

INTERIM CONDENSED CONSOLIDATED FINANCIAL RESULTS FOR THE THREE MONTHS ENDED 31 MARCH 2022

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

	At 31 March 2022 (Reviewed)	At 31 December 2021 (Audited)
ASSETS		
Cash and balances with banks and central banks	196,852	196,839
Commodity and other placements with banks, financial and other institutions	107,389	70,290
Murabaha and other financings	929,458	1,270,306
Musharaka financing	555,828	537,505
Sukuk and investment securities	841,670	893,129
Investment in associates	2,286	2,456
Assets acquired for leasing	348	147,716
Other assets	43,817	63,834
Investment in real estate	2,382	2,467
Development properties	65,419	64,632
Fixed assets	53,333	55,682
Intangible assets	11,091	22,643
	2,809,873	3,327,499
Assets classified as held for sale	590,561	-
Total assets	3,400,434	3,327,499
LIABILITIES, EQUITY OF UNRESTRICTED INVESTMENT ACCOUNTHOLDERS, NON-CONTROLLING INTEREST AND OWNERS' EQUITY		
LIABILITIES		
Customers' current accounts	758,324	726,981
Due to banks, financial and other institutions	608,545	526,603
Due to investors	290,256	420,047
Other liabilities	129,481	135,544
	1,786,606	1,809,175
Liabilities directly associated with assets classified as held for sale	56,777	-
Total liabilities	1,843,383	1,809,175
Equity of unrestricted investment accountholders	683,000	1,421,392
Equity of unrestricted investment accountholders directly associated with assets classified as held for sale	780,180	-
Total equity of unrestricted investment accountholders	1,463,180	1,421,392
Non-controlling interests	52,078	53,202
Total liabilities, equity of unrestricted investment accountholders and non-controlling interests	3,358,641	3,283,769
Share capital	100,000	100,000
Reserves	(42,253)	(40,120)
Accumulated losses	(15,954)	(16,150)
Total owners' equity	41,793	43,730
Total liabilities, equity of unrestricted investment accountholders, non-controlling interests and owners' equity	3,400,434	3,327,499

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2022 (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 2022 (Audited)	100,000	299	6,609	(1,350)	746	(46,424)	(40,120)	(16,150)	43,730
Net income for the period	-	-	-	-	-	-	-	196	196
Movement in fair value of sukuk and investment securities	-	-	120	-	-	-	120	-	120
Movement in fair value of investment in real estate	-	-	-	-	185	-	185	-	185
Movement in hedging reserve	-	-	-	770	-	-	770	-	770
Foreign currency translation adjustments	-	-	(16)	-	(85)	(3,107)	(3,208)	-	(3,208)
At 31 March 2022 (Reviewed)	100,000	299	6,713	(580)	846	(49,531)	(42,253)	(15,954)	41,793

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 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 income for the period	-	-	-	-	-	-	-	153	153
Increase in shareholding of subsidiary	-	-	-	-	-	-	-	295	295
Movement in fair value of sukuk and investment securities	-	-	(781)	-	-	-	(781)	-	(781)
Movement in hedging reserve	-	-	-	738	-	-	738	-	738
Foreign currency translation adjustments	-	-	130	-	34	4,431	4,595	-	4,595
At 31 March 2021 (Reviewed)	100,000	299	6,658	(2,022)	755	(35,171)	(29,481)	(15,688)	54,831

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

	Three months ended	
	31 March 2022 (Reviewed)	31 March 2021 (Reviewed)
INCOME		
Income from unrestricted investment accounts	27,226	17,106
Less: return to unrestricted investment accountholders and impairment provisions	(12,001)	(9,632)
Group's share of income from unrestricted investment accounts as a Mudarib	15,225	7,474
Income from murabaha and other financings	5,950	9,244
Income from sukuk and investment securities	8,575	10,536
Other income	4,224	5,512
Total income	33,974	32,766
Less: profit paid to banks, financial and other institutions - net	(13,781)	(15,416)
Operating income	20,193	17,350
EXPENSES		
Administrative and general expenses	(13,620)	(12,157)
Depreciation and amortization	(2,204)	(2,420)
Total expenses	(15,824)	(14,577)
Net income before provision for impairment and overseas taxation	4,369	2,773
Provision for impairment - net	1,138	3,356
Net income before overseas taxation	5,507	6,129
Overseas taxation	(3,471)	(3,200)
NET INCOME FROM CONTINUING OPERATIONS	2,036	2,929
Net results from discontinued operations	(534)	(1,382)
NET INCOME FOR THE PERIOD	1,502	1,547
Attributable to:		
Equity holders of the Bank	196	153
Non-controlling interests	1,306	1,394
	1,502	1,547
Basic and diluted earnings per share	FILS 0.20	FILS 0.15
Basic and diluted earnings per share - continuing operations	FILS 0.73	FILS 1.54

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

	Three months ended	
	31 March 2022 (Reviewed)	31 March 2021 (Reviewed)
OPERATING ACTIVITIES		
Net income/(loss) before overseas taxation from:		
Continuing operations	5,507	6,129
Discontinued operations	(534)	(1,382)
Adjustments for:		
Depreciation and amortization	2,204	2,420
Reversal of provision for impairment - net	(1,138)	(3,356)
Income from sukuk and investment securities	(8,575)	(10,536)
Finance cost on net ijarah liability	736	1,024
Loss on sale of fixed assets	(53)	499
Operating loss before changes in operating assets and liabilities	(1,853)	(5,202)
Changes in operating assets and liabilities:		
Balances with banks maturing after ninety days including central banks balances relating to minimum reserve requirement	(51,736)	(15,207)
Murabaha and other financings	35,758	25,341
Musharaka financing	(35,714)	(13,508)
Other assets	(10,239)	(4,719)
Customers' current accounts	82,157	21,525
Due to banks, financial and other institutions	104,537	93,182
Due to investors	(64,285)	(14,401)
Other liabilities	10,082	6,704
Increase in equity of unrestricted investment accountholders	56,550	(9,747)
Taxes paid	(3,321)	(5,559)
Net cash generated from operating activities	121,936	78,409
INVESTING ACTIVITIES		
Net changes in:		
Investment in associates	-	(3,408)
Assets acquired for leasing	1,533	(3,918)
Sukuk and investment securities	(64,358)	(56,583)
Fixed assets	(368)	(39)
Net cash used in investing activities	(63,193)	(63,948)
FINANCING ACTIVITY		
Repayment of net ijarah liability	(1,328)	(1,185)
Net cash used in financing activity	(1,328)	(1,185)
Foreign currency translation adjustments	(5,904)	2,382
Net increase in cash and cash equivalents	51,511	15,658
Cash and cash equivalents at the beginning of the period	225,530	278,280
Cash and cash equivalents at the end of the period	277,041	293,938

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 three-month period ended 31 March 2022, 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 14 May 2022.

HRH Prince Amr Mohamed Al Faisal
Chairman

Elham Hasan
Director

Ahmed Abdul Rahim
CEO