

ITHMAAR HOLDING B.S.C.

CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
30 SEPTEMBER 2024

ITHMAAR HOLDING B.S.C.
CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2024

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Independent auditors' report on review of condensed consolidated interim financial information

To the Board of Directors of
Ithmaar Holding B.S.C.
Kingdom of Bahrain

Introduction

We have reviewed the accompanying 30 September 2024 condensed consolidated interim financial information of Ithmaar Holding B.S.C. (the "Company") and its subsidiaries (together the "Group"), which comprises:

- the condensed consolidated statement of financial position as at 30 September 2024;
- the condensed consolidated statement of income for the three-month and nine-month periods ended 30 September 2024;
- the condensed consolidated statement of total comprehensive income for the three-month and nine-month periods ended 30 September 2024;
- the condensed consolidated statement of income and attribution related to quasi-equity for the three-month and nine-month periods ended 30 September 2024;
- the condensed consolidated statement of changes in owners' equity for the nine-month period ended 30 September 2024;
- the condensed consolidated statement of cash flows for the nine-month period ended 30 September 2024;
- the condensed consolidated statement of changes in off-balance sheet assets under management for the nine-month period ended 30 September 2024; *and*
- notes to the condensed consolidated interim financial information.

The Board of Directors of the Company is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with FAS 41, "Interim Financial Reporting". Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of Review

We conducted our review in accordance with the 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 Auditing standards for Islamic Financial Institutions 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.



Independent auditors' report (continued)
Ithmaar Holding B.S.C.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 30 September 2024 condensed consolidated interim financial information is not prepared, in all material respects, in accordance with FAS 41, "Interim Financial Reporting".

Emphasis of Matter – Basis of going concern

We draw attention to Notes 1.1 and 16 to the condensed consolidated interim financial information, which describes significant judgments and assumptions relevant to the Board of Directors assessment of the appropriateness of the going concern assumption for preparation of the condensed consolidated interim financial information. During the current period, the Board of Directors have agreed to an overall framework of terms from a prospective third-party buyer regarding sale of certain assets and liabilities of the Group's corporate banking business and investment assets. Our conclusion is not modified in respect of this matter.

A handwritten signature in blue ink that reads 'KPMG' with a horizontal line underneath.

13 November 2024

Ithmaar Holding B.S.C.

Condensed consolidated statement of financial position

as at 30 September 2024

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

	Note	At 30 September 2024 (Reviewed)	At 31 December 2023 (Audited)
ASSETS			
Cash and balances with banks and central banks		79,942	367,962
Commodity placements with banks, financial and other institutions		35,838	12,977
Financing assets	3	380,044	2,606,574
Investment securities	4	103,259	2,323,480
Investment in associates	5	18,604	94,659
Other assets	6	1,217	93,835
Investment in real estate		45,962	243,638
Development properties		-	174,662
Property and equipment		89	169,236
Intangible assets		1,387	17,551
		666,342	6,104,574
Assets classified as held for sale	16	5,735,444	-
Total assets		6,401,786	6,104,574
LIABILITIES			
Customers' current accounts		214,747	1,724,829
Due to banks, financial and other institutions		522,257	1,189,988
Due to investors		-	8,652
Other liabilities		52,071	299,468
		789,075	3,222,937
Liabilities directly associated with assets classified as held for sale	16	2,361,974	-
Total liabilities		3,151,049	3,222,937
QUASI EQUITY			
- Quasi equity		24,340	2,719,498
- Quasi equity directly associated with assets classified as held for sale	8, 16	3,057,436	-
Total quasi equity		3,081,776	2,719,498
OWNERS' EQUITY			
Share capital	9	757,690	757,690
Treasury shares	9	(30,149)	(30,149)
Reserves	10	114,404	114,857
Accumulated losses		(837,649)	(838,063)
Total owners' equity		4,296	4,335
Non-controlling interest		(1,421)	157,804
Non-controlling interest classified as held for sale	16	166,086	-
Total equity		168,961	162,139
Total liabilities, quasi equity and equity		6,401,786	6,104,574

This condensed consolidated interim financial information was approved by the Board of Directors on 13 November 2024 and signed on its behalf by:



HRH Prince Amr Mohammed Al-Faisal
Chairman



Elham Hassan
Director



Maysan Al Maskati
CEO


The accompanying notes 1 to 16 form an integral part of the condensed consolidated interim financial information.


Ithmaar Holding B.S.C.


**Condensed consolidated statement of income
for the nine months period ended 30 September 2024**

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

Note	Nine months ended		Three months ended	
	30 September 2024 (Reviewed)	30 September 2023 (Reviewed)	30 September 2024 (Reviewed)	30 September 2023 (Reviewed)
NET RESULTS FROM CONTINUING OPERATIONS				
Income from financing contracts	4,979	5,566	1,684	1,881
(Loss) / income from investments	(114)	(3,897)	1,908	1,237
Other (loss) / income	(2,653)	(8,986)	(6,082)	1,028
Total income	2,212	(7,317)	(2,490)	4,146
Finance expense on placements from financial and non-financial institutions	(6,667)	(5,536)	(1,945)	(2,014)
Net income	(4,455)	(12,853)	(4,435)	2,132
Operating expenses	(6,060)	(6,337)	(2,185)	(2,265)
Allowances for impairment and expected credit losses, net	(2,840)	4,702	1,839	(961)
Loss from continuing operations	(13,355)	(14,488)	(4,781)	(1,094)
NET RESULTS FROM DISCONTINUED OPERATIONS				
Income from financing contracts	301,186	249,012	98,658	90,989
Income from investments	367,487	246,629	115,442	91,490
Other income - net	36,522	28,029	11,449	8,841
Finance expense on placements from financial and non-financial institutions	(11,800)	(5,198)	(5,873)	(1,991)
Net income from jointly financed assets	693,395	518,472	219,676	189,329
Share of profit/(loss) from equity accounted investees	347	185	92	(620)
Total income	693,742	518,657	219,768	188,709
Operating expenses	(138,456)	(111,786)	(53,442)	(37,490)
Depreciation and amortization	(13,603)	(11,311)	(4,875)	(3,649)
Total expenses	(152,059)	(123,097)	(58,317)	(41,139)
Net operating income before impairment allowances and attribution to quasi equity	541,683	395,560	161,451	147,570
Allowances for impairment and expected credit losses, net	(16,868)	(10,901)	98	(2,694)
Profit for the period before attribution to quasi equity	524,815	384,659	161,549	144,876
Less: Net income attributable to quasi-equity	(426,676)	(317,926)	(128,692)	(120,424)
Profit before overseas taxation	98,139	66,733	32,857	24,452
Tax expense	(62,439)	(39,380)	(24,219)	(14,850)
NET RESULTS FROM DISCONTINUED OPERATIONS	35,700	27,353	8,638	9,602
PROFIT FOR THE PERIOD	22,345	12,865	3,857	8,508
Attributable to:				
Equity holders of Ithmaar	414	(4,484)	(2,984)	2,025
Non-controlling interest	21,931	17,349	6,841	6,483
	22,345	12,865	3,857	8,508
Basic and diluted earnings/ (losses) per share	12 US Cts 0.01	US Cts (0.15)	US Cts (0.10)	US Cts 0.07
Basic and diluted losses per share - continuing operations	12 US Cts (0.46)	US Cts (0.50)	US Cts (0.16)	US Cts (0.04)
Basic and diluted earnings per share - discontinued operations	12 US Cts 0.47	US Cts 0.34	US Cts 0.06	US Cts 0.11


