

# INTERIM CONDENSED CONSOLIDATED FINANCIAL RESULTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2020

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

	At 30 September 2020 (Reviewed)	At 31 December 2019 (Audited)	At 30 September 2019 (Reviewed)
<b>ASSETS</b>			
Cash and balances with banks and central banks	220,427	253,124	218,541
Commodity and other placements with banks, financial and other institutions	139,689	127,602	130,632
Murabaha and other financings	1,387,246	1,497,391	1,539,850
Musharaka financing	271,860	239,452	206,712
Sukuk and investment securities	715,076	523,702	479,053
Assets acquired for leasing	141,417	148,084	149,430
Other assets	62,836	55,544	67,916
Investment in real estate	2,240	2,398	2,997
Development properties	75,838	75,838	79,296
Fixed assets	20,999	22,235	18,849
Intangible assets	30,270	33,576	39,700
<b>Total assets</b>	<b>3,067,898</b>	<b>2,978,946</b>	<b>2,932,976</b>
<b>LIABILITIES, EQUITY OF UNRESTRICTED INVESTMENT ACCOUNTHOLDERS, NON-CONTROLLING INTEREST AND OWNERS' EQUITY</b>			
Customers' current accounts	623,116	572,466	541,145
Due to banks, financial and other institutions	489,495	501,616	497,513
Due to investors	538,505	589,550	571,042
Other liabilities	107,105	104,908	134,951
<b>Total liabilities</b>	<b>1,758,221</b>	<b>1,768,540</b>	<b>1,744,651</b>
Equity of unrestricted investment accountholders	1,195,416	1,063,928	1,042,688
Non-controlling interests	56,279	67,307	65,264
<b>Total liabilities, equity of unrestricted investment accountholders and non-controlling interest</b>	<b>3,009,916</b>	<b>2,899,775</b>	<b>2,852,603</b>
Share capital	100,000	100,000	100,000
Reserves	(36,203)	7,590	6,500
Accumulated losses	(5,815)	(28,419)	(26,127)
<b>Total owners' equity</b>	<b>57,982</b>	<b>79,171</b>	<b>80,373</b>
<b>Total liabilities, equity of unrestricted investment accountholders, non-controlling interest and owners' equity</b>	<b>3,067,898</b>	<b>2,978,946</b>	<b>2,932,976</b>

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

	Nine months ended		Three months ended	
	30 September 2020 (Reviewed)	30 September 2019 (Reviewed)	30 September 2020 (Reviewed)	30 September 2019 (Reviewed)
<b>INCOME</b>				
Income from unrestricted investment accounts	68,111	60,106	27,661	20,406
Less: return to unrestricted investment accounts and impairment provisions	(40,454)	(41,090)	(18,918)	(14,164)
<b>Group's share of income from unrestricted investment accounts as a Mudarib</b>	<b>27,657</b>	<b>19,016</b>	<b>8,743</b>	<b>6,242</b>
Income from murabaha and other financings	42,903	58,383	10,842	20,729
Income from sukuk and investment securities	42,453	28,374	13,665	11,288
Other income	16,962	16,818	3,474	5,147
<b>Total income</b>	<b>129,975</b>	<b>122,591</b>	<b>36,724</b>	<b>43,406</b>
Less: profit paid to banks, financial and other institutions - net	(59,421)	(62,677)	(16,346)	(23,854)
<b>Operating income</b>	<b>70,554</b>	<b>59,914</b>	<b>20,378</b>	<b>19,552</b>
<b>EXPENSES</b>				
Administrative and general expenses	(43,968)	(41,473)	(14,849)	(13,770)
Depreciation and amortization	(6,828)	(6,365)	(2,298)	(2,152)
<b>Total expenses</b>	<b>(50,796)</b>	<b>(47,838)</b>	<b>(17,147)</b>	<b>(15,922)</b>
<b>Net income before provision for impairment and overseas taxation</b>	<b>19,758</b>	<b>12,076</b>	<b>3,231</b>	<b>3,630</b>
(Provision for)/reversal of impairment	(12,435)	740	(1,766)	(906)
<b>Net income before overseas taxation</b>	<b>7,323</b>	<b>12,816</b>	<b>1,465</b>	<b>2,724</b>
Overseas taxation	(8,035)	(7,536)	(2,383)	(1,539)
<b>NET (LOSS)/INCOME FOR THE PERIOD</b>	<b>(712)</b>	<b>5,280</b>	<b>(918)</b>	<b>1,185</b>
<b>Attributable to:</b>				
Equity holders of the Bank	(4,180)	2,666	(2,148)	559
Non-controlling interest	3,468	2,614	1,230	626
	(712)	5,280	(918)	1,185
<b>Basic and diluted (losses)/earnings per share</b>	<b>Fils (4.18)</b>	<b>Fils 2.67</b>	<b>Fils (2.15)</b>	<b>Fils 0.56</b>

