Ithmaar Holding reports half-year results

MANAMA, BAHRAIN – 28 August 2022 – Ithmaar Holding B.S.C. (Trading symbol: ITHMR), a Bahrain-based holding company, announced its financial results for the six-month period ended 30 June 2022, including the second quarter of the year.

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 profit attributable to equity holders for the three-month period ended 30 June 2022 of US$7.94 million compared to the net loss of US$4.85 million reported for the same period in 2021, mainly due to increase in core income. Total net profit for the three-month period ended 30 June 2022 was US$11.66 million compared to the net loss of US$0.89 million reported for the same period in 2021. Earnings Per Share (EPS) for the three-month period ended 30 June 2022 was US Cents 0.27, compared to negative US Cents 0.17 for the same period in 2021.

Overall, Ithmaar Holding reported a net profit attributable to equity holders for the six-month period ended 30 June 2022 of US$9.08 million, an increase of 127 percent compared to the net profit of US$4 million reported for the same period in 2021. Total net profit for the six-month period ended 30 June 2022 was US$18.13 million compared to the net profit of US$12.96 million reported for the same period in 2021. The increase is mainly due to increase in core income. EPS for the six-month period ended 30 June 2022 was US Cents 0.31, compared to US Cents 0.14 for the same period in 2021.

During 2022, Ithmaar Holding's financial position was adversely impacted by the strengthening of the US Dollar against other global currencies, coupled with the political situation in Pakistan, resulting in the Pakistan Rupee-US Dollar parity depreciating significantly. This depreciation has resulted in foreign exchange translation impact of US$32 million from Ithmaar Holding's subsidiary in Pakistan, Faysal Bank Limited. Accordingly, Ithmaar Holding's total owners' equity decreased to US$6.04 million as at 30 June 2022, a 84.0 percent decrease compared to US$37.76 million as at 31 December 2021.

Accumulated losses reduced to US$790.44 million as at 30 June 2022 and amount to 104.3 percent of the share capital, compared to US$798.79 million as at 31 December 2021. Total assets stood at US$8.96 billion as at 30 June 2022, a marginal decrease of 0.8 percent compared to US$9.03 billion as at 31 December 2021.

At an Extraordinary General Meeting on 17 March 2022, Ithmaar Holding shareholders approved plans to sell some of the Company's key assets in Bahrain to Al Salam Bank (Bahrain Bourse Trading Code "SALAM", Dubai Financial Market Trading Code "SALAM_BAH"). The assets include Ithmaar Holdings' ownership stake in both BBK (Bahrain Bourse Trading Code: "BBK") and Solidarity Group Holding, one of the largest takaful groups globally and the parent of Solidarity Bahrain (Bahrain Bourse Trading Code: "SOLID"), as well as the consumer banking business of Ithmaar Bank, a Bahrain-based Islamic bank and a wholly-owned subsidiary of Ithmaar Holding. The transaction has been completed effective 7 July 2022.

As a result of the transaction, the presentation of the underlying assets in the Company's consolidated financial statements have changed accordingly. Accordingly, the assets and liabilities subject to the above transaction have been presented separately as 'held-for-sale' in the consolidated financial information in accordance with the relevant accounting standards.

Ithmaar Holding now retains a well-diversified portfolio of international and local financial and other assets, which include banking businesses in Bahrain and Pakistan. Ithmaar Bank, which remains a wholly-owned subsidiary of Ithmaar Holding, will continue as an Islamic bank that is licensed and regulated by the CBB and exclusively focused on corporate banking and related services, particularly the fast- growing SME.

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

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About Ithmaar Holding:

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 bank subsidiary which holds the core corporate 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 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 Ithmaar Development Company Limited, and Naseej.