

ITHMAAR HOLDING B.S.C.

INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2022

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Review report on the interim condensed consolidated financial information to the Board of Directors of Ithmaar Holding B.S.C.

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Ithmaar Holding B.S.C. ("Ithmaar") and its subsidiaries (the "Group") as at 30 September 2022 and the related interim condensed consolidated income statement for the three and nine month periods then ended, and the related interim condensed consolidated statements of changes in owners' equity, cash flows and changes in restricted investment accounts for the nine month period then ended and explanatory notes. The directors are responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with the basis of preparation stated in note 2 to this interim condensed consolidated financial information. Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial information is not prepared, in all material respects, in accordance with the basis of preparation stated in note 2 to this interim condensed consolidated financial information.

A handwritten signature in blue ink that reads 'PricewaterhouseCoopers' in a cursive script.

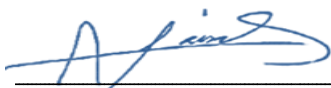
Elias Abi Nakhoul
Partner's registration number: 196
PricewaterhouseCoopers M.E Limited
Manama, Kingdom of Bahrain
13 November 2022

Ithmaar Holding B.S.C.**Interim condensed consolidated statement of financial position**

(Expressed in thousands of United States Dollars unless otherwise stated)

	Note	At 30 September 2022 (Reviewed)	At 31 December 2021 (Audited)
ASSETS			
Cash and balances with banks and central banks	3	373,769	545,116
Commodity and other placements with banks, financial and other institutions	4	47,310	249,569
Murabaha and other financings	5	1,185,872	2,190,974
Musharaka financing	6	1,410,809	1,425,743
Sukuk and investment securities	7	2,031,883	2,524,742
Investment in associates	8	100,332	676,933
Assets acquired for leasing		808	391,820
Insurance and related receivables		-	103,474
Other assets	9	220,513	180,624
Investment in real estate		244,091	256,319
Development properties		197,246	233,235
Fixed assets		122,803	171,774
Intangible assets		23,785	82,466
Total assets		5,959,221	9,032,789
LIABILITIES, EQUITY OF UNRESTRICTED INVESTMENT ACCOUNTHOLDERS AND TOTAL EQUITY			
LIABILITIES			
Customers' current accounts		1,676,913	1,903,979
Due to banks, financial and other institutions		1,276,226	1,367,702
Due to investors		72,502	1,114,187
Other liabilities		410,439	453,276
Insurance related reserves		-	129,734
Total liabilities		3,436,080	4,968,878
Equity of unrestricted investment accountholders	11	2,380,722	3,751,697
Total liabilities and equity of unrestricted investment accountholders		5,816,802	8,720,575
Share capital	12	757,690	757,690
Treasury shares	12	(30,149)	(30,149)
Reserves		76,231	109,009
Accumulated losses		(797,488)	(798,788)
Total owners' equity		6,284	37,762
Non-controlling interest		136,135	274,452
Total Equity		142,419	312,214
Total liabilities, equity of unrestricted investment accountholders and total equity		5,959,221	9,032,789

This interim condensed consolidated financial information was approved by the Board of Directors on 13 November 2022 and signed on its behalf by:



HRH Prince Amr Mohamed Al Faisal
Chairman



Elham Hasan



Abdulla Taleb
CEO

The notes 1 to 18 on pages 11 to 27 form an integral part of the interim condensed consolidated financial information.


Ithmaar Holding B.S.C.


Interim condensed consolidated income statement

(Expressed in thousands of United States Dollars unless otherwise stated)

Note	Nine months ended		Three months ended	
	30 September 2022 (Reviewed)	30 September 2021 (Reviewed)	30 September 2022 (Reviewed)	30 September 2021 (Reviewed)
INCOME				
Income from assets financed by unrestricted investment accounts	293,899	159,113	105,539	54,121
Less: return to unrestricted investment accountholders and impairment provisions	(149,562)	(80,974)	(57,258)	(28,233)
Group's share of income from unrestricted investment accounts as a Mudarib	144,337	78,139	48,281	25,888
Income from murabaha and other financings	27,135	50,574	9,886	12,873
Share of results after tax from associates	187	(2,008)	(1,246)	413
Income from investments	68,206	83,509	20,831	26,345
Other income	62,623	51,795	22,636	18,240
Total income	302,488	262,009	100,388	83,759
Less: profit paid to banks, financial and other institutions – net	(94,661)	(116,788)	(22,227)	(37,592)
Operating income	207,827	145,221	78,161	46,167
EXPENSES				
Administrative and general expenses	(116,114)	(116,521)	(38,971)	(37,851)
Depreciation and amortization	(17,389)	(23,676)	(3,719)	(7,917)
Total expenses	(133,503)	(140,197)	(42,690)	(45,768)
Net income before provision for impairment and overseas taxation	74,324	5,024	35,471	399
(Provision for)/reversal of impairment - net	10 (4,451)	7,087	2,193	(1,992)
Net income/(loss) before overseas taxation	69,873	12,111	37,664	(1,593)
Overseas taxation	(39,159)	(25,694)	(15,720)	(8,283)
NET INCOME/(LOSS) FROM CONTINUING OPERATIONS	30,714	(13,583)	21,944	(9,876)
Net results from discontinued operations	18 (15,592)	29,320	(24,954)	12,652
NET INCOME/(LOSS) FOR THE PERIOD	15,122	15,737	(3,010)	2,776
Attributable to:				
Equity holders of Ithmaar	1,300	1,476	(7,777)	(2,530)
Non-controlling interest	13,822	14,261	4,767	5,306
	15,122	15,737	(3,010)	2,776
Basic and diluted earnings/(losses) per share attributable to equity holders of Ithmaar	15 US Cts 0.04	US Cts 0.05	US Cts (0.27)	US Cts (0.09)
Basic and diluted earnings/(losses) per share - continuing operations attributable to equity holders of Ithmaar	15 US Cts 0.58	US Cts (0.96)	US Cts 0.59	US Cts (0.52)

This interim condensed consolidated financial information was approved by the Board of Directors on 13 November 2022 and signed on its behalf by:


 HRH Prince Amr Mohamed Al Faisal


 Elham Hasan
 Director


 Abdulla Taleb
 CEO

The notes 1 to 18 on pages 11 to 27 form an integral part of the interim condensed consolidated financial information.

Ithmaar Holding B.S.C.

