

INTERIM CONDENSED CONSOLIDATED FINANCIAL RESULTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2021

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

	At 30 September 2021 (Reviewed)	At 31 December 2020 (Audited)
ASSETS		
Cash and balances with banks and central banks	225,922	239,332
Commodity and other placements with banks, financial and other institutions	119,166	85,612
Murabaha and other financings	1,251,061	1,347,337
Musharaka financing	500,826	350,420
Sukuk and investment securities	850,331	755,225
Investment in associates	3,391	-
Assets acquired for leasing	149,982	145,346
Other assets	76,277	47,953
Investment in real estate	2,172	2,316
Development properties	64,359	73,359
Fixed assets	54,624	22,274
Intangible assets	21,861	25,603
Total assets	3,319,972	3,094,777
LIABILITIES, EQUITY OF UNRESTRICTED INVESTMENT ACCOUNTHOLDERS, NON-CONTROLLING INTEREST AND OWNERS' EQUITY		
LIABILITIES		
Customers' current accounts	719,173	661,739
Due to banks, financial and other institutions	518,211	435,764
Due to investors	482,475	514,234
Other liabilities	144,618	102,998
Total liabilities	1,864,477	1,714,735
Equity of unrestricted investment accountholders	1,357,222	1,275,162
Non-controlling interests	54,019	55,049
Total liabilities, equity of unrestricted investment accountholders and non-controlling interest	3,275,718	3,044,946
Share capital	100,000	100,000
Reserves	(37,283)	(34,033)
Accumulated losses	(18,463)	(16,136)
Total owners' equity	44,254	49,831
Total liabilities, equity of unrestricted investment accountholders, non-controlling interest and owners' equity	3,319,972	3,094,777

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 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 period	-	-	-	-	-	-	-	(2,622)	(2,622)
Increase in shareholding of a subsidiary	-	-	-	-	-	-	-	295	295
Movement in fair value of sukuk and investment securities	-	-	932	-	-	-	932	-	932
Movement in hedging reserve	-	-	-	1,342	-	-	1,342	-	1,342
Foreign currency translation adjustments	-	-	(125)	-	(40)	(5,359)	(5,524)	-	(5,524)
At 30 September 2021 (Reviewed)	100,000	299	8,116	(1,418)	681	(44,961)	(37,283)	(18,463)	44,254

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						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		
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 (Audited)	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	-	-	-	-	-	-	-	(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

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 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 11 November 2021.

HRH Prince Amr Mohamed Al Faisal
Chairman

Elham Hasan
Director

Ahmed Abdul Rahim
CEO

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

	Nine months ended		Three months ended	
	30 September 2021 (Reviewed)	30 September 2020 (Reviewed)	30 September 2021 (Reviewed)	30 September 2020 (Reviewed)
INCOME				
Income from assets financed by unrestricted investment accounts	80,551	68,111	28,553	23,475
Less: return to unrestricted investment accountholders and impairment provisions	(45,081)	(40,454)	(15,480)	(14,732)
Group's share of income from assets financed by unrestricted investment accounts as a Mudarib	35,470	27,657	13,073	8,743
Income from murabaha and other financings	25,310	42,903	6,950	10,842
Income from sukuk and investment securities	32,047	42,453	9,876	13,665
Other income	14,869	16,962	4,211	3,474
Total income	107,696	129,975	34,110	36,724
Less: profit paid to banks, financial and other institutions - net	(44,821)	(59,421)	(14,641)	(16,346)
Operating income	62,875	70,554	19,469	20,378
EXPENSES				
Administrative and general expenses	(47,755)	(43,968)	(15,469)	(14,849)
Depreciation and amortization	(7,473)	(6,828)	(2,550)	(2,298)
Total expenses	(55,228)	(50,796)	(18,019)	(17,147)
Net income before provision for impairment and overseas taxation	7,647	19,758	1,450	3,231
Reversal of/(provision for) impairment - net	3,257	(12,435)	(429)	(1,766)
Net income before overseas taxation	10,904	7,323	1,021	1,465
Overseas taxation	(9,562)	(8,035)	(3,087)	(2,383)
NET INCOME/(LOSS) FOR THE PERIOD	1,342	(712)	(2,066)	(918)
Attributable to:				
Equity holders of the Bank	(2,622)	(4,180)	(3,156)	(2,148)
Non-controlling interest	3,964	3,468	1,090	1,230
	1,342	(712)	(2,066)	(918)
Basic and diluted losses per share	Fils (2.62)	Fils (4.18)	Fils (3.16)	Fils (2.15)

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

	Nine months ended	
	30 September 2021 (Reviewed)	30 September 2020 (Reviewed)
OPERATING ACTIVITIES		
Net income before overseas taxation	10,904	7,323
Adjustments for:		
Depreciation and amortization	7,473	6,828
Share of results after tax from associates	(194)	-
(Reversal of)/provision for impairment - net	(3,257)	12,435
Income from sukuk and investment securities	(32,047)	(42,453)
Finance cost on net ijarah liability	2,146	-
(Gain)/loss on sale of fixed assets	(578)	38
Operating loss before changes in operating assets and liabilities	(15,553)	(15,829)
Changes in operating assets and liabilities:		
Balances with banks maturing after ninety days including central banks balances relating to minimum reserve requirement	6,279	151,074
Murabaha and other financings	77,687	(91,512)
Musharaka financing	(184,286)	(49,450)
Other assets	(21,099)	(9,317)
Customers' current accounts	91,620	77,222
Due to banks, financial and other institutions	98,134	(816)
Due to investors	206	(12,290)
Other liabilities	16,903	3,751
Increase in equity of unrestricted investment accountholders	106,489	144,246
Taxes paid	(10,848)	(5,015)
Net cash generated from operating activities	165,532	192,064
INVESTING ACTIVITIES		
Net changes in:		
Investment in associates	(1,365)	-
Assets acquired for leasing	(4,636)	6,668
Sukuk and investment securities	(115,656)	(185,166)
Fixed assets	(5,281)	(2,741)
Net cash used in investing activities	(126,938)	(181,239)
FINANCING ACTIVITY		
Repayment of net ijarah liability	(3,973)	-
Net cash used in financing activity	(3,973)	-
Foreign currency translation adjustments	(9,998)	(11,345)
Net increase/(decrease) in cash and cash equivalents	24,623	(520)
Cash and cash equivalents at the beginning of the period	278,280	312,560
Cash and cash equivalents at the end of the period	302,903	312,040

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.