

GFH FINANCIAL GROUP BSC
CONDENSED CONSOLIDATED INTERIM
FINANCIAL INFORMATION

30 September 2024

Commercial registration	:	44136 (registered with Central Bank of Bahrain as an Islamic wholesale Bank)
Registered Office	:	2nd Floor, Harbor House Building Number 1436 Block: 346, Road: 4626 Manama, Kingdom of Bahrain Telephone +973 17538538
Directors	:	Abdulmohsen Rashed Alrashed, <i>Chairman</i> (from March 2024) Ghazi Faisal Ebrahim Alhajeri, <i>Vice Chairman</i> Hisham Ahmed Alrayes Ali Murad Darwish Al Ketbi Fawaz Talal Al Tamimi Rashid Nasser Al Kaabi Yusuf Abdulla Taqi (till March 2024) Edris Mohd Rafi Mohd Saeed Al-Rafi (till March 2024) Abdulaziz Abdulhamid Albassam (from March 2024) Abdulla Jehad Alzain (from March 2024) H.H Shaikha Minwa Bint Ali Bin Khalifa Al Khalifa (from March 2024)
Chief Executive Officer	:	Hisham Ahmed Alrayes
Auditors	:	KPMG Fakhro

GFH FINANCIAL GROUP BSC

**CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
for the nine months ended 30 September 2024**

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KPMG Fakhro
Audit
12th Floor, Fakhro Tower,
P.O. Box 710, Manama,
Kingdom of Bahrain

Telephone: +973 17224807
Telefax: +973 17227443
Website: www.kpmg.com/bh
CR No.: 6220 - 2

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

To the Board of Directors of
GFH Financial Group BSC
Kingdom of Bahrain

Introduction

We have reviewed the accompanying 30 September 2024 condensed consolidated interim financial information of GFH Financial Group BSC (the "Bank") 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 Bank 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.

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".

12 November 2024

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 September 2024

US\$ 000's

	Note	30 September 2024 (reviewed)	31 December 2023 (audited)	30 September 2023 (reviewed)
ASSETS				
Cash and bank balances		379,284	376,884	446,249
Treasury portfolio	8	4,532,623	5,135,032	4,970,142
Financing contracts	9	2,035,126	1,544,810	1,558,802
Real estate investment	10	1,199,880	1,371,932	1,333,373
Co-investments	11	301,387	254,610	182,134
Proprietary investments	12	1,166,043	1,044,727	1,018,033
Receivables and other assets	13	1,038,307	825,331	817,497
Property and equipment		286,805	229,534	215,832
Assets held for sale		-	338,619	-
TOTAL ASSETS		10,939,455	11,121,479	10,542,062
LIABILITIES				
Clients' funds		240,757	206,222	106,631
Placements from financial institutions		2,421,964	2,323,217	2,542,008
Placements from non-financial institutions and individuals		1,149,476	960,050	1,112,894
Customer current accounts		417,745	203,697	158,161
Term financing	14	1,958,061	2,124,307	1,847,528
Other liabilities	15	526,471	548,056	596,089
Liabilities directly associated with assets held for sale		-	230,562	-
TOTAL LIABILITIES		6,714,474	6,596,111	6,363,311
QUASI EQUITY	16	3,123,389	3,451,006	3,100,537
OWNERS' EQUITY				
Share capital		1,015,637	1,015,637	1,015,637
Treasury shares		(73,865)	(125,525)	(124,672)
Statutory reserve		47,518	47,518	36,995
Investment fair value reserve		(18,008)	(46,103)	(56,885)
Cash flow hedge reserve		-	(2,135)	-
Other reserve		(17,888)	(13,612)	-
Retained earnings		38,211	105,831	115,165
Share grant reserve		5,440	7,930	7,930
Total equity attributable to shareholders of the Bank		997,045	989,541	994,170
Non-controlling interests		104,547	84,821	84,044
TOTAL OWNERS' EQUITY		1,101,592	1,074,362	1,078,214
TOTAL LIABILITIES, QUASI EQUITY AND OWNERS' EQUITY		10,939,455	11,121,479	10,542,062

The Board of Directors approved the condensed consolidated interim financial information on 12 November 2024 and signed on its behalf by:


Abdulmohsen Rashed Alrashed
Chairman


Hisham Alrayes
Chief Executive Officer & Board member

The accompanying notes 1 to 24 form an integral part of the condensed consolidated interim financial information.