HRH Prince Amr Mohammed Al-Faisal
Chairman


Elham Hassan
Director


Maysan Al Maskati
CEO

The accompanying notes 1 to 16 form an integral part of the condensed consolidated interim financial information.

Ithmaar Holding B.S.C.

**Condensed consolidated statement of total comprehensive income
for the nine months period ended 30 September 2024**

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

	Nine months ended		Three months ended	
	30 September 2024	30 September 2023	30 September 2024	30 September 2023
	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)
Profit for the period	22,345	12,865	3,857	8,508
Other comprehensive income				
Items that will not be classified to statement of income				
Fair value changes on land and building	(950)	(334)	(83)	2,890
Attributable to quasi-equity	633	223	(219)	(74)
Items that may subsequently be classified to income statement				
Exchange difference arising on translation of foreign operations	5,671	(65,763)	5,683	806
Fair value changes on investments in real estate	454	7,998	3	187
Fair value changes on investment in associates	88	(1,788)	143	(782)
Recycling of translation reserve on disposal of assets	-	-	-	(5,744)
Fair value changes on investments carried at fair value through OCI	20,833	442	25,984	(85)
Attributable to quasi-equity	(18,399)	44,702	(19,535)	712
Total other comprehensive income for the year	8,330	(14,520)	11,976	(2,090)
Total comprehensive income	30,675	(1,655)	15,833	6,418
Attributable to:				
Equity holders of Ithmaar	(39)	139	124	160
Non-controlling interest	30,714	(1,794)	15,709	6,258
	30,675	(1,655)	15,833	6,418

The accompanying notes 1 to 16 form an integral part of the condensed consolidated interim financial information.

Ithmaar Holding B.S.C.

**Condensed consolidated statement of income and attribution related to quasi-equity
for the nine months period ended 30 September 2024**

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

	Nine months ended		Three months ended	
	30 September 2024	30 September 2023	30 September 2024	30 September 2023
	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)
Net operating income before impairment allowances and attribution to quasi equity	943,560	697,364	297,031	251,380
Adjusted for:				
Less: income not attributable to quasi-equity	(401,356)	(265,672)	(120,809)	(101,359)
Add: expenses not attributable to quasi-equity	158,119	129,434	60,502	43,404
Less: institution's share of income for its own/ share of investments	114	3,897	(1,908)	(1,237)
Less: allowance for impairment allowances attributable to quasi-equity	(16,868)	(10,901)	98	(2,694)
Total income available for quasi-equity holders	683,569	554,122	234,914	189,494
Less: Mudarib's share	(274,659)	(191,271)	(125,976)	(68,432)
Profit distributable to quasi-equity	408,910	362,851	108,938	121,062
Other comprehensive income – attributable to quasi-equity - before recycling to statement of income				
Items that will not be classified to income statement	(633)	(223)	219	74
Items that may subsequently be classified to income statement	18,399	(44,702)	19,535	(712)
	17,766	(44,925)	19,754	(638)
Total profit attributable to quasi-equity	426,676	317,926	128,692	120,424

The accompanying notes 1 to 16 form an integral part of the condensed consolidated interim financial information.

Ithmaar Holding B.S.C.

**Condensed consolidated statement of changes in owners' equity
for the nine months period ended 30 September 2024**

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

	Share capital	Treasury shares	Reserves	Accumulated losses	Total owners' equity	Non- controlling interests	Total equity
At 1 January 2024	757,690	(30,149)	114,857	(838,063)	4,335	157,804	162,139
Profit for the period	-	-	-	414	414	21,931	22,345
Other comprehensive income for the period	-	-	(453)	-	(453)	8,783	8,330
Total comprehensive income for the period	-	-	(453)	414	(39)	30,714	30,675
Movement from dividend distribution by subsidiaries	-	-	-	-	-	(9,108)	(9,108)
Decrease in shareholding of subsidiary	-	-	-	-	-	(14,745)	(14,745)
At 30 September 2024 (Reviewed)	757,690	(30,149)	114,404	(837,649)	4,296	164,665	168,961

	Share capital	Treasury shares	Reserves	Accumulated losses	Total owners' equity	Non- controlling interest	Total equity
At 1 January 2023	757,690	(30,149)	105,780	(828,752)	4,569	131,481	136,050
Profit / (loss) for the period	-	-	-	(4,484)	(4,484)	17,349	12,865
Other comprehensive income for the period	-	-	4,623	-	4,623	(19,143)	(14,520)
Total comprehensive income for the period	-	-	4,623	(4,484)	139	(1,794)	(1,655)
Movement from dividend distribution by subsidiaries	-	-	-	-	-	(3,655)	(3,655)
At 30 September 2023 (Reviewed)	757,690	(30,149)	110,403	(833,236)	4,708	126,032	130,740

The accompanying notes 1 to 16 form an integral part of the condensed consolidated interim financial information.

