

# INTERIM CONDENSED CONSOLIDATED FINANCIAL RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2021

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

	At 30 June 2021 (Reviewed)	At 31 December 2020 (Audited)
<b>ASSETS</b>		
Cash and balances with banks and central banks	213,062	239,332
Commodity and other placements with banks, financial and other institutions	148,553	85,612
Murabaha and other financings	1,309,448	1,347,337
Musharaka financing	458,893	350,420
Sukuk and investment securities	879,207	755,225
Investment in associates	3,718	-
Assets acquired for leasing	151,319	145,346
Other assets	63,926	47,953
Investment in real estate	2,346	2,316
Development properties	71,065	73,359
Fixed assets	55,635	22,274
Intangible assets	23,209	25,603
<b>Total assets</b>	<b>3,380,381</b>	<b>3,094,777</b>
<b>LIABILITIES, EQUITY OF UNRESTRICTED INVESTMENT ACCOUNTHOLDERS, NON-CONTROLLING INTEREST AND OWNERS' EQUITY</b>		
<b>LIABILITIES</b>		
Customers' current accounts	754,261	661,739
Due to banks, financial and other institutions	502,218	435,764
Due to investors	522,057	514,234
Other liabilities	159,618	102,998
<b>Total liabilities</b>	<b>1,938,154</b>	<b>1,714,735</b>
Equity of unrestricted investment accountholders	1,330,955	1,275,162
Non-controlling interests	57,231	55,049
<b>Total liabilities, equity of unrestricted investment accountholders and non-controlling interest</b>	<b>3,326,340</b>	<b>3,044,946</b>
Share capital	100,000	100,000
Reserves	(30,652)	(34,033)
Accumulated losses	(15,307)	(16,136)
<b>Total owners' equity</b>	<b>54,041</b>	<b>49,831</b>
<b>Total liabilities, equity of unrestricted investment accountholders, non-controlling interest and owners' equity</b>	<b>3,380,381</b>	<b>3,094,777</b>

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2021 (Expressed in thousands of Bahraini Dinars unless otherwise stated)

	Share capital	Reserves						Accumulated losses	Total owners' equity
		Statutory reserve	Investments fair value reserve	Hedging reserve	Investment in real estate fair value reserve	Foreign currency translation	Total reserves		
<b>At 1 January 2021 (Audited)</b>	100,000	299	7,309	(2,760)	721	(39,602)	(34,033)	(16,136)	49,831
Net income for the period	-	-	-	-	-	-	-	534	534
Increase in shareholding of subsidiary	-	-	-	-	-	-	-	295	295
Movement in fair value of sukuk and investment securities	-	-	1,581	-	-	-	1,581	-	1,581
Movement in hedging reserve	-	-	-	738	-	-	738	-	738
Foreign currency translation adjustments	-	-	41	-	8	1,013	1,062	-	1,062
<b>At 30 June 2021 (Reviewed)</b>	100,000	299	8,931	(2,022)	729	(38,589)	(30,652)	(15,307)	54,041

## 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		
<b>At 1 January 2020 (Audited)</b>	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
<b>At 1 January 2020 (Audited)</b>	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	-	-	-	-	-	-	-	(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)
<b>At 30 June 2020 (Reviewed)</b>	100,000	299	7,050	693	(42,696)	40,280	5,626	(43,947)	61,679

