Ithmaar Holding announces 2022 results

MANAMA, BAHRAIN – 20 February 2023 – Ithmaar Holding B.S.C. (Trading symbol Bahrain Bourse and Dubai Financial Markets: ITHMR), a Bahrain-based holding company, announced its 2022 financial results for the year ended 31 December 2022.

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 2022 of US$39.69 million compared to the net profit of US$37.13 million reported for the same period in 2021. Earnings Per Share (EPS) for the three-month period ended 31 December 2022 were negative US Cents 1.36, compared to US Cents 1.28 for the same period in 2021. Total net loss for the three-month period ended 31 December 2022 was US$36.09 million compared to the net profit of US$44.59 million reported for the same period in 2021. This is mainly due to prudent impairment provisions as well as higher taxation charges from the group' subsidiary in Pakistan.

Net loss attributable to equity holders for the year ended 31 December 2022 was US$38.39 million compared to the net profit of US$38.60 million reported for 2021. EPS for the year ended 31 December 2022 was negative US Cents 1.32, compared to US Cents 1.33 for 2021. Total net loss for the year ended 31 December 2022 was US$20.96 million compared to the net profit of US$60.32 million reported for 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$50 million from Ithmaar Holding's subsidiary in Pakistan, Faysal Bank Limited. Accordingly, Ithmaar Holding's total owners' equity decreased to US$4.57 million as at 31 December 2022, a 87.90 percent decrease compared to US$37.76 million as at 31 December 2021. Despite these challenges, Faysal Bank successfully completed its Islamic transformation during the year and was granted an Islamic banking license by the State Bank of Pakistan effective 1 January 2023.

Accumulated losses, as at 31 December 2022, increased to US$828.75 million and amount to 109 percent of the share capital. Total assets stood at US$6.06 billion as at 31 December 2022, a decrease of 33 percent than US$9.03 billion as at 31 December 2021. This is mainly due to the transaction with Al Salam Bank.

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.

Ithmaar Holding 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, continues to operate 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.