Interim condensed consolidated statement of changes in owners' equity for the nine month period ended 30 September 2022

(Expressed in thousands of United States Dollars unless otherwise stated)

	Reserves									Accumulated losses	Total owners' equity	Non-controlling interest	Total Equity
	Share capital	Treasury shares	Share premium	Statutory reserve	General reserve	Investments fair value reserve	Hedging reserve	Investment in real estate fair value reserve	Foreign currency translation				
At 1 January 2022 (Audited)	757,690	(30,149)	149,085	42,345	50,727	(2,882)	(3,581)	4,551	(131,236)	(798,788)	37,762	274,452	312,214
Net income for the period	-	-	-	-	-	-	-	-	-	1,300	1,300	13,822	15,122
Movement from dividend distribution by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(13,803)	(13,803)
Movement due to sale of assets	-	-	-	-	-	-	-	-	-	-	-	(103,124)	(103,124)
Movement in fair value of sukuk and investment securities	-	-	-	-	-	(9,653)	-	-	-	-	(9,653)	(2,403)	(12,056)
Movement in fair value of investment in real estate	-	-	-	-	-	-	-	(1,129)	-	-	(1,129)	-	(1,129)
Movement in hedging reserve	-	-	-	-	-	-	3,581	-	-	-	3,581	-	3,581
Movement in fair value reserve of associates	-	-	-	-	-	19,162	-	-	-	-	19,162	-	19,162
Foreign currency translation adjustments	-	-	-	-	-	385	-	(630)	(44,494)	-	(44,739)	(32,809)	(77,548)
At 30 September 2022 (Reviewed)	757,690	(30,149)	149,085	42,345	50,727	7,012	-	2,792	(175,730)	(797,488)	6,284	136,135	142,419

The notes 1 to 18 on pages 11 to 27 form an integral part of the interim condensed consolidated financial information.

Ithmaar Holding B.S.C.

Interim condensed consolidated statement of changes in owners' equity for the nine month period ended 30 September 2021

(Expressed in thousands of United States Dollars unless otherwise stated)

	Reserves										Total owners' equity	Non-controlling interest	Total Equity
	Share capital	Treasury shares	Share premium	Statutory reserve	General reserve	Investments fair value reserve	Hedging reserve	Investment in real estate fair value reserve	Foreign currency translation	Accumulated losses			
At 1 January 2021 (Audited)	757,690	(30,149)	149,085	38,485	50,727	(4,216)	(7,324)	4,491	(110,230)	(833,797)	14,762	277,375	292,137
Net income for the period	-	-	-	-	-	-	-	-	-	1,476	1,476	14,261	15,737
Increase in shareholding of subsidiary	-	-	-	-	-	-	-	-	-	781	781	(781)	-
Movement from dividend distribution by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(2,231)	(2,231)
Movement in fair value of sukuk and investment securities	-	-	-	-	-	4,706	-	-	-	-	4,706	(4,357)	349
Movement in hedging reserve	-	-	-	-	-	-	3,560	-	-	-	3,560	-	3,560
Movement in fair value reserve of associates	-	-	-	-	-	4,496	-	-	-	-	4,496	-	4,496
Foreign currency translation adjustments	-	-	-	-	-	(334)	-	(106)	(17,318)	-	(17,758)	(7,049)	(24,807)
At 30 September 2021 (Reviewed)	757,690	(30,149)	149,085	38,485	50,727	4,652	(3,764)	4,385	(127,548)	(831,540)	12,023	277,218	289,241

The notes 1 to 18 on pages 11 to 27 form an integral part of the interim condensed consolidated financial information.

Ithmaar Holding B.S.C.
Interim condensed consolidated statement of cash flows
(Expressed in thousands of United States Dollars unless otherwise stated)

		Nine months ended	
	Note	30 September 2022	30 September 2021
		(Reviewed)	(Reviewed)
OPERATING ACTIVITIES			
Net income before overseas taxation from:			
Continuing operations		69,873	12,111
Discontinued operations		(15,592)	29,320
Adjustments for:			
Depreciation and amortization		17,389	23,676
Share of results after tax from associates		(187)	2,008
Provision for/(reversal of) impairment - net	10	4,451	(7,087)
Income from investments		(68,206)	(83,509)
Finance cost on net ijarah liability		5,461	5,751
Loss on sale of fixed assets		(133)	(1,532)
Operating profit/(loss) before changes in operating assets and liabilities		13,056	(19,262)
Changes in operating assets and liabilities:			
Balances with banks maturing after ninety days including central banks balances relating to minimum reserve requirement		13,520	15,199
Murabaha and other financings		57,119	198,099
Musharaka financing		(296,656)	(488,866)
Other assets		(158,958)	(53,734)
Customers' current accounts		162,033	213,146
Due to banks, financial and other institutions		110,510	271,827
Due to investors		(31,132)	547
Other liabilities		173,341	37,531
Increase in equity of unrestricted investment accountholders		79,442	279,458
Taxes paid		(43,843)	(32,661)
Net cash generated from operating activities		78,432	421,284
INVESTING ACTIVITIES			
Net changes in:			
Investment in associates		-	(205)
Investment in real estate		-	2,130
Assets acquired for leasing		12,273	(12,297)
Sukuk and investment securities		(249,809)	(308,894)
Fixed assets		(16,605)	(12,303)
Dividend received from associates		20,706	22,777
Net cash used in investing activities		(233,435)	(308,792)
FINANCING ACTIVITY			
Repayment of net ijarah liability		(10,133)	(11,000)
Net cash used in financing activity		(10,133)	(11,000)
Foreign currency translation adjustments		(76,474)	(29,348)
Net (decrease)/increase in cash and cash equivalents		(241,610)	72,144
Cash and cash equivalents at the beginning of the period		621,220	754,107
Cash and cash equivalents at the end of the period	4	379,610	826,251

Note: For non-cash transactions, please refer note 18

The notes 1 to 18 on pages 11 to 27 form an integral part of the interim condensed consolidated financial information.

Ithmaar Holding B.S.C.

**Interim condensed consolidated statement of changes in restricted investment accounts
for the nine month period ended 30 September 2022**

(Expressed in thousands of United States Dollars unless otherwise stated)

	At 1 January 2022	Foreign exchange movements	At 30 September 2022
Shamil Bosphorus Modaraba*	6,250	-	6,250
European Real Estate Placements*	12,713	(3,287)	9,426
US Real Estate Placements*	25,236	-	25,236
TOTAL (Reviewed)	44,199	(3,287)	40,912

* Income/(loss) will be recognised and distributed at the time of disposal of the underlying investments.

The notes 1 to 18 on pages 11 to 27 form an integral part of the interim condensed consolidated financial information.

Ithmaar Holding B.S.C.