Ithmaar Holding B.S.C.
Condensed consolidated statement of cash flows
for the nine months period ended 30 September 2024
(Expressed in thousands of United States Dollars unless otherwise stated)

	Nine months ended	
	30 September 2024	30 September 2023
	(Reviewed)	(Reviewed)
OPERATING ACTIVITIES		
Net profit / (loss) before taxation from:		
Continuing operations	(11,149)	(13,427)
Discontinued operations	98,139	66,733
Adjustments for:		
Depreciation and amortization	14,993	13,356
Share of results after tax from associates	1,298	2,547
Provision for impairment - net	19,708	6,199
Income from investments	(369,018)	(245,464)
Finance cost on net ijarah liability	4,880	3,578
Loss on sale of property and equipment	(70)	(70)
Operating loss before changes in operating assets and liabilities	(241,219)	(166,548)
Net changes in operating assets and liabilities:		
Balances with banks maturing after 90 days including central banks balances relating to minimum reserve requirement	(7,400)	(15,332)
Financing assets	261,561	(135,505)
Other assets	16,541	93,529
Customers' current accounts	126,577	256,339
Due to banks, financial and other institutions	(236,167)	45,247
Due to investors	(8,728)	(20,772)
Other liabilities	(2,538)	(74,730)
Quasi equity	333,747	295,281
Taxes paid	(49,792)	(49,178)
Net cash generated from operating activities	192,582	228,331
INVESTING ACTIVITIES		
Net changes in:		
Assets acquired for leasing	222	-
Investment securities	48,729	(210,381)
Property and equipment	(46,319)	(27,188)
Net cash generated from / (used in) investing activities	2,632	(237,569)
FINANCING ACTIVITY		
Repayment of net ijarah liability	(8,629)	(7,205)
Net cash used in financing activity	(8,629)	(7,205)
Foreign currency translation adjustments	1,985	(9,936)
Net increase / (decrease) in cash and cash equivalents	188,570	(26,379)
Cash and cash equivalents at the beginning of the period	334,639	341,761
Cash and cash equivalents at the end of the period	523,209	315,382
Details of cash and cash equivalents:		
Cash and balances with banks and central banks	79,942	340,280
Commodity and other placements with banks, financial and other institutions	35,838	22,540
Add: Assets classified as held for sale	461,296	-
Less: Placements with original maturing after 90 days and balances with central banks relating to minimum reserve requirement	(53,867)	(47,438)
Cash and cash equivalents at the end of the period	523,209	315,382

The accompanying notes 1 to 16 form an integral part of the condensed consolidated interim financial information.

Ithmaar Holding B.S.C.**Condensed consolidated statement of changes in off-balance-sheet assets under management
for the nine months period ended 30 September 2024**

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

	Shamil Bosphorus Modaraba*	European Real Estate Placements*	US Real Estate Placements*	Total
Balance at 1 January 2024	6,250	10,783	25,236	42,269
Additions	-	-	-	-
Foreign exchange movements	-	(137)	-	(137)
Recoveries/ disposals/ maturities	-	-	-	-
Net increase/ (decrease)	-	(137)	-	(137)
Net income	-	-	-	-
Mudarib's share	-	-	-	-
Fixed agency fee	-	-	-	-
Variable agency fee	-	-	-	-
Total Group's management share	-	-	-	-
Distributions/ withdrawals	-	-	(20,528)	(20,528)
Balance at 30 September 2024	6,250	10,646	4,708	21,604

	Shamil Bosphorus Modaraba*	European Real Estate Placements*	US Real Estate Placements*	Total
Balance at 1 January 2023	6,250	10,457	25,236	41,943
Additions	-	-	-	-
Foreign exchange movements	-	(371)	-	(371)
Recoveries/ disposals/ maturities	-	-	-	-
Net increase/ (decrease)	-	(371)	-	(371)
Net income	-	-	-	-
Mudarib's share	-	-	-	-
Fixed agency fee	-	-	-	-
Variable agency fee	-	-	-	-
Total Group's management share	-	-	-	-
Distributions/ withdrawals	-	-	-	-
Balance at 30 September 2023	6,250	10,086	25,236	41,572

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

The accompanying notes 1 to 16 form an integral part of the condensed consolidated interim financial information.

Ithmaar Holding B.S.C.

Notes to the condensed consolidated interim financial information for the nine months period ended 30 September 2024

1 REPORTING ENTITY

Ithmaar Holding B.S.C. ("Ithmaar" or the "Company") was incorporated in the Kingdom of Bahrain under the Commercial Companies Law and registered with Ministry of Industry and Commerce (MOIC) under Commercial Registration number 15210-20 on 26 October 2016. Formerly, Ithmaar was incorporated as an investment bank on 13 August 1984 and regulated by the Central Bank of Bahrain ("CBB"). Post restructuring over the years, Ithmaar is now licensed by the CBB under Volume 4, Category 1 investment firm.

Dar Al-Maal Al-Islami Trust ("DMIT"), a Trust incorporated in the commonwealth of Bahamas is the ultimate 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, fund management 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 ordinary 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 condensed consolidated interim financial information as quasi equity and off-balance-sheet assets under management. In respect of quasi equity, the investment accountholders authorise the Group to commingle and 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 off-balance-sheet assets under management, 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 off-balance-sheet assets under management.

The Group carries out its business activities through Ithmaar's its head office in Bahrain and its following principal subsidiaries:

	% owned		Country of Incorporation	Principal business activities
	30 September 2024	31 December 2023		
<u>Direct subsidiaries</u>				
Ithmaar Bank B.S.C. (c) (the "Bank")	100	100	Kingdom of Bahrain	Banking
IB Capital B.S.C. (c) (IBC)	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 (FBL) (Note 1) *	67	67	Pakistan	Banking
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

*These investments are disclosed as held for sale as at 30 September 2024.

Note 1: The Group owns 67% stake in FBL, through a direct legal ownership of 57% and 10% of indirect ownership of DMIT, held for the beneficial interest of the Bank.

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 2024, the total consolidated owners' equity of the Group stood at \$4.3 million and its accumulated losses are in excess of its paid-up capital.

During Q1 2024, the Board of Ithmaar Holding and GFH Financial Group B.S.C. (GFH) have agreed to an overall framework of terms regarding sale of certain assets and liabilities of Ithmaar's corporate banking business in Bahrain and investment assets (the "Transaction"). The Transaction is subject to the signing of definitive agreements and required regulatory approvals. Refer note 16 for details.

