

CONSOLIDATED FINANCIAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2021

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

	At 31 December 2021 (Audited)	At 31 December 2020 (Audited)
ASSETS		
Cash and balances with banks and central banks	196,839	239,332
Commodity and other placements with banks, financial and other institutions	70,290	85,612
Murabaha and other financings	1,270,306	1,347,337
Musharaka financing	537,505	350,420
Sukuk and investment securities	893,129	755,225
Investment in associates	2,456	-
Assets acquired for leasing	147,716	145,346
Other assets	63,834	47,953
Investment in real estate	2,467	2,316
Development properties	64,632	73,359
Fixed assets	55,682	22,274
Intangible assets	22,643	25,603
Total assets	3,327,499	3,094,777
LIABILITIES, EQUITY OF UNRESTRICTED INVESTMENT ACCOUNTHOLDERS, MINORITY INTERESTS AND OWNERS' EQUITY		
Customers' current accounts	726,981	661,739
Due to banks, financial and other institutions	526,603	435,764
Due to investors	420,047	514,234
Other liabilities	135,544	102,998
Total liabilities	1,809,175	1,714,735
Equity of unrestricted investment accountholders	1,421,392	1,275,162
Minority interests	53,202	55,049
Total liabilities, equity of unrestricted investment accountholders and minority interests	3,283,769	3,044,946
Share capital	100,000	100,000
Reserves	(40,120)	(34,033)
Accumulated losses	(16,150)	(16,136)
Total owners' equity	43,730	49,831
Total liabilities, equity of unrestricted investment accountholders, minority interests and owners' equity	3,327,499	3,094,777

CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY FOR THE YEAR ENDED 31 DECEMBER 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		
At 1 January 2021 (Audited)	100,000	299	7,309	(2,760)	721	(39,602)	(34,033)	(16,136)	49,831
Net loss for the year	-	-	-	-	-	-	-	(512)	(512)
Increase in shareholding of subsidiary	-	-	-	-	-	-	-	498	498
Movement in fair value of sukuk and investment securities	-	-	(618)	-	-	-	(618)	-	(618)
Movement in hedging reserve	-	-	-	1,410	-	-	1,410	-	1,410
Foreign currency translation adjustments	-	-	(82)	-	25	(6,822)	(6,879)	-	(6,879)
At 31 December 2021 (Audited)	100,000	299	6,609	(1,350)	746	(46,424)	(40,120)	(16,150)	43,730

CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY FOR THE YEAR ENDED 31 DECEMBER 2020 (Expressed in thousands of Bahraini Dinars unless otherwise stated)

	Share capital	Reserves						Share premium	Total 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				
At 1 January 2020 (Audited)	100,000	299	5,193	(1,453)	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 (Audited)	100,000	299	9,212	(1,453)	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 year	-	-	-	-	-	-	-	-	(15,294)	(15,294)	
Modification loss net of Government assistance	-	-	-	-	-	-	-	-	(14,836)	(14,836)	
Increase in shareholding of subsidiary	-	-	-	-	-	-	-	-	2,133	2,133	
Movement in fair value of sukuk and investment securities	-	-	(1,895)	-	-	-	-	(1,895)	-	(1,895)	
Movement in hedging reserve	-	-	-	(1,307)	-	-	-	(1,307)	-	(1,307)	
Foreign currency translation adjustments	-	-	(8)	-	(23)	(2,129)	-	(2,160)	-	(2,160)	
At 31 December 2020 (Audited)	100,000	299	7,309	(2,760)	721	(39,602)	-	(34,033)	(16,136)	49,831	

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

	Year ended	
	31 December 2021 (Audited)	31 December 2020 (Audited)
INCOME		
Income from assets financed by unrestricted investment account holders	113,495	91,603
Less: return to unrestricted investment accounts and impairment provisions	(60,011)	(55,655)
Group's share of income from unrestricted investment accounts as a Mudarib	53,484	35,948
Income from murabaha and other financings	31,484	52,139
Income from other investments	41,960	53,410
Other income	19,836	20,700
Total income	146,764	162,197
Less: profit paid to banks, financial and other institutions	(58,953)	(75,173)
Operating income	87,811	87,024
EXPENSES		
Administrative and general expenses	(64,456)	(63,507)
Depreciation and amortization	(9,935)	(9,032)
Total expenses	(74,391)	(72,539)
Net income before provision for impairment and overseas taxation	13,420	14,485
Reversal of/(provision for) impairment - net	2,883	(15,587)
Net income/(loss) before overseas taxation	16,303	(1,102)
Overseas taxation	(11,142)	(9,867)
NET PROFIT/(LOSS) FOR THE YEAR	5,161	(10,969)
Attributable to:		
Equity holders of the Bank	(512)	(15,294)
Minority interests	5,673	4,325
	5,161	(10,969)
Basic and diluted losses per share	FILS (0.51)	FILS (15.29)

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

	Year ended	
	31 December 2021 (Audited)	31 December 2020 (Audited)
OPERATING ACTIVITIES		
Net income/(loss) before overseas taxation	16,303	(1,102)
Adjustments for:		
Depreciation and amortization	9,935	9,032
Reversal of/(provision for) impairment - net	(2,883)	15,587
Income from other investments	(41,960)	(53,410)
Finance cost on net ijarah liability	2,846	-
(Gain)/loss on sale of fixed assets	(595)	50
Operating loss before changes in operating assets and liabilities	(16,354)	(29,843)
(Increase)/decrease in balances with banks maturing after ninety days and including with central banks relating to minimum reserve requirement	15,448	(9,070)
Changes in operating assets and liabilities:		
Murabaha and other financing	41,857	121,776
Musharaka financing	(236,640)	(118,395)
Other assets	(9,366)	6,508
Customers' current accounts	115,325	101,647
Due to banks, financial and other institutions	112,558	(60,020)
Due to investors	(51,249)	(54,691)
Other liabilities	10,544	(1,963)
Increase in equity of unrestricted investment accountholders	187,061	216,010
Taxes paid	(14,905)	(7,009)
Net cash provided by operating activities	154,279	164,950
INVESTING ACTIVITIES		
Net (increase)/decrease:		
Assets acquired for leasing	(2,370)	2,748
Sukuk and investment securities	(171,796)	(193,949)
Fixed assets	(11,461)	(3,760)
Net cash used in investing activities	(185,627)	(194,961)
FINANCING ACTIVITIES		
Repayment of net ijarah liability	(5,959)	-
Net cash used in financing activities	(5,959)	-
Foreign currency translation adjustments	(15,443)	(4,269)
Net decrease in cash and cash equivalents	(52,750)	(34,280)
Cash and cash equivalents at the beginning of the year	278,280	312,560
Cash and cash equivalents at the end of the year	225,530	278,280

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 BD31.2 million recorded in other liabilities.
- Classification of investment securities to investment in associates amounted to BD2.2 million.

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 2021, which were approved for issue by the Board of Directors on 14 February 2022 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

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