CONDENSED CONSOLIDATED STATEMENT OF INCOME
for the nine months period ended 30 September 2024

US\$ 000's

	Note	Nine months ended		Three months ended	
		30 September 2024 (reviewed)	30 September 2023 (reviewed)	30 September 2024 (reviewed)	30 September 2023 (reviewed)
Investment banking					
Deal related income		91,106	151,564	31,204	70,674
Asset management		42,084	14,706	13,858	5,079
		133,190	166,270	45,062	75,753
Commercial banking					
Income from financing		92,599	81,913	30,205	28,209
Treasury and investment income		74,049	69,892	24,756	24,428
Fee and other income		19,510	18,597	4,047	3,968
Commercial banking finance cost		(77,115)	(80,290)	(22,508)	(35,120)
		109,043	90,112	36,500	21,485
Treasury and Proprietary Investments					
Finance and treasury portfolio income, net		149,533	163,552	60,463	41,562
Direct investment income, net		88,121	7,793	8,972	3,641
Income from co-investments		42,291	44,382	27,595	22,753
Share of profit from equity-accounted investees		16,948	22,401	4,359	5,157
Income from sale of assets		52,235	6,512	5,385	799
Leasing and operating income		22,026	13,274	7,879	4,397
Other income		8,111	8,346	6,398	6,006
Finance expenses - Repo and FI		(135,012)	(182,243)	(48,357)	(57,368)
		244,253	84,017	72,694	26,947
Total income		486,486	340,399	154,256	124,185
Finance expense - term financing and others		54,547	46,574	21,099	15,215
Impairment allowances, net	17	22,692	13,607	4,087	6,655
Other expenses		156,656	120,063	44,842	41,797
Total expenses		233,895	180,244	70,028	63,667
Profit for the period before attribution to quasi equity		252,591	160,155	84,228	60,518
Less: Net profit attributable to quasi-equity		(157,035)	(79,106)	(56,569)	(36,658)
Profit for the period		95,556	81,049	27,659	23,860
Profit attributable to:					
Shareholders of the Bank		87,947	78,921	27,200	24,305
Non-controlling interests		7,609	2,128	459	(445)
		95,556	81,049	27,659	23,860
Earnings per share					
Basic and diluted earnings per share (US cents)	18	2.43	2.26	0.73	0.71


Abdulmohsen Rashid Alrashed
Chairman


Hisham Alrayes
Chief Executive Officer & Board member

The accompanying notes 1 to 24 form an integral part of the condensed consolidated interim financial information.

CONDENSED CONSOLIDATED STATEMENT OF TOTAL COMPREHENSIVE INCOME
for the nine months period ended 30 September 2024

US\$ 000's

	Nine months ended		Three months ended	
	30 September 2024 (reviewed)	30 September 2023 (reviewed)	30 September 2024 (reviewed)	30 September 2023 (reviewed)
Profit for the period	95,556	81,049	27,659	23,860
Other comprehensive income (OCI)				
Items that may subsequently be classified to income statement				
Fair value changes on debt investments carried at fair value through OCI	32,499	756	26,489	(1,554)
Fair value changes on equity investments carried at fair value through OCI	(2,724)	(5,528)	(1,156)	(406)
Equity-accounted investees – share of OCI	(4,276)	-	(1,868)	-
Attributable to quasi-equity	(549)	-	(259)	-
Total other comprehensive income for the period	24,950	(4,772)	23,206	(1,960)
Total comprehensive income	120,506	76,277	50,865	21,900
Total comprehensive income attributable to:				
Shareholders of the Bank	113,901	75,231	46,594	22,948
Non-controlling interests	6,605	1,046	4,271	(1,048)
	120,506	76,277	50,865	21,900

The accompanying notes 1 to 24 form an integral part of the condensed consolidated interim financial information.

CONDENSED CONSOLIDATED STATEMENT OF INCOME AND ATTRIBUTION RELATED TO QUASI-EQUITY

For the nine months period ended 30 September 2024

US\$ 000's

	Nine months ended		Three months ended	
	30 September 2024 (reviewed)	30 September 2023 (reviewed)	30 September 2024 (reviewed)	30 September 2023 (reviewed)
Net operating income attribution to quasi equity	252,591	160,155	84,228	60,518
Adjusted for:				
Less: income not attributable to quasi-equity	(227,107)	(262,087)	(74,582)	(77,722)
Add: Profit expense on due to banks and non-banks	89,045	80,289	28,101	28,066
Add: expenses not attributable to quasi-equity	227,328	216,896	69,244	64,010
Less: institution's share of income for its own/ share of investments	(114,767)	(98,122)	(36,433)	(42,695)
Less: allowance for impairment allowances attributable to quasi-equity	4,884	-	(687)	9,611
Total income available for quasi-equity holders	231,974	97,131	69,871	41,788
Profit equalization reserve – net movement	-	-	-	-
Total income attributable to quasi-equity holders (adjusted for reserves)	231,974	97,131	69,871	41,788
Less: Mudarib's share	(6,069)	(13,503)	1,865	(5,130)
Less: Wakala fees	(68,870)	(4,522)	(15,167)	-
Net income attributable to quasi-equity	157,035	79,106	56,569	36,658
Investment risk reserve -net movement	-	-	-	-
Profit distributable to quasi-equity	157,035	79,106	56,569	36,658
Other comprehensive income that may subsequently be classified to statement of income	549	-	-	-
Total comprehensive income – attributable to quasi-equity	157,584	79,106	56,569	36,658
Add: Other comprehensive income not subject to immediate distribution	(549)	-	-	-
Net profit attributable to quasi-equity	157,035	79,106	56,569	36,658