**Interim condensed consolidated statement of changes in restricted investment accounts
for the nine month period ended 30 September 2021**

(Expressed in thousands of United States Dollars unless otherwise stated)

	At 1 January 2021	Foreign exchange movements	At 30 September 2021
Shamil Bosphorus Modaraba*	6,250	-	6,250
European Real Estate Placements*	12,748	1,902	14,650
US Real Estate Placements*	25,236	-	25,236
TOTAL (Reviewed)	44,234	1,902	46,136

* Income/(loss) will be recognised and distributed at the time of disposal of the underlying investments.

The notes 1 to 18 on pages 11 to 27 form an integral part of the interim condensed consolidated financial information.

Ithmaar Holding B.S.C.

Notes to interim condensed consolidated financial information for the nine month period ended 30 September 2022

1 INCORPORATION AND ACTIVITIES

Ithmaar Holding B.S.C. (formerly Ithmaar Bank B.S.C.) ("Ithmaar") was incorporated in the Kingdom of Bahrain on 13 August 1984 and was licensed as an investment bank regulated by the Central Bank of Bahrain (the "CBB").

Dar Al-Maal Al-Islami Trust ("DMIT"), a Trust incorporated in the commonwealth of Bahamas is the parent company of Ithmaar.

The principal activities of Ithmaar and its subsidiaries (collectively the "Group") include a wide range of financial services, including retail, commercial, investment banking, private banking, takaful and real estate development.

Ithmaar's activities are regulated by the CBB and are subject to the supervision of Shari'a Supervisory Board.

Ithmaar's shares are listed on the Bahrain Bourse and Dubai Financial Market.

The Group's activities also include acting as a Mudarib (manager, on a trustee basis), of funds deposited for investment in accordance with Islamic laws and principles particularly with regard to the prohibition of receiving or paying interest. These funds are included in the interim condensed consolidated financial information as equity of unrestricted investment accountholders and restricted investment accounts. In respect of equity of unrestricted investment accountholders, the investment accountholders authorise the Group to invest the accountholders' funds in a manner which the Group deems appropriate without laying down any restrictions as to where, how and for what purpose the funds should be invested. In respect of restricted investment accounts, the investment accountholders impose certain restrictions as to where, how and for what purpose the funds are to be invested. Further, the Group may be restricted from commingling its own funds with the funds of restricted investment accounts.

The Group carries out its business activities through its head office and its following principal subsidiaries:

	% owned		Country of Incorporation	Principal business activity
	30 September 2022	31 December 2021		
<u>Direct subsidiaries</u>				
Ithmaar Bank B.S.C. (C)	100	100	Kingdom of Bahrain	Banking
IB Capital B.S.C. (C)	100	100	Kingdom of Bahrain	Asset management
Faisal Private Bureau (Switzerland) S.A.	100	100	Switzerland	Wealth and asset management
Shamil Financial (Luxembourg) S.A.	100	100	Luxembourg	Investment holding
<u>Principal indirect subsidiaries</u>				
Faysal Bank Limited	67	67	Pakistan	Banking
Solidarity Group Holding B.S.C. (C) (note 18)	Nil	56	Kingdom of Bahrain	Takaful
Ithmaar Development Company Limited	100	100	Cayman Islands	Real estate
Health Island W.L.L.	50	50	Kingdom of Bahrain	Real estate
Dilmunia Development Fund I L.P.	92	92	Cayman Islands	Real estate
City View Real Estate Development Co. B.S.C. (C)	51	51	Kingdom of Bahrain	Real estate

Islamic Investment Company of the Gulf (Bahamas) Limited (IICG), a company incorporated in the Commonwealth of Bahamas and owned 100% by DMIT, is an affiliate of Ithmaar.

- 1.1 As of 30 September 2022, the total consolidated equity of the Group stood at \$6.3 million as compared to \$37.8 million as at 31 December 2021. The current equity is still above the minimum threshold required for Category 1 investment firm license. The Board of Directors of Ithmaar is working on various initiatives to strengthen the Group's consolidated equity and solvency.

On 17 March 2022, the Board of Directors (the "Board") summoned an Extraordinary General Meeting of the shareholders as per Article 64(7) of the Group articles of association. The Board has recommended measures such as setting off the accumulated losses against the share capital. However, this will be contemplated by Q1 2023 after the completion of the transaction with Al Salam Bank and will be presented to the shareholders for their consideration and approval subject to the approvals of the competent authorities.

The Group's management assessed its liquidity and equity projections of the entity subsequent to the transaction with Al Salam Bank B.S.C. for the coming twelve months from the date of issue of this interim condensed consolidated financial information. The management's assessment includes following assumptions:

- No change in status of sanctioned liabilities and accordingly no repayments.
- Stressing the expected outflows of the liabilities.
- Stressing the expected inflows from assets.
- Ability to maintain core deposits through increased focus on corporate customers as part of the new business model of the remaining entity (evidenced by actual cash flows till the reporting date).
- Reduction in operation expenses resulting from a leaner remaining entity post transaction with Al Salam.
- Increased availability of liquid assets in the form of interbank liquidity support facility; and
- Use of ALCO approved rollover/ renewal related behavioural patterns of liabilities post the transaction.
- Availability of Sukuks having a carrying value of \$99 million post Al Salam deal for liquidity purpose.

The Board of Directors has reviewed the above projections and believe that the Group will be able to continue its business without any significant curtailment of operations and meet its obligations for a period of at least one year from the date of issue of this interim condensed consolidated financial information. Accordingly, the interim condensed consolidated financial information is prepared on a going concern basis.

2 SIGNIFICANT GROUP ACCOUNTING POLICIES

Basis of preparation

The interim condensed consolidated financial information has been prepared using accounting policies consistent with those adopted by the Group in its consolidated financial statements for the year ended 31 December 2021, which were prepared in accordance with the Financial Accounting Standards issued by the Accounting and Auditing Organisation for Islamic Financial Institutions (AAOIFI), the Shari'a rules and principles as determined by the Shari'a Supervisory Board of the Bank, the Bahrain Commercial Companies Law, Central Bank of Bahrain (CBB) and the Financial Institutional Law. In accordance with the requirement of AAOIFI, for matters where no AAOIFI standards exist, the Group uses the relevant International Financial Reporting Standards (IFRS).

In line with the requirements of AAOIFI and the CBB rule book, for matters not covered under AAOIFI standards the Group uses guidance from the relevant International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"). Accordingly, the interim condensed consolidated financial information of the Group has been presented in condensed form in accordance with the guidance provided by International Accounting Standard 34 – 'Interim Financial Reporting'.