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

	Six months ended		Three months ended	
	30 June 2021 (Reviewed)	30 June 2020 (Reviewed)	30 June 2021 (Reviewed)	30 June 2020 (Not reviewed)
<b>INCOME</b>				
Income from unrestricted investment accounts	51,998	44,636	27,908	18,961
Less: return to unrestricted investment accountholders and impairment provisions	(29,601)	(25,722)	(14,561)	(10,633)
<b>Group's share of income from unrestricted investment accounts as a Mudarib</b>	<b>22,397</b>	<b>18,914</b>	<b>13,347</b>	<b>8,328</b>
Income from murabaha and other financings	18,360	32,061	9,116	14,230
Income from sukuk and investment securities	22,171	28,788	11,635	13,808
Other income	10,658	13,488	4,942	8,962
<b>Total income</b>	<b>73,586</b>	<b>93,251</b>	<b>39,040</b>	<b>45,328</b>
Less: profit paid to banks, financial and other institutions - net	(30,180)	(43,075)	(14,764)	(18,979)
<b>Operating income</b>	<b>43,406</b>	<b>50,176</b>	<b>24,276</b>	<b>26,349</b>
<b>EXPENSES</b>				
Administrative and general expenses	(32,286)	(29,119)	(17,592)	(13,899)
Depreciation and amortization	(4,923)	(4,530)	(2,481)	(2,281)
<b>Total expenses</b>	<b>(37,209)</b>	<b>(33,649)</b>	<b>(20,073)</b>	<b>(16,180)</b>
<b>Net income before provision for impairment and overseas taxation</b>	<b>6,197</b>	<b>16,527</b>	<b>4,203</b>	<b>10,169</b>
Reversal of/(provision for) impairment - net	3,686	(10,669)	933	(2,073)
<b>Net income before overseas taxation</b>	<b>9,883</b>	<b>5,858</b>	<b>5,136</b>	<b>8,096</b>
Overseas taxation	(6,475)	(5,652)	(3,275)	(2,210)
<b>NET INCOME FOR THE PERIOD</b>	<b>3,408</b>	<b>206</b>	<b>1,861</b>	<b>5,886</b>
<b>Attributable to:</b>				
Equity holders of the Bank	534	(2,032)	381	4,678
Non-controlling interest	2,874	2,238	1,480	1,208
	<b>3,408</b>	<b>206</b>	<b>1,861</b>	<b>5,886</b>
<b>Basic and diluted earnings/(losses) per share</b>	<b>FILS 0.53</b>	<b>FILS (2.03)</b>	<b>FILS 0.38</b>	<b>FILS 4.68</b>

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

	Six months ended	
	30 June 2021 (Reviewed)	30 June 2020 (Reviewed)
<b>OPERATING ACTIVITIES</b>		
Net income before overseas taxation	9,883	5,858
<u>Adjustments for:</u>		
Depreciation and amortization	4,923	4,530
Share of results after tax from associates	(161)	-
(Reversal of)/provision for impairment - net	(3,686)	10,669
Income from sukuk and investment securities	(22,171)	(28,788)
Finance cost on net ijarah liability	1,434	-
(Gain)/Loss on sale of fixed assets	(587)	14
<b>Operating loss before changes in operating assets and liabilities</b>	<b>(10,365)</b>	<b>(7,717)</b>
Changes in operating assets and liabilities:		
Balances with banks maturing after ninety days including central banks balances relating to minimum reserve requirement	2,519	151,969
Murabaha and other financings	45,473	(87,895)
Musharaka financing	(105,038)	(26,236)
Other assets	(14,524)	(2,516)
Customers' current accounts	87,924	54,392
Due to banks, financial and other institutions	65,289	(22,726)
Due to investors	1,260	(12,725)
Other liabilities	25,854	1,704
Increase in equity of unrestricted investment accountholders	51,804	125,045
Taxes paid	(6,412)	(2,457)
<b>Net cash generated from operating activities</b>	<b>143,784</b>	<b>170,838</b>
<b>INVESTING ACTIVITIES</b>		
Net changes in:		
Investment in associates	(1,365)	-
Assets acquired for leasing	(5,973)	2,654
Sukuk and investment securities	(96,403)	(80,739)
Fixed assets	(2,156)	(2,017)
<b>Net cash used in investing activities</b>	<b>(105,897)</b>	<b>(80,102)</b>
<b>FINANCING ACTIVITY</b>		
Repayment of net ijarah liability	(1,953)	-
<b>Net cash used in financing activity</b>	<b>(1,953)</b>	<b>-</b>
Foreign currency translation adjustments	709	(10,713)
<b>Net increase in cash and cash equivalents</b>	<b>36,643</b>	<b>80,023</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>278,280</b>	<b>312,560</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>314,923</b>	<b>392,583</b>

### Non-cash items:

- Additions to the fixed assets in relation to the recognition of right of use of assets amounted to BD33.3 million.
- Recognition of lease liabilities amounted to BD33.3 million recorded in other liabilities.
- Classification of investment securities to investment in associates amounted to BD2.2 million.

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 2021, 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 August 2021. The comparative information for the interim condensed consolidated income statement for the three month period ended 30 June 2020 has not been audited or reviewed.

HRH Prince Amr Mohamed Al Faisal  
Chairman

Elham Hasan  
Director

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CEO

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بنك الإثمار  
Ithmaar Bank