The Group's management has also assessed liquidity and equity projections of the remaining entity post implementation of the Transaction for the next twelve months from reporting date of these condensed consolidated interim financial information. Management's assessment includes the following significant assumptions:

- No change in status of sanctioned liabilities and accordingly no repayments;
- Reduction in operating expenses resulting from a leaner entity post Transaction;
- Proceeds from sale of core and non-core assets as per Asset Sale plan;
- Recoveries from non-performing financings;
- Share of profits from real estate and other investments in the remaining entity;
- Stressing the expected behavioral outflows of the liabilities and expected behavioral inflows from assets; and
- Putting in place the necessary liquidity lines in the form of medium term interbank liquidity support facilities.

The Board of Directors has reviewed the above assumptions and events, along with mitigating factors and concluded that there are no material uncertainties related to these events and conditions that may cast significant doubt on the Group's ability to continue as a going concern. Accordingly, the Board of Directors believed that the Group will be able to continue its business without any significant curtailment of operations and will be able to meet its obligations for the next twelve months from the date of reporting of these condensed consolidated interim financial information. Accordingly, this condensed consolidated interim financial information has been prepared on a going concern basis.

Ithmaar Holding B.S.C.
Notes to the condensed consolidated interim financial information
for the nine months period ended 30 September 2024

2 BASIS OF PREPARATION AND PRESENTATION

The condensed consolidated interim financial information of the Group has been prepared in accordance with Financial Accounting Standard FAS 41, Interim Financial Reporting ("FAS 41") issued by the Accounting and Auditing Organisation of Islamic Financial Institutions ("AAOIFI").

The condensed consolidated interim financial information of the Group does not contain all information and disclosures required for the annual consolidated financial statements and should be read in conjunction with the Group's audited annual consolidated financial statements for the year ended 31 December 2023. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual consolidated financial statements as at and for the year ended 31 December 2023. Further, results for the interim periods are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2024.

The consolidated financial statements are presented in United States Dollars (\$), being the presentation currency of the Group. All values are rounded to nearest thousand [\$ '000] unless otherwise indicated. The functional currency of the Group is United States Dollars and that of one subsidiary is Pakistani Rupees. Items included in the financial statements of each entity are measured using respective functional currency.

Comparatives

The condensed consolidated interim financial information is reviewed, not audited. The comparatives for the condensed consolidated statement of financial position have been extracted from the audited consolidated financial statements for the year ended 31 December 2023 and comparatives for the condensed consolidated income statement, changes in owners' equity, cash flows and changes in off-balance-sheet assets under management have been extracted from the reviewed condensed consolidated interim financial information for the nine months period ended 30 September 2023.

The comparative period balances in the condensed consolidated statement of income has been reclassified to include those operations that have been classified as discontinued in the current period presentation (refer note 16).

2.1 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation applied by the Group in the preparation of the condensed consolidated interim financial information are the same as those used in preparation of the Group's last audited consolidated financial statements as at and for the year ended 31 December 2023, except for those changes arising from adoption of the following standards and amendments to the standards effective from 1 January 2024.

A. Relevant new standards, amendments, and interpretations issued and effective for annual periods beginning on or after 1 January 2024

(i) 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 2024 with an option to early adopt.

The revision of FAS 1 is in line with the modifications made to the AAOIFI conceptual framework for financial reporting. Following are significant changes relevant to the Group:

- a) Definition of Quasi equity is introduced;
- b) Concept of comprehensive income has been introduced;
- c) Disclosure of Zakah and Charity have been relocated to the notes to the financial statements;

During the period, the Group has adopted FAS 1 revised. As a result of this adoption following changes were made to the primary statements of the Group. Below is a summary of the new primary statements:

Primary statements introduced

Statement of other comprehensive income
Statement of income and attribution related to quasi-equity
Statement of changes in off-balance-sheet assets under management

Primary statements discontinued

Statement of sources and uses of good faith qard fund
Statement of sources and uses of zakah and charity fund

As a result of the adoption certain of the prior year figures have been represented and regrouped to be consistent with the current year presentation. Such grouping did not affect previously reported net profit, total assets, total liabilities and total equity of the Group. The Group elected to present statement of income and a statement of other comprehensive income, presented as two separate statements.

2 BASIS OF PREPARATION AND PRESENTATION (continued)

2.1 SIGNIFICANT ACCOUNTING POLICIES (continued)

(ii) FAS 45: Quasi-Equity (Including Investment Accounts)

AAOIFI has issued Financial Accounting Standard (FAS) 45 "Quasi-Equity (Including Investment Accounts)" during 2023. The objective of this standard is to establish the principles for identifying, measuring, and presenting "quasi-equity" instruments in the financial statements of Islamic Financial Institutions "IFIs".

The standard prescribes the principles of financial reporting to participatory investment instruments (including investment accounts) in which an IFI controls underlying assets (mostly, as working partner), on behalf of the stakeholders other than owner's equity. This standard provides the overall criteria for on-balance sheet accounting for participatory investment instruments and quasi-equity, as well as, pooling, recognition, derecognition, measurement, presentation and disclosure for quasi-equity.

This standard shall be effective for the financial reporting periods beginning on or after 1 January 2026 with an option to early adopt.

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

(iii) FAS 46: Off-Balance-Sheet Assets Under Management

AAOIFI has issued Financial Accounting Standard ("FAS") 46 "Off-Balance-Sheet Assets Under Management" during 2023. The objective of this standard is to establish principles and rules for recognition, measurement, disclosure, and derecognition of off-balance-sheet assets under management, based on Shari'a and international best practices. The standard aims to improve transparency, comparability, accountability, and governance of financial reporting related to off-balance-sheet assets under management.

This standard is applicable to all IFIs with fiduciary responsibilities over asset(s) without control, except for the following:

The participants' Takaful fund and / or participants' investment fund of a Takaful institution; and
An investment fund managed by an institution, being a separate legal entity, which is subject to financial reporting in line with the requirements of the respective AAOIFI FAS.