The accounting policies used in the preparation of annual audited consolidated financial statements of the Group for the years ended 31 December 2021 and 31 December 2020 were in accordance with FAS as modified by CBB (refer to the Group's audited financial statements for the year ended 31 December 2021 for the details of the COVID-19 related modifications applied). Since the CBB modification was specific to the financial year 2020 and no longer apply to both the current and comparative periods presented, the Group's interim financial information for the nine months ended 30 September 2022 has been prepared in accordance with FAS issued by AAOIFI (without any modifications).

The interim condensed consolidated financial information of the Group does not contain all information and disclosures required for the annual audited consolidated financial statements and should be read in conjunction with the Group's annual audited consolidated financial statements for the year ended 31 December 2021. Further, results for the interim periods are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2022.

The Group has certain assets, liabilities and related income and expenses which are not Sharia compliant as these existed before Ithmaar (the parent) converted to an Islamic retail bank in April 2010. These are currently presented in accordance with AAOIFI standards in the interim condensed consolidated financial information for the nine month period ended 30 September 2022 as appropriate.

The Sharia Supervisory Board has approved the Sharia Compliance Plan ("Plan") for conversion of assets and liabilities which are not Sharia Compliant. The Sharia Supervisory Board is monitoring the implementation of this Plan.

Except for the modification and the new standards, the accounting policies and methods of computation applied by the Group in the preparation of the interim condensed consolidated financial information are the same as those used in the preparation of the Group audited consolidated financial statements as at and for the year ended 31 December 2021, except for adoption of following standards and amendments to standards effective from 1 January 2022. Adoption of these standards and amendments did not result in changes to previously reported net profit or equity of the Group, however it has resulted in additional disclosures.

2 SIGNIFICANT GROUP ACCOUNTING POLICIES (continued)

A. New standards, amendments, and interpretations issued and effective for annual periods beginning on or after 1 January 2022

(i) FAS 38 Wa'ad, Khiyar and Tahawwut

AAOIFI has issued FAS 38 Wa'ad, Khiyar and Tahawwut in 2020. The objective of this standard is to prescribe the accounting and reporting principles for recognition, measurement and disclosures in relation to shariah compliant Wa'ad (promise), Khiyar (option) and Tahawwut (hedging) arrangements for Islamic financial institutions. This standard is effective for the financial reporting periods beginning on or after 1 January 2022.

This standard classifies Wa'ad and Khiyar arrangements into two categories as follows:

- a) "ancillary Wa'ad or Khiyar" which is related to a structure of transaction carried out using other products i.e. Murabaha, Ijarah Muntahia Bittamleek, etc.; and
- b) "product Wa'ad and Khiyar" which is used as a stand-alone Shariah compliant arrangement.

Further, the standard prescribes accounting for constructive obligations and constructive rights arising from the stand-alone Wa'ad and Khiyar products.

The Group does not have any significant impact on adoption of this standard.

B. New standards, amendments, and interpretations issued but not yet effective

(i) FAS 39 Financial Reporting for Zakah

AAOIFI has issued FAS 39 Financial Reporting for Zakah in 2021. The objective of this standard is to establish principles of financial reporting related to Zakah attributable to different stakeholders of an Islamic financial Institution. This standard supersedes FAS 9 Zakah and is effective for the financial reporting periods beginning on or after 1 January 2023 with an option to early adopt.

This standard shall apply to institution with regard to the recognition, presentation and disclosure of Zakah attributable to relevant stakeholders. While computation of Zakah shall be applicable individually to each institution within the Group, this standard shall be applicable on all consolidated and separate / standalone financial statements of an institution.

This standard does not prescribe the method for determining the Zakah base and measuring Zakah due for a period. An institution shall refer to relevant authoritative guidance for determination of Zakah base and to measure Zakah due for the period.

The Group is currently evaluating and assessing the impact of adopting this standard.

(ii) FAS 1 General Presentation and Disclosures in the Financial Statements

AAOIFI has issued the revised FAS 1 General Presentation and Disclosures in the Financial Statements in 2021. This standard describes and improves the overall presentation and disclosure requirements prescribed in line with the global best practices and supersedes the earlier FAS 1. It is applicable to all the Islamic Financial Institutions and other institutions following AAOIFI FAS's. This standard is effective for the financial reporting periods beginning on or after 1 January 2023 with an option to early adopt.

Some of the significant revisions to the standard are as follows:

- a) Revised conceptual framework is now integral part of the AAOIFI FAS's;
- b) Definition of Quassi equity is introduced;
- c) Definitions have been modified and improved;
- d) Concept of comprehensive income has been introduced;
- e) Institutions other than Banking institutions are allowed to classify assets and liabilities as current and non-current;
- f) Disclosure of Zakah and Charity have been relocated to the notes;
- g) True and fair override has been introduced;
- h) Treatment for change in accounting policies, change in estimates and correction of errors has been introduced;
- i) Disclosures of related parties, subsequent events and going concern have been improved;
- j) Improvement in reporting for foreign currency, segment reporting;
- k) Presentation and disclosure requirements have been divided into three parts. First part is applicable to all institutions, second part is applicable only to banks and similar FI's and third part prescribes the authoritative status, effective date and amendments to other AAOIFI FAS's; and
- l) The illustrative financial statements are not part of this standard and will be issued separately.

The Group is assessing the impact of adoption of this standard and expects changes in certain presentation and disclosures in its consolidated financial statements.

Ithmaar Holding B.S.C.
Notes to interim condensed consolidated financial information
for the nine month period ended 30 September 2022
(Expressed in thousands of United States Dollars unless otherwise stated)

3 CASH AND BALANCES WITH BANKS AND CENTRAL BANKS

	30 September 2022			31 December 2021		
	Relating to owners	Relating to unrestricted investment accounts	Total	Relating to owners	Relating to unrestricted investment accounts	Total
Cash reserve with central banks	30,823	10,646	41,469	92,402	18,010	110,412
Cash and balances with banks and central banks	71,321	260,979	332,300	248,250	186,454	434,704
	102,144	271,625	373,769	340,652	204,464	545,116

4 COMMODITY AND OTHER PLACEMENTS WITH BANKS, FINANCIAL AND OTHER INSTITUTIONS

	30 September 2022			31 December 2021		
	Relating to owners	Relating to unrestricted investment accounts	Total	Relating to owners	Relating to unrestricted investment accounts	Total
Commodity placements	47,422	-	47,422	249,700	-	249,700
Less: expected credit loss	(112)	-	(112)	(131)	-	(131)
	47,310	-	47,310	249,569	-	249,569

