

## CONDENSED CONSOLIDATED FINANCIAL RESULTS FOR THE THREE MONTHS ENDED 31 MARCH 2023

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

	At 31 March 2023 (Reviewed)	At 31 December 2022 (Audited)
<b>ASSETS</b>		
Cash and balances with banks and central banks	114,737	122,377
Commodity and other placements with banks, financial and other institutions	16,358	18,440
Murabaha and other financings	602,054	578,510
Musharaka financing	441,237	573,470
Investment securities	692,111	815,341
Investment in associates	226	3,204
Assets acquired for leasing	304	304
Other assets	92,351	67,527
Investment in real estate	4,224	4,792
Development properties	57,280	57,280
Fixed assets	52,220	59,745
Intangible assets	6,983	8,568
<b>Total assets</b>	<b>2,080,085</b>	<b>2,309,558</b>
<b>LIABILITIES, EQUITY OF UNRESTRICTED INVESTMENT ACCOUNTHOLDERS AND TOTAL EQUITY</b>		
<b>LIABILITIES</b>		
Customers' current accounts	567,506	658,614
Due to banks, financial and other institutions	500,819	419,454
Due to investors	4,543	13,954
Other liabilities	151,176	144,781
<b>Total liabilities</b>	<b>1,224,044</b>	<b>1,236,803</b>
Equity of unrestricted investment accountholders	785,089	993,418
<b>Total liabilities and equity of unrestricted investment accountholders</b>	<b>2,009,133</b>	<b>2,230,221</b>
<b>OWNERS' EQUITY</b>		
Share capital	100,000	100,000
Reserves	(53,699)	(53,699)
Accumulated losses	(11,984)	(10,182)
<b>Total owners' equity</b>	<b>34,317</b>	<b>36,119</b>
Non-controlling interest	36,635	43,218
<b>Total equity</b>	<b>70,952</b>	<b>79,337</b>
<b>Total liabilities, equity of unrestricted investment accountholders and total equity</b>	<b>2,080,085</b>	<b>2,309,558</b>

### CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2023 (Expressed in thousands of Bahraini Dinars unless otherwise stated)

	Share capital	Reserves	Accumulated losses	Total owners' equity	Non-controlling interest	Total equity
At 1 January 2023	100,000	(53,699)	(10,182)	36,119	43,218	79,337
(Loss)/Profit for the period	-	-	(1,802)	(1,802)	1,573	(229)
Movement from dividend distribution by subsidiaries	-	-	-	-	(743)	(743)
Movement in fair value of sukuk and investment securities	-	-	-	-	(467)	(467)
Movement in fair value of land and building	-	-	-	-	(113)	(113)
Movement in fair value of investment in real estate	-	-	-	-	(73)	(73)
Foreign currency translation adjustments	-	-	-	-	(6,760)	(6,760)
At 31 March 2023 (Reviewed)	100,000	(53,699)	(11,984)	34,317	36,635	70,952

### 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	Non-controlling interest	Total equity
At 1 January 2022	100,000	(40,120)	(16,150)	43,730	53,202	96,932
Profit for the period	-	-	196	196	1,306	1,502
Movement from dividend distribution by subsidiaries	-	-	-	-	(1,072)	(1,072)
Movement in fair value of sukuk and investment securities	-	120	-	120	61	181
Movement in hedging reserve	-	770	-	770	-	770
Movement in fair value of investment in real estate	-	185	-	185	93	278
Foreign currency translation adjustments	-	(3,208)	-	(3,208)	(1,512)	(4,720)
At 31 March 2022 (Reviewed)	100,000	(42,253)	(15,954)	41,793	52,078	93,871