The accompanying notes 1 to 24 form an integral part of the condensed consolidated interim financial information.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY
for the nine months period ended 30 September 2024

US\$ 000's

	Attributable to shareholders of the Bank								Non-Controlling Interests (NCI)	Total owners' equity	
	Share capital	Treasury shares	Statutory reserve	Cashflow hedge reserve	Other reserve	Investment fair value reserve	Retained earnings	Share grant reserve			Total
30 September 2024 (reviewed)											
Balance at 1 January 2024	1,015,637	(125,525)	47,518	(2,135)	(13,612)	(46,103)	105,831	7,930	989,541	84,821	1,074,362
Profit for the period	-	-	-	-	-	-	87,947	-	87,947	7,609	95,556
Other comprehensive income	-	-	-	2,135	(4,276)	28,095	-	-	25,954	(1,004)	24,950
Total comprehensive income for the period				2,135	(4,276)	28,095	87,947	-	113,901	6,605	120,506
Issue of shares under incentive scheme (net)	-	-	-	-	-	-	-	(2,490)	(2,490)	-	(2,490)
Transfer to zakah and charity fund	-	-	-	-	-	-	(7,037)	-	(7,037)	-	(7,037)
Dividends declared for 2023	-	-	-	-	-	-	(61,000)	-	(61,000)	-	(61,000)
Sale of treasury shares	-	279,044	-	-	-	-	(31,327)	-	247,717	-	247,717
Purchase of treasury shares	-	(227,384)	-	-	-	-	-	-	(227,384)	-	(227,384)
Additional NCI without a change in control (note 1)	-	-	-	-	-	-	(37,360)	-	(37,360)	124,650	87,290
Sale of shares in subsidiary	-	-	-	-	-	-	-	-	-	(39,757)	(39,757)
Reduction in NCI due to additional stake in subsidiary (note 1)	-	-	-	-	-	-	(18,843)	-	(18,843)	(84,059)	(102,902)
Additional NCI on acquisition of subsidiary (note 23)	-	-	-	-	-	-	-	-	-	12,287	12,287
Balance at 30 September 2024	1,015,637	(73,865)	47,518	-	(17,888)	(18,008)	38,211	5,440	997,045	104,547	1,101,592

The accompanying notes 1 to 24 form an integral part of the condensed consolidated interim financial information.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY
for the nine months period ended 30 September 2024 (continued)

US\$ 000's

30 September 2023 (reviewed)

	Attributable to shareholders of the Bank						Non-Controlling Interests (NCI)	Total owners' equity	
	Share capital	Treasury shares	Statutory reserve	Investment fair value reserve	Retained earnings	Share grant reserve			Total
Balance at 1 January 2023	1,015,637	(105,598)	36,995	(53,195)	95,831	6,930	996,600	74,794	1,071,394
Profit for the period	-	-	-	-	78,921	-	78,921	2,128	81,049
Fair value changes during the period	-	-	-	(3,690)	-	-	(3,690)	(1,082)	(4,772)
Total recognised income and expense	-	-	-	(3,690)	78,921	-	75,231	1,046	76,277
Long Term Incentive Plan (LTIP)	-	-	-	-	-	1,000	1,000	-	1,000
Transfer to zakah and charity fund	-	-	-	-	(1,000)	-	(1,000)	-	(1,000)
Dividends declared for 2022	-	-	-	-	(56,261)	-	(56,261)	-	(56,261)
Purchase of treasury shares	-	(48,548)	-	-	-	-	(48,548)	-	(48,548)
Sale of treasury shares	-	29,474	-	-	(2,326)	-	27,148	-	27,148
Additional NCI without a change in control	-	-	-	-	-	-	-	12,164	12,164
Loss of control	-	-	-	-	-	-	-	(3,960)	(3,960)
Balance at 30 September 2023	1,015,637	(124,672)	36,995	(56,885)	115,165	7,930	994,170	84,044	1,078,214

The accompanying notes 1 to 24 form an integral part of the condensed consolidated interim financial information.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
for the nine months period ended 30 September 2024