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2020 (Expressed in thousands of Bahraini Dinars unless otherwise stated)

	Share capital	Reserves					Total reserves	Accumulated losses	Total owners' equity
		Statutory reserve	Investments fair value reserve	Investment in real estate fair value reserve	Foreign currency translation	Share premium			
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
Set off of accumulated losses	-	-	-	-	-	(40,280)	(40,280)	40,280	-
Net loss for the period	-	-	-	-	-	-	-	(4,180)	(4,180)
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	-	-	(2,932)	-	-	-	(2,932)	-	(2,932)
Foreign currency translation adjustments	-	-	(119)	(44)	(4,437)	-	(4,600)	-	(4,600)
At 30 September 2020 (Reviewed)	100,000	299	4,708	700	(41,910)	-	(36,203)	(5,815)	57,982

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

	Nine months ended	
	30 September 2020 (Reviewed)	30 September 2019 (Reviewed)
<b>OPERATING ACTIVITIES</b>		
Net income before overseas taxation	7,323	12,816
Adjustments for:		
Depreciation and amortization	6,828	6,365
Provision for impairment - net	12,435	(740)
Income from sukuk and investment securities	(42,453)	(28,374)
Loss on sale of fixed assets	38	248
<b>Operating loss before changes in operating assets and liabilities</b>	<b>(15,829)</b>	<b>(9,685)</b>
Balances with banks maturing after ninety days including central banks balances relating to minimum reserve requirement	151,074	(706)
Changes in operating assets and liabilities:		
Murabaha and other financings	(91,512)	75,815
Musharaka financing	(49,450)	(42,246)
Other assets	(9,317)	6,709
Customers' current accounts	77,222	20,666
Due to banks, financial and other institutions	(816)	(55,175)
Due to investors	(12,290)	1,197
Other liabilities	3,751	(53,058)
Increase in equity of unrestricted investment accountholders	144,246	60,961
Taxes paid	(5,015)	(8,521)
<b>Net cash provided by/(used in) operating activities</b>	<b>192,064</b>	<b>(4,043)</b>
<b>INVESTING ACTIVITIES</b>		
Net changes in:		
Assets acquired for leasing	6,668	5,429
Sukuk and investment securities	(185,166)	64,405
Purchase of fixed assets	(2,741)	(5,183)
<b>Net cash (used in)/provided by investing activities</b>	<b>(181,239)</b>	<b>64,651</b>
<b>FINANCING ACTIVITIES</b>		
Non-controlling interest	-	201
<b>Net cash provided by financing activities</b>	<b>-</b>	<b>201</b>
Foreign currency translation adjustments	(11,345)	(13,545)
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(520)</b>	<b>47,264</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>312,560</b>	<b>234,023</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>312,040</b>	<b>281,287</b>

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2019 (Expressed in thousands of Bahraini Dinars unless otherwise stated)

	Share capital	Reserves					Total reserves	Accumulated losses	Total owners' equity
		Statutory reserve	Investments fair value reserve	Investment in real estate fair value reserve	Foreign currency translation	Share premium			
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	-	-	-	-	-	-	-	2,666	2,666
Movement in fair value of sukuk and investment securities	-	-	277	-	-	-	277	-	277
Foreign currency translation adjustments	-	-	46	(172)	(7,829)	-	(7,955)	-	(7,955)
At 30 September 2019 (Reviewed)	100,000	299	3,769	636	(38,484)	40,280	6,500	(26,127)	80,373

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 nine month period ended 30 September 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 12 November 2020.

HRH Prince Amr Mohamed Al Faisal  
Chairman

Elham Hasan  
Director

Ahmed Abdul Rahim  
CEO

Ithmaar Bank B.S.C.(c), C.R.: 99336-1, P.O. Box 2820, Seef Tower, Seef District, Kingdom of Bahrain.  
Tel: (+973) 17585000, Fax: (+973) 17585151, Email: info@ithmaarbank.com, Website: www.ithmaarbank.com

Licensed as an Islamic retail bank by the Central Bank of Bahrain

بنك الإثمار  
Ithmaar Bank  
Your Islamic banking partner