Cash and cash equivalents for the purpose of interim condensed consolidated statements of cash flows are as follows:

	30 September 2022			30 September 2021		
	Relating to owners	Relating to unrestricted investment accounts	Total	Relating to owners	Relating to unrestricted investment accounts	Total
Cash and balances with banks and central banks (note 3)	102,144	271,625	373,769	477,874	144,111	621,985
Commodity and other placements with banks, financial and other institutions - net	47,310	-	47,310	346,343	24,217	370,560
Less: Placements with original maturing after ninety days	-	-	-	(54,399)	-	(54,399)
Less: Balances with central banks relating to minimum reserve requirement (note 3)	(30,823)	(10,646)	(41,469)	(98,572)	(13,323)	(111,895)
	118,631	260,979	379,610	671,246	155,005	826,251

Ithmaar Holding B.S.C.
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5 MURABAHA AND OTHER FINANCINGS

	30 September 2022			31 December 2021		
	Relating to owners	Relating to unrestricted investment accounts	Total	Relating to owners	Relating to unrestricted investment accounts	Total
Murabaha and other financings	617,838	861,445	1,479,283	760,241	1,788,170	2,548,411
Less: expected credit loss	(226,806)	(66,605)	(293,411)	(289,193)	(68,244)	(357,437)
	391,032	794,840	1,185,872	471,048	1,719,926	2,190,974

The movement in expected credit loss is as follows:

	30 September 2022			31 December 2021		
	Relating to owners	Relating to unrestricted investment accounts	Total	Relating to owners	Relating to unrestricted investment accounts	Total
At 1 January	289,193	68,244	357,437	314,205	47,340	361,545
Charge for the period/year	9,371	88	9,459	31,053	23,076	54,129
Write back during the period/year	(10,983)	(1,500)	(12,483)	(29,981)	(529)	(30,510)
Utilised during the period/year	(4,120)	(142)	(4,262)	(14,880)	(667)	(15,547)
Movement due to sale of assets	(34,812)	-	(34,812)	-	-	-
Reclassification	-	2,516	2,516	(319)	-	(319)
Exchange differences and other movements	(21,843)	(2,601)	(24,444)	(10,885)	(976)	(11,861)
	226,806	66,605	293,411	289,193	68,244	357,437

6 MUSHARAKA FINANCING

	30 September 2022			31 December 2021		
	Relating to owners	Relating to unrestricted investment accounts	Total	Relating to owners	Relating to unrestricted investment accounts	Total
Musharaka financing	133	1,429,133	1,429,266	115	1,439,478	1,439,593
Less: expected credit loss	-	(18,457)	(18,457)	-	(13,850)	(13,850)
	133	1,410,676	1,410,809	115	1,425,628	1,425,743

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7 SUKUK AND INVESTMENT SECURITIES

	30 September 2022			31 December 2021		
	Relating to owners	Relating to unrestricted investment accounts	Total	Relating to owners	Relating to unrestricted investment accounts	Total
Investment securities at fair value through income statement						
Debt-type instruments – listed	3,943	-	3,943	174	-	174
Debt-type instruments – unlisted		-	-	66,022	-	66,022
Equity-type securities – listed	5,051	-	5,051	4,916	-	4,916
	8,994	-	8,994	71,112	-	71,112
Investment securities at fair value through equity						
Debt-type instruments – listed	102,800	83,688	186,488	187,535	90,153	277,688
Debt-type instruments – unlisted	250,259	1,359,767	1,610,026	760,857	846,482	1,607,339
Equity-type securities – listed	42,050	438	42,488	82,482	567	83,049
Equity-type securities – unlisted	200,619	-	200,619	293,924	-	293,924
	595,728	1,443,893	2,039,621	1,324,798	937,202	2,262,000
Less: expected credit loss	(159,830)	-	(159,830)	(209,541)	-	(209,541)
	435,898	1,443,893	1,879,791	1,115,257	937,202	2,052,459
Investment securities carried at amortised cost						
Other debt-type instruments – listed	-	98,673	98,673	43,788	313,329	357,117
Other debt-type instruments – unlisted	8,048	42,940	50,988	10,424	42,259	52,683
	8,048	141,613	149,661	54,212	355,588	409,800
Less: expected credit loss	(6,563)	-	(6,563)	(8,629)	-	(8,629)
	1,485	141,613	143,098	45,583	355,588	401,171
	446,377	1,585,506	2,031,883	1,231,952	1,292,790	2,524,742

Ithmaar Holding B.S.C.

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7 SUKUK AND INVESTMENT SECURITIES (continued)

A hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the Group's market assumptions. These two types of inputs have created the following fair value hierarchy:

Level 1 – Quoted prices (unadjusted) in active markets for identical investments.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the investments, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3 – Inputs for the investments that are not based on observable market data (unobservable inputs).

This hierarchy requires the use of observable market data when available. The Group considers relevant and observable market prices in its valuations where possible.

Investments measured at fair value

	Level 1	Level 2	Level 3	Total
At 30 September 2022				
Investment securities at fair value through income statement				
Debt-type instruments	3,943	-	-	3,943
Equity-type securities	5,051	-	-	5,051
	8,994	-	-	8,994
Investment securities at fair value through equity				
Debt-type instruments – listed	186,068	-	-	186,068
Debt-type instruments – unlisted	-	1,609,645	-	1,609,645
Equity-type securities	26,413	13,721	43,944	84,078
	212,481	1,623,366	43,944	1,879,791

	Level 1	Level 2	Level 3	Total
At 31 December 2021				
Investment securities at fair value through income statement				
Debt-type instruments	174	66,022	-	66,196
Equity-type securities	4,916	-	-	4,916
	5,090	66,022	-	71,112
Investment securities at fair value through equity				
Debt-type instruments – listed	277,147	-	-	277,147
Debt-type instruments – unlisted	-	1,606,581	-	1,606,581
Equity-type securities	74,528	10,400	83,803	168,731
	351,675	1,616,981	83,803	2,052,459

Reconciliation of Level 3 Items

	Investment securities at fair value through equity	
	30 September 2022	31 December 2021
Opening balance	83,803	72,248
Total losses recognised in		
- Income statement	(4,740)	(5,963)
- Equity	(418)	(1,191)
Purchases	-	6,011
Movement due to sale of assets	(34,701)	-
Other movement	-	12,698
Closing balance	43,944	83,803

Ithmaar Holding B.S.C.**Notes to interim condensed consolidated financial information****for the nine month period ended 30 September 2022**