US\$ 000's

	30 September 2024 (reviewed)	30 September 2023 (reviewed)
OPERATING ACTIVITIES		
Profit for the period	95,556	81,049
Adjustments for:		
Treasury and proprietary investments	(379,265)	(266,260)
Foreign exchange loss/ (gain)	2,941	(1,323)
Finance expense	346,594	307,923
Impairment allowances, net	22,692	13,607
Depreciation and amortisation	9,451	8,055
	97,969	143,051
Changes in:		
Placements with financial institutions (original maturities of more than 3 months)	(35,614)	(17,979)
Financing contracts	(494,275)	(128,727)
Receivables and other assets	(47,158)	(184,971)
CBB Reserve and restricted bank balance	(7,298)	(7,311)
Clients' funds	34,535	(16,669)
Customer current accounts	214,048	26,927
Placements from financial, non-financial institutions and individuals	288,173	(1,200,226)
Quasi Equity	(327,617)	1,886,863
Other liabilities	(283,180)	45,326
Net cash (used in) / generated from operating activities	(560,417)	546,284
INVESTING ACTIVITIES		
Sale / (Payments) for purchase of equipment, net	1,629	(4,570)
Sale / (Purchase) of proprietary investment securities, net	21,210	(41,453)
Sale / (Purchase) of treasury portfolio, net	38,989	(124,179)
Profit collected on treasury portfolio	178,351	130,087
Cash acquired on acquisition of subsidiary	5,584	1,346
Cash paid on acquisition of subsidiary	(4,000)	(7,000)
Sale / (Purchase) of real estate	56,617	(623)
Dividends received during the period	80,721	49,207
Net cash from investing activities	379,101	2,815
FINANCING ACTIVITIES		
Financing liabilities, net	(49,422)	(89,603)
Purchase of GFH sukuk, net	(556)	(21)
Finance expense paid	(329,934)	(315,439)
Dividends paid	(58,865)	(58,400)
Sale / (Purchase) of treasury shares, net	13,798	(17,695)
Net cash used in financing activities	(424,979)	(481,158)
Net (decrease) / increase in cash and cash equivalents during the period	(606,295)	67,941
Cash and cash equivalents at 1 January	1,687,727	1,041,064
Cash and cash equivalents at 30 September *	1,081,432	1,109,005
Cash and cash equivalents comprise:		
Cash and balances with banks (excluding CBB reserve balance and restricted cash)	295,838	369,548
Placements with financial institutions (original maturities of 3 months or less)	785,594	739,457
	1,081,432	1,109,005

* net of expected credit loss of US\$ 39 thousands (30 September 2023: US\$ 18 thousands).

The accompanying notes 1 to 24 form an integral part of the condensed consolidated interim financial information.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN OFF-BALANCE-SHEET ASSETS UNDER MANAGEMENT

for the nine months period ended 30 September 2024

US\$ 000's

30 September 2024 (Reviewed)

	Opening Balance	Additions during the period	Distribution/ NAV Movement	Income	Expenses	Group fees	Closing Balance
Real Estate	9,142,438	484,199	(368,133)	258,507	(232,409)	(26,099)	9,258,503
Private Equity	709,755	289,800	(46,012)	43,977	(27,992)	(15,986)	953,542
As at 30 September 2024	9,852,193	773,999	(414,145)	302,484	(260,401)	(42,085)	10,212,045

The above assets under management are also funded by financing arrangements at the level of operations amounting to US\$ 3.7 billion (31 December 2023: US\$ 3.55 billion).

The Group fees is in the form of management fee, performance fee and/ or Wakala fees at the level of investment vehicles or investors. The above amounts include the groups co-investments in these products amounting to US\$ 301,387 thousand (31 Dec 2023: US\$ 254,610 thousand).

30 September 2023 (Reviewed)

	Opening Balance	Additions during the period	Distribution/ NAV Movement	Income	Expenses	Group fees	Closing Balance
Real Estate	7,132,745	1,282,297	(228,620)	153,656	(141,525)	(12,132)	8,186,421
Private Equity	584,187	179,000	10,124	10,843	(8,268)	(2,574)	773,312
As at 30 September 2023	7,716,932	1,461,297	(218,496)	164,499	(149,793)	(14,706)	8,959,733

The above assets under management are also funded by financing arrangements at the level of operations amounting to US\$ 3.58 billion (31 December 2022: US\$ 3.27 billion).

The Group fees is in the form of management fee, performance fee and/ or Wakala fees at the level of investment vehicles or investors. The above amounts include the groups co-investments in these products amounting to US\$ 182,134 thousand (31 Dec 2022: US\$ 142,051 thousand).

The accompanying notes 1 to 24 form an integral part of the condensed consolidated interim financial information.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION**for the nine months period ended 30 September 2024**

US\$ 000's

1 REPORTING ENTITY

GFH Financial Group BSC (“the Bank”) was incorporated in 1999 in the Kingdom of Bahrain under Commercial Registration No. 44136 and operates under an Islamic Wholesale Investment Banking license issued by the Central Bank of Bahrain (“CBB”). The Bank’s shares are listed on the Bahrain, Kuwait, Dubai and Abu Dhabi Financial Market Stock Exchanges. The Bank’s sukuk certificates are listed on London Stock Exchange. The Bank’s activities are regulated by the CBB. The principal activities of the Bank include investment advisory services and investment transactions which comply with Islamic rules and principles determined by the Bank’s Shari’a Supervisory Board.

