Ithmaar Holding reports 2020 results

MANAMA, BAHRAIN – 18 February 2021 – Ithmaar Holding B.S.C. (Trading symbol: ITHMR), a Bahrain-based holding company, announced its financial results for the year ended 31 December 2020.

The announcement, by Ithmaar Holding Chairman His Royal Highness Prince Amr Al Faisal, follows the review and approval of the Board of Directors of the Company's consolidated financial results.

Ithmaar Holding reported a net loss attributable to equity holders for the three-month period ended 31 December 2020 of US$38.43 million compared to the net loss of US$11.38 million reported for the same period in 2019.

Total net loss attributable to equity holders for the year ended 31 December 2020 was US$41.72 million, compared to the net profit of US$0.67 million reported for 2019. The decrease is mainly due to the economic impact of the Covid-19 pandemic.

Earnings Per Share (EPS) for the three-month period ended 31 December 2020 were negative US Cents 1.32, compared to negative US Cents 0.39 for the same period in 2019. EPS for the year ended 31 December 2020 was negative US Cents 1.43, compared to positive US Cents 0.02 for 2019.

Total net loss for the three-month period ended 31 December 2020 was US$30.26 million compared to the net loss of US$6.69 million reported for 2019 mainly due to impairment provisions during the period.

Total net loss for the year ended 31 December 2020 was US$21.48 million compared to the net profit of US$12.20 million reported for 2019.

Ithmaar Holding's total owners' equity stood at US$14.76 million as at 31 December 2020, an 85 percent decrease compared to US$95.55 million as at 31 December 2019. The reduction is mainly attributable to the dramatic economic slowdown caused by the Covid-19 pandemic. Accumulated losses, as at 31 December 2020, stood at US$833.80 million and amount to 110 percent of the share capital. Total assets remained stable at US$8.38 billion as at 31 December 2020, 4 percent higher than US$8.09 billion as at 31 December 2019.

Ithmaar Holding's investment portfolio comprises major financial institutions such as Ithmaar Bank, Faysal Bank Limited Pakistan, BBK and Solidarity Group Holding, in addition to several other non-financial investments including Naseej and Ithmaar Development Company.

In line with Ithmaar Holding's strategy of creating value for its shareholders, the Board of Directors is working on various initiatives to improve the capital position, which will strengthen the Company's consolidated equity.

As part of this strategy, Ithmaar Holding and the Bank of Bahrain and Kuwait (BBK) signed, in September 2020, a Memorandum of Understanding (MoU) on the potential acquisition by BBK of Ithmaar Bank's Bahrain operations as well as specific assets of IB Capital, a wholly-owned subsidiary of Ithmaar Holding. The plans, which are subject to due diligence by both parties, will require shareholders and regulatory approvals.

This press release and the full set of consolidated financial statements are available on the Bahrain Bourse website.

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<u>About Ithmaar Holding:</u>

Ithmaar Holding B.S.C. ("Ithmaar Holding or Ithmaar") is licensed as an investment firm and regulated by the Central Bank of Bahrain (CBB) and is listed on the Bahrain Bourse and Dubai Financial Market.

Ithmaar Holding owns two wholly-owned subsidiaries Ithmaar Bank B.S.C (closed) (Ithmaar Bank), an Islamic retail bank subsidiary which holds the core retail banking business, and IB Capital B.S.C. (closed) (IB Capital), an investment firm subsidiary, which holds investments and other non-core assets. The two subsidiaries are licensed and regulated by the CBB.

Ithmaar Bank provides a diverse range of Sharia-compliant products and services that cater to the financing and investment needs of individuals and institutions. Ithmaar also maintains a presence in overseas markets through its subsidiary, Faysal Bank Limited (Pakistan) and locally through Dilmunia Development Fund I L.P.

IB Capital maintains a presence in regional and overseas markets through its investments including in associated companies. These include Bahrain-based BBK, Ithmaar Development Company Limited, Solidarity (an Islamic insurance company) and Naseej.

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