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8 INVESTMENT IN ASSOCIATES

Investment in associated entities, as adjusted for the Group's share of their results comprise:

Name of entity	30 September 2022	% of Share- holding	31 December 2021	% of Share- holding	Country	Activity
Unlisted:						
Citic International Assets Management Limited	25,183	20	29,253	20	Hong Kong	Asset management
Naseej B.S.C. (c)	70,919	31	72,564	31	Bahrain	Infrastructure
Health 360 Ancillary Services W.L.L.*	-	-	490	20	Bahrain	Third party administratc
Faysal Saving Growth Fund	3,058	26	6,105	35	Pakistan	Mutual funds
Faysal Asset Allocation Fund*	-	-	411	23	Pakistan	Mutual funds
Faysal Islamic Stock Fund	1,172	30	-	0	Pakistan	Mutual funds
Listed:						
Bank of Bahrain and Kuwait B.S.C. (note 18)	-	-	568,110	26	Bahrain	Banking
	100,332		676,933			

*These associates were disposed during the nine month period ended 30 September 2022.

Summarised financial position/performance of associates that have been equity accounted:

	30 September 2022	31 December 2021
Total assets	409,676	10,169,973
Total liabilities	37,555	8,352,352
Total revenues	6,125	328,722
Total net profit	4,540	150,311

In case of associates where audited/reviewed financial statements are not available, the Group's share of results is arrived at by using the latest available financial information.

Ithmaar Holding B.S.C.

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9 OTHER ASSETS

	30 September 2022			31 December 2021		
	Relating to owners	Relating to unrestricted investment accounts	Total	Relating to owners	Relating to unrestricted investment accounts	Total
Accounts receivable	128,309	127,283	255,592	141,385	83,925	225,310
Due from related parties (note 13)	186	-	186	684	-	684
Taxes – deferred	5,288	3,915	9,203	9,326	1,164	10,490
Taxes – current	8,743	-	8,743	525	-	525
Non-current assets held for sale	20,294	4,384	24,678	23,623	-	23,623
	162,820	135,582	298,402	175,543	85,089	260,632
Less: expected credit loss	(68,477)	(9,412)	(77,889)	(67,904)	(12,104)	(80,008)
	94,343	126,170	220,513	107,639	72,985	180,624

10 PROVISION FOR IMPAIRMENT

	30 September 2022			31 December 2021		
	Relating to owners	Relating to unrestricted investment accounts	Total	Relating to owners	Relating to unrestricted investment accounts	Total
At 1 January	736,468	94,198	830,666	830,116	69,886	900,002
Charge for the period/year	17,572	12,954	30,526	46,210	32,954	79,164
Write back during the period/year	(13,121)	(5,632)	(18,753)	(73,618)	(5,678)	(79,296)
Movement due to sale of assets	(50,028)	-	(50,028)	-	-	-
Utilised during the period/year	(54,957)	(142)	(55,099)	(47,010)	(667)	(47,677)
Exchange differences and other movements	(29,645)	(6,900)	(36,545)	(19,230)	(2,297)	(21,527)
	606,289	94,478	700,767	736,468	94,198	830,666

During the nine month period ended 30 September 2022, the Group has recorded a net provision for impairment amounting to \$11.7 million (30 September 2021 \$17.1 million).

Ithmaar Holding B.S.C.

Notes to interim condensed consolidated financial information

for the nine month period ended 30 September 2022

(Expressed in thousands of United States Dollars unless otherwise stated)

10 PROVISION FOR IMPAIRMENT (continued)

The following table sets out information about the credit quality of financings and receivables. Unless specifically indicated, for financial assets, the amounts in the table represent gross carrying amounts.

30 September 2022

	Stage 1	Stage 2	Stage 3	Total
Commodity and other placements with banks, financial and other institutions				
Gross exposure	47,422	-	-	47,422
Less: expected credit loss	(112)	-	-	(112)
Net exposure	47,310	-	-	47,310
Murabaha and other financings				
Gross exposure	614,169	515,447	349,667	1,479,283
Less: expected credit loss	(10,076)	(76,021)	(207,314)	(293,411)
Net exposure	604,093	439,426	142,353	1,185,872
Musharaka financing				
Gross exposure	1,266,601	152,613	10,052	1,429,266
Less: expected credit loss	(5,969)	(6,910)	(5,578)	(18,457)
Net exposure	1,260,632	145,703	4,474	1,410,809
Assets acquired for leasing (including Ijara receivables)				
Gross exposure	-	1,569	-	1,569
Less: expected credit loss	-	(761)	-	(761)
Net exposure	-	808	-	808
Other assets				
Gross exposure	239,755	-	58,647	298,402
Less: expected credit loss	(19,242)	-	(58,647)	(77,889)
Net exposure	220,513	-	-	220,513
Total gross exposure	2,167,947	669,629	418,366	3,255,942
Less: Total expected credit loss	(35,399)	(83,692)	(271,539)	(390,630)
Total Net exposure	2,132,548	585,937	146,827	2,865,312

31 December 2021

Commodity and other placements with banks, financial and other institutions				
Gross exposure	249,700	-	-	249,700
Less: expected credit loss	(131)	-	-	(131)
Net exposure	249,569	-	-	249,569
Murabaha and other financings				
Gross exposure	1,412,594	707,515	428,302	2,548,411
Less: expected credit loss	(28,264)	(78,574)	(250,599)	(357,437)
Net exposure	1,384,330	628,941	177,703	2,190,974
Musharaka financing				
Gross exposure	1,383,344	46,760	9,489	1,439,593
Less: expected credit loss	(5,984)	(4,071)	(3,795)	(13,850)
Net exposure	1,377,360	42,689	5,694	1,425,743
Assets acquired for leasing (including Ijara receivables)				
Gross exposure	437,066	2,921	867	440,854
Less: expected credit loss	(1,621)	(28)	(867)	(2,516)
Net exposure	435,445	2,893	-	438,338
Other assets				
Gross exposure	138,422	11,119	62,057	211,598
Less: expected credit loss	(15,268)	(167)	(62,057)	(77,492)
Net exposure	123,154	10,952	-	134,106
Total gross exposure	3,621,126	768,315	500,715	4,890,156
Less: Total expected credit loss	(51,268)	(82,840)	(317,318)	(451,426)
Total Net exposure	3,569,858	685,475	183,397	4,438,730

Ithmaar Holding B.S.C.**Notes to interim condensed consolidated financial information
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11 EQUITY OF UNRESTRICTED INVESTMENT ACCOUNTHOLDERS