The condensed consolidated interim financial information for the nine months ended 30 September 2024 comprise the financial information of GFH Financial Group BSC (GFH or the “Bank”) and its subsidiaries (together referred to as “the Group”).

The following are the principal subsidiaries consolidated in the condensed consolidated interim financial information.

Investee name	Country of incorporation	Effective ownership interests as at 30 September 2024	Activities
GFH Partners Limited	United Arab Emirates	100%	Investment management
GFH Capital S.A.	Saudi Arabia	100%	Investment management
Al Areen Hotels W.L.L.	Kingdom of Bahrain	100%	Hospitality management services
Khaleeji Bank BSC ('KHALEEJI')*		82.95%	Islamic retail bank
GFH Equities BSC (c)**		76.63%	Investment management

*During the previous quarter ended 30 June 2024, the Group’s effective ownership was diluted to 57.95% as compared to effective ownership as on 31 December 2023 of 85.41% due to capital increase.

*During the current quarter, the Group has purchased the additional stake resulting increase in effective ownership to 82.95% as compared to 57.95% as on 30 June 2024.

** During quarter ended 30 June 2024, the Group acquired additional stake in GFH Equities BSC (c) which resulted in increase in effective ownership as on 30 June 2024 to 76.63% (31 December 2023: 62.91%).

The Bank has other investment holding companies, SPV’s and subsidiaries, which are set up to supplement the activities of the Bank and its principal subsidiaries.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION**for the nine months period ended 30 September 2024**

US\$ 000's

2 BASIS OF PREPARATION

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"). In line with the requirements of AAOIFI and the Central Bank of Bahrain (CBB) rule book, for matters not covered under AAOIFI standards the group uses guidance from the relevant IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards").

These condensed consolidated interim financial information are reviewed and not audited. 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.

3 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 the preparation of the Group's last audited consolidated financial statements as at and for the year ended 31 December 2023, except those arising from certain changes due to adoption of the following standards and amendments to standards effective from 1 January 2024. The impact of adoption of these standards and amendments is set out below.

a. *New standards, amendments and interpretations issued and effective for annual periods beginning on or after 1 January 2024:*

1) 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. Significant changes relevant to the Group are a) Definition of Quasi-equity is introduced; b) Concept of comprehensive income has been introduced; and c) Disclosure of movement in Zakah and Charity have been relocated disclosed into the notes to the condensed consolidated financial information.

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 total comprehensive income

Statement of income and attribution related to quasi-equity

Statement of changes in off-balance-sheet assets under management

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
for the nine months period ended 30 September 2024**

US\$ 000's

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

New standards, amendments and interpretations issued and effective for annual periods beginning on or after 1 January 2024: (continued)

Primary statements discontinued

Statement of sources and uses of zakah and charity fund

As a result of the adoption of FAS 1 revised certain 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. Further, the Group has elected to present statement of income and a statement of other comprehensive income as two separate statements.

b. New standards, amendments, and interpretations issued but not yet effective**(i) 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.

(ii) 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.

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

This standard shall be effective for the financial periods beginning on or after 1 January 2026 with an option to early adopt. This standard shall be adopted at the same time as adoption of FAS 45 "Quasi-Equity (Including Investment Accounts)".

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

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3 SIGNIFICANT ACCOUNTING POLICIES (continued)**(iii) 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.

4 ESTIMATES AND JUDGEMENTS

Preparation of condensed consolidated interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. The areas of significant judgments 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.

5 FINANCIAL RISK MANAGEMENT

The Group's financial risk management objectives and policies are consistent with those disclosed in the audited consolidated financial statements for the year ended 31 December 2023.

Regulatory ratios**a. Net stable funding Ratio (NSFR)**

NSFR as a percentage is calculated as "Available stable funding" divided by "Required stable funding".

