities:		
Murabaha and other financings	128,063	(74,565)
Musharaka financing	(73,730)	(88,632)
Other assets	17,335	(18,210)
Customers' current accounts	48,317	(21,561)
Due to banks, financial and other institutions	(53,453)	201,659
Due to investors	13,236	85,097
Other liabilities	(83,260)	46,017
(Decrease)/Increase in equity of unrestricted investment accountholders	81,535	(45,351)
Taxes paid	(10,628)	(7,002)
Net cash provided by operating activities	50,165	65,107
INVESTING ACTIVITIES		
Net (increase)/decrease:		
Assets acquired for leasing	6,774	(23,753)
Sukuk and investment securities	39,083	(67,545)
Purchase of fixed assets	(9,303)	(2,846)
Net cash provided by/(used in) investing activities	36,554	(94,144)
FINANCING ACTIVITIES		
Minority interest	(201)	(300)
Net cash used in financing activities	(201)	(300)
Foreign currency translation adjustments	(7,976)	(34,499)
Net increase/(decrease) in cash and cash equivalents	78,542	(63,836)
Cash and cash equivalents at the beginning of the year	234,018	297,854
Cash and cash equivalents at the end of the year	312,560	234,018