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

	Three months ended	
	31 March 2023 (Reviewed)	31 March 2022 (Reviewed)
<b>INCOME</b>		
Income from financing contracts	28,027	22,596
Income from investments	26,510	17,825
Other income	452	5,554
<b>Total income</b>	<b>54,989</b>	<b>45,975</b>
Less: profit to banks, financial and other institutions - net	(1,506)	(13,781)
Return on equity of investment accountholders before Group's share as a mudarib	(53,888)	(27,225)
Group's share as a mudarib	21,245	16,842
<b>Share of profit of unrestricted investment accountholders</b>	<b>(32,643)</b>	<b>(10,383)</b>
<b>Net income</b>	<b>20,840</b>	<b>21,811</b>
<b>EXPENSES</b>		
General and administrative expenses	(12,482)	(13,620)
Depreciation and amortization	(1,581)	(2,204)
<b>Total expenses</b>	<b>(14,063)</b>	<b>(15,824)</b>
<b>Profit before provision for impairment and overseas taxation</b>	<b>6,777</b>	<b>5,987</b>
Provision for impairment - net	(3,195)	(480)
<b>Profit before overseas taxation</b>	<b>3,582</b>	<b>5,507</b>
Tax expense	(3,811)	(3,471)
<b>(LOSS)/PROFIT FROM CONTINUING OPERATIONS</b>	<b>(229)</b>	<b>2,036</b>
Net results from discontinued operations	-	(534)
<b>(LOSS)/PROFIT FOR THE PERIOD</b>	<b>(229)</b>	<b>1,502</b>
<b>Attributable to:</b>		
Equity holders of the Bank	(1,802)	196
Non-controlling interests	1,573	1,306
	<b>(229)</b>	<b>1,502</b>

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

	Three months ended	
	31 March 2023 (Reviewed)	31 March 2022 (Reviewed)
<b>OPERATING ACTIVITIES</b>		
<b>Profit before taxes from:</b>		
Continuing operations	3,582	5,507
Discontinued operations	-	(534)
<b>Adjustments for:</b>		
Depreciation and amortization	1,581	2,204
Provision for impairment - net	3,195	480
Income from sukuk and investment securities	(26,510)	(17,825)
Finance cost on net ijarah liability	522	736
Loss on sale of fixed assets	(12)	(53)
<b>Operating loss before changes in operating assets and liabilities</b>	<b>(17,642)</b>	<b>(9,485)</b>
<b>Changes in operating assets and liabilities:</b>		
Balances with banks maturing after 90 days including central banks balances relating to minimum reserve requirement	(5,578)	(51,736)
Murabaha and other financings	(66,389)	35,758
Musharaka financing	17,047	(35,714)
Other assets	(30,176)	(10,239)
Customers' current accounts	11,130	82,157
Due to banks, financial and other institutions	115,718	104,537
Due to investors	(7,206)	(64,285)
Other liabilities	30,191	10,082
(Decrease)/Increase in equity of unrestricted investment accountholders	(26,313)	56,550
Taxes paid	(7,036)	(3,321)
<b>Net cash generated from operating activities</b>	<b>13,746</b>	<b>114,304</b>
<b>INVESTING ACTIVITIES</b>		
Net changes in:		
Assets acquired for leasing	-	1,533
Sukuk and investment securities	(13,347)	(56,726)
Fixed assets	(5,337)	(368)
<b>Net cash used in investing activities</b>	<b>(18,684)</b>	<b>(55,561)</b>
<b>FINANCING ACTIVITY</b>		
Repayment of net ijarah liability	(782)	(1,328)
<b>Net cash used in financing activity</b>	<b>(782)</b>	<b>(1,328)</b>
Foreign currency translation adjustments	(7,277)	(5,904)
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(12,997)</b>	<b>51,511</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>125,656</b>	<b>225,530</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>112,659</b>	<b>277,041</b>

The above Condensed Consolidated Statement of Financial Position, Condensed Consolidated Income Statement, Condensed Consolidated Statement of Changes in Owners' Equity and Condensed Consolidated Statement of Cash Flows have been extracted from the Condensed Consolidated Interim Financial information of Ithmaar Bank B.S.C.(c) for the three-month period ended 31 March 2023, which were approved for issue by the Board of Directors and reviewed by KPMG Fakhro, Kingdom of Bahrain, who expressed an unqualified review conclusion on 6 June 2023.

HRH Prince Amr Mohamed Al Faisal  
Chairman

Elham Hasan  
Director

Abdulla Taleb  
CEO

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بنك الإثمار  
Ithmaar Bank