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
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5 FINANCIAL RISK MANAGEMENT (continued)

The Consolidated NSFR calculated as per the requirements of the CBB rulebook, is as follows:

As at 30 September 2024

No.	Item	No Specified Maturity	Less than 6 months	More than 6 months and less than one year	Over one year	Total weighted value
Available Stable Funding (ASF):						
1	Capital:					
2	Regulatory Capital	976,124	-	-	48,246	1,024,370
3	Other Capital Instruments	-	-	-	-	-
4	Retail deposits and deposits from small business customers:					
5	Stable deposits		161,079	42,027	2,502	195,452
6	Less stable deposits	-	2,457,310	597,073	178,413	2,927,358
7	Wholesale funding:					
8	Operational deposits					
9	Other Wholesale funding	-	4,348,260	768,828	936,588	5,234,436
10	Other liabilities:					
11	NSFR Shari'a-compliant hedging contract liabilities		-	-	-	
12	All other liabilities not included in the above categories	-	477,763	-	26,536	26,536
13	Total ASF					9,408,152
Required Stable Funding (RSF):						
14	Total NSFR high-quality liquid assets (HQLA)					98,221
15	Deposits held at other financial institutions for operational purposes					
16	Performing financing and sukuk/ securities:	-	1,329,396	-	1,239,317	1,252,828
17	Performing financial to financial institutions by level 1 HQLA	-	-	-	-	-
18	Performing financing to financial institutions secured by non-level 1 HQLA and unsecured performing financing to financial institutions	-	145,590	-	1,194,906	1,088,465

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

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19	Performing financing to non- financial corporate clients, financing to retail and small business customers, and financing to sovereigns, central banks and PSEs, of which:	-	113,115	252,442	373,054	425,263
20	With a risk weight of less than or equal to 35% as per the CBB Capital Adequacy Ratio guidelines	-	-	-	-	-
21	Performing residential mortgages, of which:	-	-	-	-	-
22	With a risk weight of less than or equal to 35% under the CBB Capital Adequacy Ratio Guidelines	-	-	-	-	-
23	Securities/sukuk that are not in default and do not qualify as HQLA, including exchange-traded equities	-	905,742	142,866	418,776	943,080
24	Other assets:					
25	Physical traded commodities, including gold	-				-
26	Assets posted as initial margin for Shari'a-compliant hedging contracts contracts and contributions to default funds of CCPs		-	-	-	-
27	NSFR Shari'a-compliant hedging assets		-	-	-	2,013
28	NSFR Shari'a-compliant hedging contract liabilities before deduction of variation margin posted		-	-	-	-
29	All other assets not included in the above categories	2,946,497	-	-	-	2,946,497
30	OBS items		-	-	-	74,136
31	Total RSF		2,493,842	395,307	3,226,053	6,830,505
32	NSFR(%)					138%

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

for the nine months period ended 30 September 2024

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5 FINANCIAL RISK MANAGEMENT (continued)

As at 31 December 2023

No.	Item	No Specified Maturity	Less than 6 months	More than 6 months and less than one year	Over one year	Total weighted value
Available Stable Funding (ASF):						
1	Capital:					
2	Regulatory Capital	1,023,275	-	-	64,133	1,087,409
3	Other Capital Instruments	-	-	-	-	-
4	Retail deposits and deposits from small business customers:					
5	Stable deposits	-	159,304	36,446	3,763	189,725
6	Less stable deposits	-	1,964,119	518,381	503,663	2,737,913
7	Wholesale funding:					
8	Operational deposits	-	-	-	-	-
9	Other Wholesale funding	-	4,157,571	544,672	1,438,472	5,452,622
10	Other liabilities:					
11	NSFR Shari'a-compliant hedging contract liabilities		-	-	-	
12	All other liabilities not included in the above categories	-	481,509	-	36,139	36,139
13	Total ASF					9,503,808
Required Stable Funding (RSF):						
14	Total NSFR high-quality liquid assets (HQLA)					97,918
15	Deposits held at other financial institutions for operational purposes					
16	Performing financing and sukuk/securities:		1,841,985		791,830	949,354
17	Performing financial to financial institutions by level 1 HQLA	-	-	-	-	-
18	Performing financing to financial institutions secured by non-level 1 HQLA and unsecured performing financing to financial institutions	-	19,610	934	1,041,445	895,500
19	Performing financing to non-financial corporate clients, financing to retail and small business customers, and financing to sovereigns, central banks and PSEs, of which:	-	254,059	76,796	364,685	402,473
20	With a risk weight of less than or equal to 35% as per the CBB Capital Adequacy Ratio guidelines	-	-	-	-	-
21	Performing residential mortgages, of which:	-	-	-	-	-
22	With a risk weight of less than or equal to 35% under the CBB Capital Adequacy Ratio Guidelines	-	-	-	-	-

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
for the nine months period ended 30 September 2024

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5 FINANCIAL RISK MANAGEMENT (continued)

No.	Item	No Specified Maturity	Less than 6 months	More than 6 months and less than one year	Over one year	Total weighted value
23	Securities/sukuk that are not in default and do not qualify as HQLA, including exchange-traded equities	-	1,048,701	25,995	578,308	1,115,656
24	Other assets:	-	-	-	-	-
25	Physical traded commodities, including gold	-	-	-	-	-
26	Assets posted as initial margin for Shari'a-compliant hedging contracts and contributions to default funds of CCPs	-	-	-	-	-
27	NSFR Shari'a-compliant hedging assets	-	-	-	-	2,195
28	NSFR Shari'a-compliant hedging contract liabilities before deduction of variation margin posted	-	-	-	-	-
29	All other assets not included in the above categories	2,908,175	-	-	-	2,908,175
30	OBS items	-	-	-	-	62,381
31	Total RSF	-	3,164,354	103,726	2,776,269	6,433,652
32	NSFR(%)	-	-	-	-	148%

b. Liquidity Coverage Ratio (LCR)

LCR is computed as a ratio of Stock of High-Quality Liquid Assets (HQLA) over the Net cash outflows over the next 30 calendar days.

