

CONSOLIDATED FINANCIAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2020

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Expressed in thousands of Bahraini Dinars unless otherwise stated)

	At 31 December 2020 (Audited)	At 31 December 2019 (Audited)
ASSETS		
Cash and balances with banks and central banks	239,332	253,124
Commodity and other placements with banks, financial and other institutions	85,612	127,602
Murabaha and other financings	1,347,337	1,497,391
Musharaka financing	350,420	239,452
Sukuk and investment securities	755,225	523,702
Assets acquired for leasing	145,346	148,084
Other assets	47,953	55,544
Investment in real estate	2,316	2,398
Development Properties	73,359	75,838
Fixed assets	22,274	22,235
Intangible assets	25,603	33,576
Total assets	3,094,777	2,978,946
LIABILITIES, EQUITY OF UNRESTRICTED INVESTMENT ACCOUNTHOLDERS, MINORITY INTERESTS AND OWNERS' EQUITY		
Customers' current accounts	661,739	572,466
Due to banks, financial and other institutions	435,764	501,616
Due to investors	514,234	589,550
Other liabilities	102,998	104,908
Total liabilities	1,714,735	1,768,540
Equity of unrestricted investment accountholders	1,275,162	1,063,928
Minority interests	55,049	67,307
Total liabilities, equity of unrestricted investment accountholders and minority interests	3,044,946	2,899,775
Share capital	100,000	100,000
Reserves	(34,033)	7,590
Accumulated losses	(16,136)	(28,419)
Total owners' equity	49,831	79,171
Total liabilities, equity of unrestricted investment accountholders, minority interests and owners' equity	3,094,777	2,978,946

CONSOLIDATED INCOME STATEMENT

(Expressed in thousands of Bahraini Dinars unless otherwise stated)

	Year ended	
	31 December 2020 (Audited)	31 December 2019 (Audited)
INCOME		
Income from assets financed by unrestricted investment account holders	91,603	82,551
Less: return to unrestricted investment accounts and impairment provisions	(55,655)	(54,359)
Group's share of income from unrestricted investment accounts as a Mudarib	35,948	28,192
Income from murabaha and other financings	52,139	77,958
Income from other investments	53,410	41,854
Other income	20,700	23,212
Total income	162,197	171,216
Less: profit paid to banks, financial and other institutions	(75,173)	(87,630)
Operating income	87,024	83,586
EXPENSES		
Administrative and general expenses	(63,507)	(59,250)
Depreciation and amortization	(9,032)	(8,669)
Total expenses	(72,539)	(67,919)
Net income before provision for impairment and overseas taxation	14,485	15,667
Provision for impairment (net)	(15,587)	(2,779)
Net (loss)/income before overseas taxation	(1,102)	12,888
Overseas taxation	(9,867)	(10,408)
NET (LOSS)/PROFIT FOR THE YEAR	(10,969)	2,480
Attributable to:		
Equity holders of the Bank	(15,294)	(1,352)
Minority interests	4,325	3,832
	(10,969)	2,480
Basic and diluted (losses)/earnings per share	Fils (15.29)	Fils (1.35)

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							Accumulated losses	Total owners' equity
		Statutory reserve	Investments fair value reserve	Hedging reserve	Investment in real estate fair value reserve	Foreign currency translation	Share premium	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 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	Hedging 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	-	-	1,734	-	-	-	-	1,734	-	1,734
Movement in hedging reserve	-	-	-	(1,453)	-	-	-	(1,453)	-	(1,453)
Foreign currency translation adjustments	-	-	13	-	(64)	(6,818)	-	(6,869)	-	(6,869)
At 31 December 2019 (Audited)	100,000	299	5,193	(1,453)	744	(37,473)	40,280	7,590	(28,419)	79,171

CONSOLIDATED STATEMENT OF CASH FLOWS

(Expressed in thousands of Bahraini Dinars unless otherwise stated)

	Year ended	
	31 December 2020 (Audited)	31 December 2019 (Audited)
OPERATING ACTIVITIES		
Net income/(loss) before overseas taxation	(1,102)	12,888
Adjustments for:		
Depreciation and amortization	9,032	8,669
Provision for impairment (net)	15,587	2,779
Income from other investments	(53,410)	(41,854)
Loss on sale of fixed assets	50	287
Operating loss before changes in operating assets and liabilities	(29,843)	(17,231)
(Increase)/decrease in balances with banks maturing after ninety days and including with central banks relating to minimum reserve requirement	(9,070)	(19)
Changes in operating assets and liabilities:		
Murabaha and other financings	121,776	128,063
Musharaka financing	(118,395)	(73,730)
Other assets	6,508	17,335
Customers' current accounts	101,647	48,317
Due to banks, financial and other institutions	(60,020)	(53,453)
Due to investors	(54,691)	13,236
Other liabilities	(1,963)	(83,260)
(Decrease)/Increase in equity of unrestricted investment accountholders	216,010	81,535
Taxes paid	(7,009)	(10,628)
Net cash provided by operating activities	164,950	50,165
INVESTING ACTIVITIES		
Net (increase)/decrease:		
Assets acquired for leasing	2,748	6,774
Sukuk and investment securities	(193,949)	39,083
Purchase of fixed assets	(3,760)	(9,303)
Net cash (used in)/provided by investing activities	(194,961)	36,554
FINANCING ACTIVITIES		
Minority interest	-	(201)
Net cash used in financing activities	-	(201)
Foreign currency translation adjustments	(4,269)	(7,976)
Net (decrease)/increase in cash and cash equivalents	(34,280)	78,542
Cash and cash equivalents at the beginning of the year	312,560	234,018
Cash and cash equivalents at the end of the year	278,280	312,560

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 2020, which were approved for issue by the Board of Directors on 18 February 2021 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