The funds received from Unrestricted Investment Accountholders (URIA) are invested on their behalf without recourse to the Group as follows:

	30 September 2022	31 December 2021
Cash and balances with banks and central banks	271,625	204,464
Murabaha and other financings	794,840	1,719,926
Musharaka financing	1,410,676	1,425,628
Sukuk and investment securities	1,585,506	1,292,790
Assets acquired for leasing	-	390,898
Investment in real estate	5,062	-
Other assets	126,170	72,985
Fixed assets	45,926	56,897
Due from the Owners (net)	73,324	532,697
	4,313,129	5,696,285
Customers' current accounts	(1,248,574)	(1,279,085)
Due to banks, financial and other institutions	(552,390)	(481,238)
Other liabilities	(131,443)	(184,265)
Equity of unrestricted investment accountholders	2,380,722	3,751,697

12 SHARE CAPITAL

	Number of shares (thousands)	Share capital
Authorised	8,000,000	2,000,000
Issued and fully paid		
Total outstanding as at 1 January 2022	3,030,755	757,690
Treasury shares	(120,595)	(30,149)
At 30 September 2022 (Reviewed)	2,910,160	727,541
Issued and fully paid		
Total outstanding as at 1 January 2021	3,030,755	757,690
Treasury shares	(120,595)	(30,149)
At 31 December 2021 (Audited)	2,910,160	727,541

Ithmaar's total issued and fully paid share capital at 30 September 2022 comprises 3,030,755,027 shares at \$0.25 per share amounting to \$757,690 thousands. The share capital of Ithmaar is denominated in United States dollars and these shares are listed on Bahrain Bourse in United States dollars and Dubai Financial Market in Arab Emirates Dirham.

Ithmaar owned 120,595,238 (31 December 2021: 120,595,238) of its own shares at 30 September 2022. The shares are held as treasury shares and Ithmaar has the right to reissue these shares at a later date.

Ithmaar Holding B.S.C.**Notes to interim condensed consolidated financial information
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13 RELATED PARTY TRANSACTIONS AND BALANCES

Parties are considered to be related if one party has the ability to control the other party or to exercise significant influence or joint control over the other party in making financial and operating decisions.

- (a) Directors and companies in which they have an ownership interest.
- (b) Major shareholders of Ithmaar, Ultimate Parent and companies in which Ultimate Parent has ownership interest and subsidiaries of such companies (affiliates).
- (c) Associated companies of Ithmaar.
- (d) Senior management.

A related party transaction is a transfer of resources, services, or obligations between related parties, regardless of whether a price is charged.

Significant balances with related parties comprise:

	30 September 2022				
	Shareholders & Affiliates	Associates and other investments	Directors and related entities	Senior management	Total
Assets					
Murabaha and other financings	370,984	-	-	-	370,984
Investment in associates	-	100,332	-	-	100,332
Other assets	-	-	-	186	186
Liabilities					
Customers' current accounts	11,456	2,124	-	-	13,580
Due to banks, financial and other institutions	40,777	5,094	-	-	45,871
Other liabilities	173	-	-	-	173
Income					
Income from murabaha and other financings	2,830	-	-	-	2,830
Share of results after tax from associates	-	187	-	-	187
Profit paid to banks, financial and other institutions – net	(125)	(54)	-	-	(179)
Expenses					
Administrative and general expenses	(600)	-	(38)	-	(638)

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13 RELATED PARTY TRANSACTIONS AND BALANCES (continued)

	31 December 2021				
	Shareholders & Affiliates	Associates and other investments	Directors and related entities	Senior management	Total
Assets					
Murabaha and other financings	379,661	-	-	-	379,661
Investment in associates	-	676,933	-	-	676,933
Sukuk and investment securities	13,310	-	-	-	13,310
Other assets	-	-	-	684	684
Liabilities					
Customers' current accounts	21,583	7,047	-	980	29,610
Due to banks, financial and other institutions	25,159	5,200	-	-	30,359
Equity of unrestricted investment accounts	-	-	-	5,019	5,019
Other liabilities	13	-	-	-	13
30 September 2021					
Income					
Return to unrestricted investment accounts	-	-	-	(117)	(117)
Income from murabaha and other financings	2,910	-	-	-	2,910
Share of results after tax from associates	-	(2,008)	-	-	(2,008)
Profit paid to banks, financial and other institutions – net	-	(221)	-	-	(221)
Expenses					
Administrative and general expenses	(600)	-	(38)	-	(638)

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14 DIVIDEND

No dividend was declared for 2021 and 2020.

15 BASIC AND DILUTED EARNINGS/(LOSSES) PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF ITHMAAR

Earnings/(losses) per share are calculated by dividing the net income/(loss) attributable to shareholders by the weighted average number of issued and fully paid up ordinary shares during the period.

	Nine month period ended		Three month period ended	
	30 September 2022	30 September 2021	30 September 2022	30 September 2021
Net income/(loss) attributable to shareholders (\$'000)	1,300	1,476	(7,777)	(2,530)
Weighted average number of issued and fully paid up ordinary shares ('000) (note 12)	2,910,160	2,910,160	2,910,160	2,910,160
Earnings/(losses) per share (Basic & Diluted) – US Cents	0.04	0.05	(0.27)	(0.09)

BASIC AND DILUTED EARNINGS/(LOSSES) PER SHARE FOR CONTINUING OPERATIONS ATTRIBUTABLE TO EQUITY HOLDERS OF ITHMAAR

	Nine month period ended		Three month period ended	
	30 September 2022	30 September 2021	30 September 2022	30 September 2021
Net income/(loss) attributable to shareholders (\$'000)	16,892	(27,844)	17,177	(15,182)
Weighted average number of issued and fully paid up ordinary shares ('000) (note 12)	2,910,160	2,910,160	2,910,160	2,910,160
Earnings/(losses) per share (Basic & Diluted) – US Cents	0.58	(0.96)	0.59	(0.52)

BASIC AND DILUTED EARNINGS/(LOSSES) PER SHARE FOR DISCONTINUED OPERATIONS ATTRIBUTABLE TO EQUITY HOLDERS OF ITHMAAR

	Nine month period ended		Three month period ended	
	30 September 2022	30 September 2021	30 September 2022	30 September 2021
Net income/(losses) attributable to shareholders (\$'000)	(15,592)	29,320	(24,954)	12,652
Weighted average number of issued and fully paid up ordinary shares ('000) (note 12)	2,910,160	2,910,160	2,910,160	2,910,160
Earnings per share (Basic & Diluted) – US Cents	(0.54)	1.01	(0.86)	0.43

16 CONTINGENT LIABILITIES AND COMMITMENTS

Contingent liabilities

	30 September 2022	31 December 2021
Acceptances and endorsements	38,069	47,295
Guarantees and irrevocable letters of credit	421,833	693,242
Customer and other claims	149,660	190,174
	609,562	930,711

Commitments

	30 September 2022	31 December 2021
Undrawn facilities, financing lines and other commitments to finance	1,289,884	1,550,227

Ithmaar Holding B.S.C.
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17 SEGMENTAL INFORMATION

The Group constitutes of three main business segments, namely;

- (i) Retail/ Commercial banking business, in which the Group receives customer funds and deposits and extends financing to its retail and corporate clients.
- (ii) Asset Management/Investment Banking, in which the Group directly participates in investment opportunities.