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

(iv) FAS 47: Transfer of Assets Between Investment Pools

AAOIFI has issued Financial Accounting Standard ("FAS") 47 "Transfer of Assets Between Investment Pools" during 2023. The objective of this standard is to establish guidance on the accounting treatment and disclosures for transfers of assets between investment pools that are managed by the same institution or its related parties. The standard applies to transfers of assets that are not part of a business combination, a disposal of a business, or a restructuring of an institution.

The standard defines an investment pool as a group of assets that are managed together to achieve a common investment objective, such as a fund, a portfolio, or a trust. The standard also defines a transfer of assets as a transaction or event that results in a change in the legal ownership or economic substance of the assets, such as a sale, a contribution, a distribution, or a reclassification.

The transfer of assets between investment pools should be accounted for based on the substance of the transaction and the terms and conditions of the transfer agreement. The standard classifies transfers of assets into three categories: transfers at fair value, transfers at carrying amount, and transfers at other than fair value or carrying amount. The standard also specifies the disclosure requirements for transfers of assets between investment pools.

This standard shall be effective for the financial periods beginning on or after 1 January 2026 with an option to early adopt.

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

2.2 ESTIMATES AND JUDGEMENTS

Preparation of condensed consolidated interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual result may differ from these estimates. The areas of significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were similar to those applied to the audited consolidated financial statements as at and for the year ended 31 December 2023.

Ithmaar Holding B.S.C.**Notes to the condensed consolidated interim financial information
for the nine months period ended 30 September 2024**

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

3 FINANCING ASSETS

	<u>30 September 2024</u>	<u>31 December 2023</u>
Murabaha and tawarruq financings	493,146	1,502,738
Musharaka financing	-	1,131,764
Istisna financings	-	185,484
Ijarah financing	586	1,568
	<u>493,732</u>	<u>2,821,554</u>
Less: Allowance for impairment	(113,688)	(214,980)
	<u>380,044</u>	<u>2,606,574</u>

The movement in allowance for impairment is as follows:

	<u>30 September 2024</u>	<u>31 December 2023</u>
At 1 January	214,980	312,731
Classified as held for sale	(89,183)	-
Charge for the period	48,020	33,559
Write back during the period	(29,136)	(19,056)
Utilised during the period	(31,300)	(92,972)
Exchange differences	307	(19,282)
	<u>113,688</u>	<u>214,980</u>

Ithmaar Holding B.S.C.**Notes to the condensed consolidated interim financial information
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(Expressed in thousands of United States Dollars unless otherwise stated)

4 INVESTMENT SECURITIES

	<u>30 September 2024</u>	<u>31 December 2023</u>
Investment securities at fair value through income statement		
Debt-type instruments – unlisted	-	16,601
Equity-type securities – listed	-	5,132
	<u>-</u>	<u>21,733</u>
Investment securities at fair value through equity		
Debt-type instruments – listed	-	147,199
Debt-type instruments – unlisted	-	1,977,609
Equity-type securities – listed	-	19,921
Equity-type securities – unlisted	105,676	180,441
	<u>105,676</u>	<u>2,325,170</u>
Less: Allowance for impairment	(98,574)	(144,501)
	<u>7,102</u>	<u>2,180,669</u>
Investment securities carried at amortised cost		
Debt-type instruments – listed	96,157	96,371
Debt-type instruments – unlisted	-	29,721
	<u>96,157</u>	<u>126,092</u>
Less: Allowance for impairment	-	(5,014)
	<u>96,157</u>	<u>121,078</u>
	<u>103,259</u>	<u>2,323,480</u>

Ithmaar Holding B.S.C.**Notes to the condensed consolidated interim financial information
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(Expressed in thousands of United States Dollars unless otherwise stated)

4 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.

Investment securities measured at fair value

	Level 1	Level 2	Level 3	Total
30 September 2024				
Investment securities at fair value through income statement				
Debt-type instruments	-	-	-	-
Equity-type securities	-	-	-	-
Investment securities at fair value through equity				
Debt-type instruments	-	-	-	-
Equity-type securities	-	-	7,102	7,102
	-	-	7,102	7,102
Investment securities carried at amortised cost				
Debt-type instruments	92,584	-	-	92,584
31 December 2023				
Investment securities at fair value through income statement				
Debt-type instruments	16,601	-	-	16,601
Equity-type securities	5,132	-	-	5,132
Investment securities at fair value through equity				
Debt-type instruments	-	2,122,411	-	2,122,411
Equity-type securities	15,514	383	42,361	58,258
	37,247	2,122,794	42,361	2,202,402
Investment securities carried at amortised cost				
Debt-type instruments	89,266	24,748	-	114,014

Ithmaar Holding B.S.C.**Notes to the condensed consolidated interim financial information****for the nine months period ended 30 September 2024**

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

5 INVESTMENT IN ASSOCIATES

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

Name of entity	30 September 2024	% of Share- holding	31 December 2023	% of Share- holding	Country	Activity
Unlisted:						
Citic International Assets Management Limited	18,604	20	20,072	20	Hong Kong	Asset management
Naseej B.S.C. (c)	-	-	68,231	31	Bahrain	Infrastructure
Faysal Stock Fund	-	-	24	11	Pakistan	Mutual funds
Faysal Islamic Stock Fund	-	-	446	29	Pakistan	Mutual funds
Faysal Halal Amdani Fund	-	-	5,468	4	Pakistan	Mutual funds
Faysal Islamic Financial Growth Fund FISP-1	-	-	401	29	Pakistan	Mutual funds
Faysal Islamic Sovereign Fund FISIP-1	-	-	11	0	Pakistan	Mutual funds
Faysal Islamic Financial Growth Fund - FIFGP-I	-	-	6	5	Pakistan	Mutual funds
	18,604		94,659			

6 OTHER ASSETS

	30 September 2024	31 December 2023
Accounts receivable	50,563	154,681
Due from related parties (note 11)	113	146
Taxes – current	129	702
Non-current assets held for sale	2,722	4,528
	53,527	160,057
Less: Allowance for impairment	(52,310)	(66,222)
	1,217	93,835

Ithmaar Holding B.S.C.**Notes to the condensed consolidated interim financial information
for the nine months period ended 30 September 2024**