	Average balance	
	30 September 2024 (reviewed)	31 December 2023 (audited)
Stock of HQLA	555,734	444,865
Net cashflows	210,207	196,313
LCR %	261%	233%
Minimum required by CBB	100%	100%

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
for the nine months period ended 30 September 2024

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5 *FINANCIAL RISK MANAGEMENT (continued)*c. *Capital Adequacy Ratio*

	30 September 2024 (reviewed)	31 December 2023 (audited)
CET 1 Capital before regulatory adjustments	993,297	1,023,275
Less: regulatory adjustments	-	-
<i>CET 1 Capital after regulatory adjustments</i>	993,297	1,023,275
AT1 Capital	3,434	-
T 2 Capital adjustments	48,246	64,133
Regulatory Capital	1,044,977	1,087,408
Risk weighted exposure:		
Credit Risk Weighted Assets	5,338,249	4,585,950
Market Risk Weighted Assets	118,762	90,135
Operational Risk Weighted Assets	511,093	506,408
Total Regulatory Risk Weighted Assets	5,968,104	5,182,493
Investment risk reserve (30% only)	2	2
Profit equalization reserve (30% only)	3	3
Total Adjusted Risk Weighted Exposures	5,968,099	5,182,488
Capital Adequacy Ratio (CAR)	17.51%	20.98%
Tier 1 Capital Adequacy Ratio	16.70%	19.74%
Minimum CAR required by CBB	12.50%	12.50%

6 **SEASONALITY**

Due to the inherent nature of the Group's business (investment banking, commercial banking and treasury and proprietary), the nine-months results reported in this condensed consolidated interim financial information may not represent a proportionate share of the overall annual results.

7 **COMPARATIVES**

Comparative figures have been regrouped to conform with the presentation for current period. Such regrouping did not affect previously reported profit for the period or total equity.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
for the nine months period ended 30 September 2024

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8 TREASURY PORTFOLIO

	30 September 2024 (reviewed)	31 December 2023 (audited)	30 September 2023 (reviewed)
Placements with financial institutions	892,566	1,458,368	1,233,133
Derivatives			
<i>At fair value through statement of income</i>	2,031	2,195	4,412
Equity type investments			
<i>At fair value through OCI</i>			
- Quoted sukuk	31,460	33,326	32,471
<i>At fair value through statement of income</i>			
- Structured notes*	370,306	404,839	429,273
- Quoted fund	30,145	27,099	27,742
Debt type investments			
<i>At fair value through OCI</i>			
- Quoted sukuk*	736,908	784,300	818,146
<i>At amortised cost</i>			
- Quoted sukuk*	2,490,723	2,447,489	2,450,455
- Unquoted sukuk	4,546	3,494	3,494
Less: Impairment allowances	(26,062)	(26,078)	(28,984)
	4,532,623	5,135,032	4,970,142

*Short-term and medium-term facilities of US\$ 1,710,365 thousand (31 December 2023: US\$ 1,857,388 thousand) are secured by quoted sukuk of US\$ 2,715,738 thousand (31 December 2023: US\$ 2,762,506 thousand) and structured notes of US\$ 370,306 thousand (31 December 2023: US\$ 404,839 thousand).

9 FINANCING CONTRACTS

	30 September 2024 (reviewed)	31 December 2023 (audited)	30 September 2023 (reviewed)
Murabaha*	1,424,697	1,029,324	1,052,176
Mudharaba	21,138	20,564	20,877
Ijarah assets	658,026	559,200	553,093
	2,103,861	1,609,088	1,626,146
Less: Impairment allowances	(68,735)	(64,278)	(67,344)
	2,035,126	1,544,810	1,558,802

*Murabaha financing receivables are net of deferred profits of US\$ 38,103 thousands (31 December 2023: US\$ 41,727 thousands).

