

INTERIM CONDENSED CONSOLIDATED FINANCIAL RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2020

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

	At 30 June 2020 (Reviewed)	At 31 December 2019 (Audited)	At 30 June 2019 (Reviewed)
ASSETS			
Cash and balances with banks and central banks	296,007	253,124	280,465
Commodity and other placements with banks, financial and other institutions	143,090	127,602	88,220
Murabaha and other financings	1,381,136	1,497,391	1,553,788
Musharaka financing	246,302	239,452	187,565
Sukuk and investment securities	591,865	523,702	354,367
Assets acquired for leasing	145,431	148,084	151,023
Other assets	56,654	55,544	79,540
Investment in real estate	2,216	2,398	2,878
Development properties	75,838	75,838	79,296
Fixed assets	21,120	22,235	17,381
Intangible assets	31,336	33,576	39,587
Total assets	2,990,995	2,978,946	2,834,110
LIABILITIES, EQUITY OF UNRESTRICTED INVESTMENT ACCOUNTHOLDERS, NON-CONTROLLING INTEREST AND OWNERS' EQUITY			
Customers' current accounts	595,990	572,466	571,866
Due to banks, financial and other institutions	468,273	501,616	404,391
Due to investors	532,600	589,550	591,986
Other liabilities	103,453	104,908	140,589
Total liabilities	1,700,316	1,768,540	1,708,832
Equity of unrestricted investment accountholders	1,174,123	1,063,928	983,185
Non-controlling interest	54,877	67,307	65,890
Total liabilities, equity of unrestricted investment accountholders and non-controlling interest	2,929,316	2,899,775	2,757,907
Share capital	100,000	100,000	100,000
Reserves	5,626	7,590	2,888
Accumulated losses	(43,947)	(28,419)	(26,685)
Total owners' equity	61,679	79,171	76,203
Total liabilities, equity of unrestricted investment accountholders, non-controlling interest and owners' equity	2,990,995	2,978,946	2,834,110

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2020 (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 2020 (Audited)	100,000	299	3,740	744	(37,473)	40,280	7,590	(28,419)	79,171
Adjustments resulting from reclassification of investments on adoption of FAS 33	-	-	4,019	-	-	-	4,019	-	4,019
At 1 January 2020 (Reviewed)	100,000	299	7,759	744	(37,473)	40,280	11,609	(28,419)	83,190
Net loss for the period	-	-	-	-	-	-	-	(2,032)	(2,032)
Modification loss net of Government assistance	-	-	-	-	-	-	-	(14,782)	(14,782)
Increase in shareholding of subsidiary	-	-	-	-	-	-	-	1,286	1,286
Movement in fair value of sukuk and investment securities	-	-	(503)	-	-	-	(503)	-	(503)
Foreign currency translation adjustments	-	-	(206)	(51)	(5,223)	-	(5,480)	-	(5,480)
At 30 June 2020 (Reviewed)	100,000	299	7,050	693	(42,696)	40,280	5,626	(43,947)	61,679

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY FOR THE SIX MONTH PERIOD ENDED 30 JUNE 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 income for the period	-	-	-	-	-	-	-	2,108	2,108
Movement in fair value of sukuk and investment securities	-	-	(237)	-	-	-	(237)	-	(237)
Foreign currency translation adjustments	-	-	107	(194)	(10,966)	-	(11,053)	-	(11,053)
At 30 June 2019 (Reviewed)	100,000	299	3,316	614	(41,621)	40,280	2,888	(26,685)	76,203

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 Bank B.S.C.(c) for the six month period ended 30 June 2020, 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 20 August 2020.

HRH Prince Amr Mohamed Al Faisal
Chairman

Elham Hasan
Director

Ahmed Abdul Rahim
CEO

INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT (Expressed in thousands of Bahraini Dinars unless otherwise stated)

	Six months ended	
	30 June 2020 (Reviewed)	30 June 2019 (Reviewed)
INCOME		
Income from unrestricted investment accounts	40,450	39,700
Less: return to unrestricted investment accounts and impairment provisions	(21,536)	(26,926)
Group's share of income from unrestricted investment accounts as a Mudarib	18,914	12,774
Income from murabaha and other financings	32,061	37,654
Income from sukuk and investment securities	28,788	17,086
Other income	13,488	11,671
Total income	93,251	79,185
Less: profit paid to banks, financial and other institutions - net	(43,075)	(38,823)
Operating income	50,176	40,362
EXPENSES		
Administrative and general expenses	(29,119)	(27,703)
Depreciation and amortization	(4,530)	(4,213)
Total expenses	(33,649)	(31,916)
Net income before provision for impairment and overseas taxation	16,527	8,446
Provision for impairment - net	(10,669)	1,646
Net income before overseas taxation	5,858	10,092
Overseas taxation	(5,652)	(5,997)
NET INCOME FOR THE PERIOD	206	4,095
Attributable to:		
Equity holders of the Bank	(2,032)	2,108
Non-controlling interest	2,238	1,987
	206	4,095
Basic and diluted (losses)/earnings per share	Fils (2.03)	Fils 2.11

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

	Six months ended	
	30 June 2020 (Reviewed)	30 June 2019 (Reviewed)
OPERATING ACTIVITIES		
Net income before overseas taxation	5,858	10,092
Adjustments for:		
Depreciation and amortization	4,530	4,213
Provision for impairment - net	10,669	(1,646)
Income from sukuk and investment securities	(28,788)	(17,086)
Loss on sale of fixed assets	14	46
Operating loss before changes in operating assets and liabilities	(7,717)	(4,381)
Balances with banks maturing after ninety days and including with central banks relating to minimum reserve requirement	151,969	(221)
Changes in operating assets and liabilities:		
Murabaha and other financings	(87,895)	41,046
Musharaka financing	(26,236)	(30,942)
Other assets	(2,516)	(6,984)
Customers' current accounts	54,392	69,396
Due to banks, financial and other institutions	(22,726)	(176,066)
Due to investors	(12,725)	50,028
Other liabilities	1,704	(22,991)
Increase in equity of unrestricted investment accountholders	125,045	4,154
Taxes paid	(2,457)	(6,996)
Net cash provided by/(used in) operating activities	170,838	(83,957)
INVESTING ACTIVITIES		
Net changes in:		
Assets acquired for leasing	2,654	3,836
Sukuk and Investment securities	(80,739)	174,383
Purchase of fixed assets	(2,017)	(3,585)
Net cash (used in)/provided by investing activities	(80,102)	174,634
FINANCING ACTIVITIES		
Non-controlling interest	-	201
Net cash provided by financing activities	-	201
Foreign currency translation adjustments	(10,713)	(22,634)
Net increase in cash and cash equivalents	80,023	68,244
Cash and cash equivalents at the beginning of the period	312,560	234,023
Cash and cash equivalents at the end of the period	392,583	302,267