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

7 IMPAIRMENT ALLOWANCE**Loss allowance**

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 2024

	Stage 1	Stage 2	Stage 3	Total
Commodity and other placements with banks, financial and other institutions				
Gross exposure	35,903	-	-	35,903
Less: Allowance for impairment	(65)	-	-	(65)
Net exposure	35,838	-	-	35,838
Financing assets				
Gross exposure	-	374,757	118,975	493,732
Less: Allowance for impairment	-	(64,915)	(48,773)	(113,688)
Net exposure	-	309,842	70,202	380,044
Other assets				
Gross exposure	1,217	-	52,310	53,527
Less: Allowance for impairment	-	-	(52,310)	(52,310)
Net exposure	1,217	-	-	1,217
Total gross exposure	37,120	374,757	171,285	583,162
Less: Total allowance for impairment	(65)	(64,915)	(101,083)	(166,063)
Total Net exposure	37,055	309,842	70,202	417,099

31 December 2023

	Stage 1	Stage 2	Stage 3	Total
Commodity placements with banks, financial and other institutions				
Gross exposure	13,089	-	-	13,089
Less: Allowance for impairment	(112)	-	-	(112)
Net exposure	12,977	-	-	12,977
Financing assets				
Gross exposure	1,874,036	685,859	261,659	2,821,554
Less: Allowance for impairment	(10,158)	(91,902)	(112,920)	(214,980)
Net exposure	1,863,878	593,957	148,739	2,606,574
Other assets				
Gross exposure	35,857	68,036	56,164	160,057
Less: Allowance for impairment	(9,860)	(198)	(56,164)	(66,222)
Net exposure	25,997	67,838	-	93,835
Total gross exposure	1,922,982	753,895	317,823	2,994,700
Less: Total allowance for impairment	(20,130)	(92,100)	(169,084)	(281,314)
Total Net exposure	1,902,852	661,795	148,739	2,713,386

Ithmaar Holding B.S.C.**Notes to the condensed consolidated interim financial information****for the nine months period ended 30 September 2024****(Expressed in thousands of United States Dollars unless otherwise stated)****7 IMPAIRMENT ALLOWANCE (continued)**

	30 September 2024	31 December 2023
At 1 January	593,166	713,834
Charge for the period*	61,620	48,862
Write back during the period	(41,912)	(32,068)
Utilised during the period	(31,300)	(115,785)
Exchange differences	498	(21,677)
	582,072	593,166

*Provision charge for the period includes an amount of \$30.7 million resulting from modification loss from restructuring of a sovereign exposure of a subsidiary.

8 QUASI EQUITY CLASSIFIED AS HELD FOR SALE

Quasi equity classified as held for sale comprise:

	30 September 2024
Modaraba accounts - corporates	1,720,821
Modaraba accounts - financial institutions	632,544
Modaraba accounts - individuals	713,259
Fair value & foreign exchange translation movement from investments attributable to quasi equity (i)	(9,188)
	3,057,436

The Group utilizes the above funds to invest in the following assets:

	30 September 2024
Cash and balances with banks and central banks	376,659
Commodity placements with banks, financial and other institutions	72,231
Financing assets	1,943,071
Investment securities	405,766
Investments in equity (i)	259,709
	3,057,436

(i) Effective 1 January 2023, the unrestricted Modaraba pool of the parent includes an allocation to its investment in subsidiaries as they form part of the income generating pool of assets that support the Modaraba investment accounts. In line with the requirements of Financial Accounting Standards, at the time of preparation of the condensed consolidated interim financial information, foreign exchange translation & fair value reserves arising from consolidation of a foreign subsidiary is attributed to the equity of the investment accountholders. While this attribution is at a consolidated level, the quasi equity pool considers the net asset value of the investment in subsidiary for the purpose of allocation of assets to Modaraba pools. Any subsequent changes in the value of the net investments is recognised respectively in income statement and equity of the investment accountholders.

Ithmaar Holding B.S.C.

Notes to the condensed consolidated interim financial information

for the nine months period ended 30 September 2024

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

8 QUASI EQUITY CLASSIFIED AS HELD FOR SALE (continued)

The movement in reserves attributable to quasi equity as follows:

	30 September 2024				
	Investments fair value reserve	Fixed assets fair value reserve	Investment in real estate fair value reserve	Foreign currency translation reserve	Total
At 1 January 2024	13,169	(223)	(442)	(39,458)	(26,954)
Movement in fair value of investment securities	13,744	-	-	-	13,744
Movement in fair value of investment in real estate	-	-	280	-	280
Movement in fair value of land and building	-	(939)	-	-	(939)
Foreign currency translation adjustments	125	306	21	4,229	4,681
At 30 September 2024 (Reviewed)	27,038	(856)	(141)	(35,229)	(9,188)
	31 December 2023				
	Investments fair value reserve	Fixed assets fair value reserve	Investment in real estate fair value reserve	Foreign currency translation reserve	Total
At 1 January 2023					
Movement in fair value of investment securities	12,266	-	-	-	12,266
Movement in fair value of land and building	-	4,960	-	-	4,960
Foreign currency translation adjustments	903	(5,183)	(442)	(39,458)	(44,180)
At 31 December 2023 (Audited)	13,169	(223)	(442)	(39,458)	(26,954)

Ithmaar Holding B.S.C.**Notes to the condensed consolidated interim financial information
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(Expressed in thousands of United States Dollars unless otherwise stated)

9 SHARE CAPITAL

	Number of shares (thousands)	Share capital
Authorised	8,000,000	2,000,000
Issued and fully paid		
Total outstanding	3,030,755	757,690
Treasury shares	(120,595)	(30,149)
At 30 September 2024 (Reviewed)	2,910,160	727,541
Issued and fully paid		
Total outstanding	3,030,755	757,690
Treasury shares	(120,595)	(30,149)
At 31 December 2023 (Audited)	2,910,160	727,541

Ithmaar's total issued and fully paid share capital at 30 September 2024 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 (AED).

Ithmaar owned 120,595,238 (31 December 2023: 120,595,238) of its own shares at 30 September 2024. The shares are held as treasury shares and Ithmaar has the right to reissue these shares at a later date.