	30 September 2022				30 September 2021			
	Retail & Corporate	Asset Management / Investment			Retail & Corporate	Asset Management / Investment		
	banking	Banking	Others	Total	banking	Banking	Others	Total
Operating income/(loss)	167,155	40,816	(144)	207,827	140,516	4,176	529	145,221
Total expenses	(118,230)	(15,127)	(146)	(133,503)	(119,950)	(20,069)	(178)	(140,197)
Net income/(loss) before provision and overseas taxation	48,925	25,689	(290)	74,324	20,566	(15,893)	351	5,024
Provision and overseas taxation - net	(34,920)	(8,076)	(614)	(43,610)	(16,409)	(2,176)	(22)	(18,607)
Net income/(loss) from continuing operations	14,005	17,613	(904)	30,714	4,157	(18,069)	329	(13,583)
Net results for the period from discontinued operations	14,893	(35,314)	4,829	(15,592)	23,605	-	5,715	29,320
Net income/(loss) for the period	28,898	(17,701)	3,925	15,122	27,762	(18,069)	6,044	15,737
Attributable to:								
Equity holders of Ithmaar	16,870	(16,531)	961	1,300	15,109	(16,249)	2,616	1,476
Non-controlling interest	12,028	(1,170)	2,964	13,822	12,653	(1,820)	3,428	14,261
	28,898	(17,701)	3,925	15,122	27,762	(18,069)	6,044	15,737
								31 December 2021
Total assets	5,042,165	915,723	1,333	5,959,221	7,630,642	1,037,807	364,340	9,032,789
Total liabilities and equity of unrestricted investment account holders	5,738,086	76,970	1,746	5,816,802	8,484,557	49,398	186,620	8,720,575

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18 DISCONTINUED OPERATIONS

During January 2022, Ithmaar Holding agreed in-principle with Al Salam Bank B.S.C. (Al Salam) of the acquisition of the consumer banking business of Ithmaar Bank, and Ithmaar Holdings' ownership stake in both Bank of Bahrain and Kuwait B.S.C., and Solidarity Group Holding (the "transaction"). This announcement followed the execution of a non-legally binding Memorandum of Understanding (MoU) between the two entities in October 2021. The transaction was approved by Ithmaar Holding's shareholders during its Extraordinary General Meeting on 17 March 2022. The transaction was completed on 7 July 2022 after obtaining requisite regulatory and corporate approvals and signing of definitive agreements.

The consideration for sale of the group of assets was settled through transfer of certain liabilities and equity of investment account holders of the consumer banking business of Ithmaar Bank BSC (c), resulting in a gain of \$77 million based on the agreed values of assets and liabilities (the "operations") as of 7 July 2022:

Assets transferred	As of 7 July 2022
Consumer business	
Cash and balances with banks and central banks	167,745
Murabaha and other financings	783,321
Sukuk and investment securities	83,761
Assets acquired for leasing	378,740
Other assets	82,875
Fixed assets	14,454
Total	1,510,896
Investment in subsidiary (Takaful business)	103,090
Investment in associate (investment assets)	500,042
Total Assets transferred - A	2,114,028
Consumer business	
Customers' current accounts	93,560
Due to banks, financial and other institutions	38,111
Other liabilities	51,297
Total liabilities	182,968
Equity of unrestricted investment accountholders	2,001,737
Net movement in interim condensed consolidated income statement relating to the above assets & liabilities from 1 to 7 July 2022	414
Total liabilities transferred - B	2,185,119
Estimated balancing payment - C	5,864
Gain recognised on transfer (B+C-A)	76,955

Ithmaar Holding B.S.C.
Notes to interim condensed consolidated financial information
for the nine month period ended 30 September 2022
(Expressed in thousands of United States Dollars unless otherwise stated)

18 DISCONTINUED OPERATIONS (continued)

The gain on the transaction of \$77 million was assessed initially on fair values as of 30 September 2021. Accordingly, the movement in carrying values of the transferred assets and liabilities associated with the transaction from 1 October 2021 till 30 June 2022 have been reflected as part of discontinued operations for the period. The net results of the above operations included in the interim condensed consolidated financial information are as follows:

Description	Nine months ended 30 September 2022			Total
	Consumer business	Takaful business	Investment assets	
Total income	13,114	20,601	5,446	39,161
Total expenses	(13,613)	(15,470)	-	(29,083)
	(499)	5,131	5,446	10,078
Provision for impairment - net	(294)	(302)	-	(596)
	(793)	4,829	5,446	9,482
Write off of intangible assets directly associated with consumer business	(25,002)	-	-	(25,002)
Movement in carrying values from 1 October 2021 to 7 July 2022	-	3,961	(46,132)	(42,171)
Transfer of fair value and foreign exchange translation reserves to consolidated income statement	-	(4,962)	(29,894)	(34,856)
	(25,795)	3,828	(70,580)	(92,547)
Gain recognised on transfer				76,955
Net results from discontinued operations				(15,592)

Description	Nine months ended 30 September 2021			Total
	Consumer business	Takaful business	Investment assets	
Total income	17,622	25,809	27,995	71,426
Total expenses	(20,661)	(19,816)	-	(40,477)
	(3,039)	5,993	27,995	30,949
Provision for impairment - net	(1,353)	(276)	-	(1,629)
	(4,392)	5,717	27,995	29,320

The comparative period balances in the interim condensed consolidated income statement has been reclassified to include those operations that have been classified as discontinued in the current period presentation.

The net cash flows of the above operations included in the Interim condensed consolidated statement of cash flows, are as follows:

Cash flow lines	Nine months ended	
	30 September 2022	30 September 2021
Net cash from operating activities	3,820	79,034
Net cash used by investing activities	(27,875)	(60,607)
Net cash movement	(24,055)	18,427