

INTERIM CONDENSED CONSOLIDATED FINANCIAL RESULTS FOR THE THREE MONTHS ENDED 31 MARCH 2021

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

	At 31 March 2021 (Reviewed)	At 31 December 2020 (Audited)
ASSETS		
Cash and balances with banks and central banks	204,094	239,332
Commodity and other placements with banks, financial and other institutions	143,975	85,612
Murabaha and other financings	1,360,026	1,347,337
Musharaka financing	382,976	350,420
Sukuk and investment securities	857,423	755,225
Investment in associates	6,516	-
Assets acquired for leasing	149,265	145,346
Other assets	56,487	47,953
Investment in real estate	2,439	2,316
Development properties	71,529	73,359
Fixed assets	53,314	22,274
Intangible assets	24,625	25,603
Total assets	3,312,669	3,094,777
LIABILITIES, EQUITY OF UNRESTRICTED INVESTMENT ACCOUNTHOLDERS, NON-CONTROLLING INTEREST AND OWNERS' EQUITY		
LIABILITIES		
Customers' current accounts	708,246	661,739
Due to banks, financial and other institutions	540,149	435,764
Due to investors	526,537	514,234
Other liabilities	143,505	102,998
Total liabilities	1,918,437	1,714,735
Equity of unrestricted investment accountholders	1,282,118	1,275,162
Non-controlling interests	57,283	55,049
Total liabilities, equity of unrestricted investment accountholders and non-controlling interest	3,257,838	3,044,946
Share capital	100,000	100,000
Reserves	(29,481)	(34,033)
Accumulated losses	(15,688)	(16,136)
Total owners' equity	54,831	49,831
Total liabilities, equity of unrestricted investment accountholders, non-controlling interest and owners' equity	3,312,669	3,094,777

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			
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 STATEMENT OF CHANGES IN OWNERS' EQUITY FOR THE THREE MONTH PERIOD ENDED 31 MARCH 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			
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
Net loss for the period	-	-	-	-	-	-	-	(6,710)	(6,710)
Modification loss	-	-	-	-	-	-	-	(16,028)	(16,028)
Movement in fair value of sukuk and investment securities	-	-	(5,372)	-	-	-	(5,372)	-	(5,372)
Foreign currency translation adjustments	-	-	32	(46)	(5,204)	-	(5,218)	-	(5,218)
At 31 March 2020 (Not reviewed)	100,000	299	2,419	698	(42,677)	40,280	1,019	(51,157)	49,862

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 2021, which were approved for issue by the Board of Directors and reviewed by PricewaterhouseCoopers ME Limited, Kingdom of Bahrain, who expressed an unqualified reviewed conclusion on 11 May 2021. The comparative information for the interim condensed consolidated statement of financial position is based on the audited consolidated financial statements as at 31 December 2020. The comparative information for the interim condensed consolidated income statement, interim condensed statements of changes in owners' equity, cash flows and changes in restricted investment accounts and related explanatory notes, for the period ended 31 March 2020 has not been audited or reviewed.

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)

	Three months ended	
	31 March 2021 (Reviewed)	31 March 2020 (Not reviewed)
INCOME		
Income from unrestricted investment accounts	24,090	25,675
Less: return to unrestricted investment accountholders and impairment provisions	(15,040)	(15,089)
Group's share of income from unrestricted investment accounts as a Mudarib	9,050	10,586
Income from murabaha and other financings	9,244	17,831
Income from sukuk and investment securities	10,536	14,980
Other income	5,716	4,526
Total income	34,546	47,923
Less: profit paid to banks, financial and other institutions - net	(15,416)	(24,096)
Operating income	19,130	23,827
EXPENSES		
Administrative and general expenses	(14,694)	(15,220)
Depreciation and amortization	(2,442)	(2,249)
Total expenses	(17,136)	(17,469)
Net income before provision for impairment and overseas taxation	1,994	6,358
Reversal of/(Provision for) impairment - net	2,753	(8,596)
Net income/(loss) before overseas taxation	4,747	(2,238)
Overseas taxation	(3,200)	(3,442)
NET INCOME/(LOSS) FOR THE PERIOD	1,547	(5,680)
Attributable to:		
Equity holders of the Bank	153	(6,710)
Non-controlling interest	1,394	1,030
	1,547	(5,680)
Basic and diluted earnings/(losses) per share	Fils 0.15	Fils (6.71)

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

	Three months ended	
	31 March 2021 (Reviewed)	31 March 2020 (Not reviewed)
OPERATING ACTIVITIES		
Net income before overseas taxation	4,747	(2,238)
<u>Adjustments for:</u>		
Depreciation and amortization	2,442	2,249
(Reversal of)/provision for impairment - net	(2,753)	8,596
Income from sukuk and investment securities	(10,536)	(14,980)
Finance cost on net ijarah liability	1,024	-
Loss on sale of fixed assets	499	14
Operating loss before changes in operating assets and liabilities	(4,577)	(6,359)
<u>Changes in operating assets and liabilities:</u>		
Balances with banks maturing after ninety days including central banks balances relating to minimum reserve requirement	(15,207)	7,788
Murabaha and other financings	25,341	25,069
Musharaka financing	(13,508)	(6,235)
Other assets	(5,344)	(14,114)
Customers' current accounts	21,525	(35,370)
Due to banks, financial and other institutions	93,182	(20,314)
Due to investors	(14,401)	1,061
Other liabilities	6,704	(720)
Increase in equity of unrestricted investment accountholders	(9,747)	70,605
Taxes paid	(5,559)	(3,711)
Net cash generated from operating activities	78,409	17,700
INVESTING ACTIVITIES		
Net changes in:		
Investment in associates	(3,408)	-
Assets acquired for leasing	(3,918)	1,699
Sukuk and investment securities	(56,583)	(21,112)
Fixed assets	(39)	(1,409)
Net cash used in investing activities	(63,948)	(20,822)
FINANCING ACTIVITY		
Repayment of net ijarah liability	(1,185)	-
Net cash used in financing activity	(1,185)	-
Foreign currency translation adjustments	2,382	(8,518)
Net increase/(decrease) in cash and cash equivalents	15,658	(11,640)
Cash and cash equivalents at the beginning of the period	278,280	312,560
Cash and cash equivalents at the end of the period	293,938	300,920

Non-cash items:

- Additions to the fixed assets in relation to the recognition of right of use of assets amounted to BD30.6 million.
- Recognition of lease liabilities amounted to BD30.6 million recorded in other liabilities.
- Classification of investment securities to investment in associates amounted to BD2.9 million