10 RESERVES

	30 September 2024	31 December 2023
Share premium	149,085	149,085
Statutory reserve	42,345	42,345
General reserve	50,727	50,727
Investments fair value reserve	3,090	2,957
Fixed assets fair value reserve	26,476	26,476
Investment in real estate fair value reserve	2,303	3,005
Foreign currency translation reserve	(159,622)	(159,738)
	114,404	114,857

Ithmaar Holding B.S.C.**Notes to the condensed consolidated interim financial information
for the nine months period ended 30 September 2024**

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

11 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 2024				
	Shareholders & Affiliates	Associates and other investments	Directors and related entities	Senior management	Total
Assets					
Financing assets*	374,167	-	-	-	374,167
Investment in associates	-	18,604	-	-	18,604
Other assets	-	-	-	113	113
Assets classified as held for sale	-	92,440	-	-	92,440
Liabilities					
Customers' current accounts	12,887	-	-	-	12,887
Other liabilities	52	-	-	-	52
Liabilities classified as held for sale	2,935	8,355	-	-	11,290
Quasi equity	22,012	-	-	-	22,012
*Financing assets are gross of ECL general provisions of \$65 million					
Income					
Return to quasi equity	(606)	-	-	-	(606)
Income from financing contracts	2,835	-	-	-	2,835
Share of results after tax from associates	-	(1,298)	-	-	(1,298)
Finance expense on placements from financial and non-financial institutions	-	(494)	-	-	(494)
Expenses					
General and administrative expenses	(244)	-	(236)	-	(480)

Ithmaar Holding B.S.C.**Notes to the condensed consolidated interim financial information
for the nine months period ended 30 September 2024**

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

11 RELATED PARTY TRANSACTIONS AND BALANCES (continued)

	31 December 2023				
	Shareholders & Affiliates	Associates and other investments	Directors and related entities	Senior management	Total
Assets					
Financing assets*	374,833	-	-	-	374,833
Investment in associates	-	94,659	-	-	94,659
Other assets	-	-	-	146	146
Liabilities					
Customers' current accounts	14,290	832	-	-	15,122
Due to banks, financial and other institutions	26,487	13,009	-	-	39,496
Other liabilities	23	-	-	-	23

*Financing assets are gross of ECL general provisions of \$65 million

	30 September 2023				
Income					
Income from financing contracts	2,824	-	-	-	2,824
Share of results after tax from associates	-	(2,369)	-	-	(2,369)
Finance expense on placements from financial and non-financial institutions	(1,653)	(716)	-	-	(2,369)
Expenses					
General and administrative expenses	(525)	-	(80)	-	(605)

Ithmaar Holding B.S.C.

**Notes to the condensed consolidated interim financial information
for the nine months period ended 30 September 2024**

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

12 BASIC AND DILUTED EARNINGS PER SHARE

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

	Nine months ended		Three months ended	
	30 September 2024	30 September 2023	30 September 2024	30 September 2023
Income/(loss) attributable to shareholders (\$'000)	414	(4,484)	(2,984)	2,025
Weighted average number of issued and fully paid up ordinary shares ('000)	2,910,160	2,910,160	2,910,160	2,910,160
Earnings per share (Basic & Diluted) – US Cents	0.01	(0.15)	(0.10)	0.07

BASIC AND DILUTED EARNINGS PER SHARE FOR CONTINUING OPERATIONS

	Nine months ended		Three months ended	
	30 September 2024	30 September 2023	30 September 2024	30 September 2023
Loss attributable to shareholders (\$'000)	(13,355)	(14,488)	(4,781)	(1,094)
Weighted average number of issued and fully paid up ordinary shares ('000)	2,910,160	2,910,160	2,910,160	2,910,160
Earnings per share (Basic & Diluted) – US Cents	(0.46)	(0.50)	(0.16)	(0.04)

BASIC AND DILUTED EARNINGS PER SHARE FOR DISCONTINUED OPERATIONS

	Nine months ended		Three months ended	
	30 September 2024	30 September 2023	30 September 2024	30 September 2023
Income attributable to shareholders (\$'000)	13,769	10,004	1,797	3,119
Weighted average number of issued and fully paid up ordinary shares ('000)	2,910,160	2,910,160	2,910,160	2,910,160
Earnings per share (Basic & Diluted) – US Cents	0.47	0.34	0.06	0.11

13 CONTINGENT LIABILITIES AND COMMITMENTS CLASSIFIED AS HELD FOR SALE

Contingent liabilities

	30 September 2024	31 December 2023*
Acceptances and endorsements	107,742	46,785
Guarantees and letters of credit	644,699	466,553
Customer and other claims	14,835	104,286
	767,276	617,624

Commitments

	30 September 2024	31 December 2023*
Undrawn facilities, financing lines and other commitments to finance	1,740,280	1,214,024

*The figures as at 31 December 2023 does not fall under held for sale category.

Ithmaar Holding B.S.C.

Notes to the condensed consolidated interim financial information

for the nine months period ended 30 September 2024

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

14 SEGMENT REPORTING

The Group constitutes of two 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 2024			30 September 2023		
	Retail & Corporate Banking	Asset Management / Investment Banking	Total	Retail & Corporate Banking	Asset Management / Investment Banking	Total
NET RESULTS FROM CONTINUING OPERATIONS						
Loss from continuing operations	(13,355)	-	(13,355)	(14,488)	-	(14,488)
NET RESULTS FROM DISCONTINUED OPERATIONS						
			-			-
Total income	685,853	7,889	693,742	520,892	(2,235)	518,657
Total expenses	(138,948)	(13,111)	(152,059)	(110,515)	(12,582)	(123,097)
Net operating income before impairment allowances and attribution to quasi equity	546,905	(5,222)	541,683	410,377	(14,817)	395,560
Allowances for impairment and expected credit losses, net	(22,815)	5,947	(16,868)	(17,079)	6,178	(10,901)
Profit for the period before attribution to quasi equity	524,090	725	524,815	393,298	(8,639)	384,659
Less: Net income attributable to quasi-equity	(426,676)	-	(426,676)	(317,926)	-	(317,926)
Profit before overseas taxation	97,414	725	98,139	75,372	(8,639)	66,733
Tax expense	(61,878)	(561)	(62,439)	(39,380)	-	(39,380)
PROFIT FROM DISCONTINUING OPERATIONS	35,536	164	35,700	35,992	(8,639)	27,353
PROFIT/(LOSS) FOR THE PERIOD	22,181	164	22,345	21,504	(8,639)	12,865
Attributable to:						
Equity holders of Ithmaar	67	347	414	3,284	(7,768)	(4,484)
Minority interests	22,114	(183)	21,931	18,220	(871)	17,349
	22,181	164	22,345	21,504	(8,639)	12,865
31 December 2023						
Total assets	5,471,561	930,225	6,401,786	5,158,738	945,836	6,104,574
Total liabilities, quasi equity and equity	6,201,111	31,714	6,232,825	5,889,936	52,499	5,942,435

Ithmaar Holding B.S.C.

Notes to the condensed consolidated interim financial information

for the nine months period ended 30 September 2024

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

14 SEGMENT REPORTING (continued)

The Group constitutes of two geographical segments which are Middle East & Others and Asia

	30 September 2024			30 September 2023		
	Middle East & Others	Asia	Total	Middle East & Others	Asia	Total
NET RESULTS FROM CONTINUING OPERATIONS						
Loss from continuing operations	(13,355)	-	(13,355)	(14,488)	-	(14,488)
NET RESULTS FROM DISCONTINUED OPERATIONS						
			-			-
Total income	2,984	690,758	693,742	11,550	507,107	518,657
Total expenses	(20,409)	(131,650)	(152,059)	(21,301)	(101,796)	(123,097)
Net operating income before impairment allowances and attribution to quasi equity	(17,425)	559,108	541,683	(9,751)	405,311	395,560
Allowances for impairment and expected credit losses, net	-	(16,868)	(16,868)	(383)	(10,518)	(10,901)
Profit for the period before attribution to quasi equity	(17,425)	542,240	524,815	(10,134)	394,793	384,659
Less: Net income attributable to quasi-equity	(15,751)	(410,925)	(426,676)	(16,414)	(301,512)	(317,926)
Profit before overseas taxation	(33,176)	131,315	98,139	(26,548)	93,281	66,733
Tax expense	(626)	(61,813)	(62,439)	(328)	(39,052)	(39,380)
PROFIT FROM DISCONTINUING OPERATIONS	(33,802)	69,502	35,700	(26,876)	54,229	27,353
PROFIT / (LOSS) FOR THE PERIOD	(47,157)	69,502	22,345	(41,364)	54,229	12,865
Attributable to:						
Equity holders of Ithmaar	(45,338)	45,752	414	(40,497)	36,013	(4,484)
Minority interests	(1,819)	23,750	21,931	(867)	18,216	17,349
	(47,157)	69,502	22,345	(41,364)	54,229	12,865
31 December 2023						
Total assets	1,281,921	5,119,865	6,401,786	1,287,855	4,816,719	6,104,574
Total liabilities, quasi equity and equity	1,499,711	4,733,114	6,232,825	1,453,533	4,488,902	5,942,435

15 COMPARATIVE FIGURES

Prior year figures have been regrouped to conform to the current period presentation. Such grouping did not affect previously reported profit for the period or total equity of the Group.

Ithmaar Holding B.S.C.**Notes to the condensed consolidated interim financial information
for the nine months period ended 30 September 2024**

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

16 ASSETS CLASSIFIED AS HELD FOR SALE

During Q1 2024, the Board of Ithmaar Holding and Board of GFH Financial Group B.S.C. ("GFH") have agreed to an overall framework of terms regarding sale of certain assets and liabilities of Ithmaar's corporate banking business in Bahrain and investment assets (the "Transaction"). The Transaction was approved by Ithmaar Holding's shareholders during its Extraordinary General Meeting on 29 May 2024. The Transaction remains subject to regulatory approvals and the signing of definitive agreements. Further, the Transaction is expected to be significant to the overall consolidated financial position of the Group and is expected to yield positive outcomes for all stakeholders of the Group.

Subject to obtaining the required regulatory approvals, Ithmaar and GFH intend for the Transaction value to be calculated based on the value of the assets and liabilities as of 31 March 2024, subject to the agreed upon adjustments, with the Transaction effective date being 1 April 2024.

Based on the Group's assessment of the criteria specified by IFRS 5 "Non-Current Assets Held for Sale and Discontinued Operations", the assets and disposal group subject to the Transaction have been classified as held for sale in the condensed consolidated interim financial information as at 30 September 2024. The Group's assessment was mainly based on the fact that the Group remains committed to the Transaction (after Board's in-principle approval), assets subject to the proposed transaction were available for immediate sale in present condition and the sale was highly probable as at 30 September 2024.

Accordingly, the following assets and liabilities (the "operations") have been classified as held-for-sale as of 30 September 2024:

Assets classified as held for sale (note 1)

Description	Amount
Cash and balances with banks and central banks	377,751
Commodity placements with banks, financial and other institutions	83,545
Financing assets	1,993,232
Investment securities	2,515,479
Investment in associates	92,441
Other assets	118,183
Investment in real estate	156,196
Development properties	175,297
Property and equipment	208,467
Intangible assets	14,853
Total assets	5,735,444

Liabilities and Quasi equity classified as held for sale

Description	Amount
Customers' current accounts	1,652,086
Due to banks, financial and other institutions	437,854
Due to investors	5
Other liabilities	272,029
Total liabilities	2,361,974

QUASI EQUITY

- Quasi equity classified as held for sale	3,066,624
Fair value & foreign exchange translation movement from investments attributable to quasi equity	(9,188)
Total quasi equity classified as held for sale	3,057,436

Non-controlling interest classified as held for sale 166,086

Total liabilities and quasi equity and

non-controlling interest classified as held for sale **5,585,496**

Note 1:

Investment in real estate assets and subsidiary (Faysal Bank Limited) are proposed to be transferred through the establishment of separate companies ("JVs"). These will be majority owned by GFH (71.51% and 75% respectively) while Ithmaar will retain minority ownership.

Ithmaar Holding B.S.C.

**Notes to interim condensed consolidated financial information
for the nine months period ended 30 September 2024**

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

16 ASSETS CLASSIFIED AS HELD FOR SALE (continued)

These operations have been treated as a single disposal group. The net results of the above operations are included in the condensed consolidated statement of income.

The comparative period balances in the condensed consolidated statement of income 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 condensed consolidated statement of cash flows, are as follows:

Financial lines	30 September 2024	30 September 2023
Net cash from operating activities	173,324	205,498
Net cash used by investing activities	2,369	(213,812)
Net cash movement	175,693	(8,314)