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
for the nine months period ended 30 September 2024

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9 *Financing Contracts (continued)*

The movement on financing contracts and impairment allowances is as follows:

Financing contracts	Stage 1	Stage 2	Stage 3	Total
Financing contracts (gross)	1,747,116	195,668	161,077	2,103,861
Expected credit loss	(6,139)	(11,507)	(51,089)	(68,735)
Financing contracts (net)	1,740,977	184,161	109,988	2,035,126

Impairment allowances	Stage 1	Stage 2	Stage 3	Total
At 1 January 2024	4,788	18,310	41,180	64,278
Net movement between stages	8,192	(12,053)	3,861	-
Net charge for the period	(6,841)	5,250	7,391	5,800
Write-offs	-	-	(1,343)	(1,343)
At 30 September 2024 (reviewed)	6,139	11,507	51,089	68,735

31 December 2023	Stage 1	Stage 2	Stage 3	Total
Financing contracts (gross)	1,192,539	284,047	132,502	1,609,088
Expected credit loss	(4,788)	(18,310)	(41,180)	(64,278)
Financing contracts (net)	1,187,751	265,737	91,322	1,544,810

Impairment allowances	Stage 1	Stage 2	Stage 3	Total
Balance at 1 January 2023	18,046	11,990	34,336	64,372
Net transfers	(6,879)	(1,920)	8,799	-
Net charge for the year	(6,379)	8,240	644	2,505
Write-off	-	-	(2,599)	(2,599)
At 31 December 2023 (audited)	4,788	18,310	41,180	64,278

30 September 2023	Stage 1	Stage 2	Stage 3	Total
Financing assets (gross)	1,171,407	316,177	138,562	1,626,146
Expected credit loss	(4,846)	(21,579)	(40,919)	(67,344)
Financing assets (net)	1,166,561	294,598	97,643	1,558,802

Impairment allowances	Stage 1	Stage 2	Stage 3	Total
At 1 January 2023	18,046	11,990	34,336	64,372
Net movement between stages	(4,515)	1,032	3,483	-
Net charge for the period	(8,685)	8,557	3,339	3,211
Write-offs	-	-	(239)	(239)
At 30 September 2023 (reviewed)	4,846	21,579	40,919	67,344

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

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10 INVESTMENT IN REAL ESTATE

	30 September 2024 (reviewed)	31 December 2023 (audited)	30 September 2023 (reviewed)
Investment Property			
- Land	400,984	483,685	581,836
- Building	123,847	141,471	196,252
	524,831	625,156	778,088
Development Property			
- Land	169,128	165,565	154,183
- Building	505,921	581,211	401,102
	675,049	746,776	555,285
	1,199,880	1,371,932	1,333,373

11 CO-INVESTMENTS

	30 September 2024 (reviewed)	31 December 2023 (audited)	30 September 2023 (reviewed)
<i>At fair value through OCI</i>			
- Unquoted securities	293,600	247,048	173,195
<i>At fair value through statement of income</i>			
- Unquoted securities	9,393	9,168	8,939
Impairment allowance	(1,606)	(1,606)	-
	301,387	254,610	182,134

12 PROPRIETARY INVESTMENTS

	30 September 2024 (reviewed)	31 December 2023 (audited)	30 September 2023 (reviewed)
Equity type investments			
<i>At fair value through statement of income</i>			
- Unquoted securities	17,449	2,942	2,942
- Listed securities	27,214	14,252	11,442
	44,663	17,194	14,384
<i>At fair value through OCI</i>			
- Listed securities (at fair value)	18,077	-	-
- Equity type Sukuk	886,781	827,012	828,759
- Unquoted securities	63,271	64,045	58,413
	968,129	891,057	887,172
Equity-accounted investees	155,764	137,390	116,489
Impairment allowance	(2,513)	(914)	(12)
	1,166,043	1,044,727	1,018,033

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

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13 RECEIVABLES AND OTHER ASSETS

	30 September 2024 (reviewed)	31 December 2023 (audited)	30 September 2023 (reviewed)
Investment banking receivables*	211,149	307,597	273,860
Receivable from equity-accounted investees	164,789	93,318	90,123
Financing to projects, net	5,827	7,281	5,827
Receivable on sale of real estate	147,263	16,376	14,057
Advances and deposits	72,287	62,416	66,417
Employee receivables	20,857	7,443	7,579
Profit on sukuk receivable	21,865	19,948	23,817
Lease rentals receivable	3,282	4,025	4,788
Goodwill and intangibles	73,459	45,187	61,694
Receivable from sale of investments	78,127	71,281	29,147
Prepayments and other receivables	262,683	198,407	247,897
Less: Impairment allowance	(23,281)	(7,948)	(7,709)
	1,038,307	825,331	817,497

* Subsequent to the period, the amounts due were significantly settled from subscriptions collected in client money accounts.

14 TERM FINANCING

	30 September 2024 (reviewed)	31 December 2023 (audited)	30 September 2023 (reviewed)
Murabaha financing* (note 8)	1,719,360	1,880,910	1,593,075
Sukuk **	236,903	241,777	237,253
Ijarah financing	-	-	15,632
Other borrowings	1,798	1,620	1,568
	1,958,061	2,124,307	1,847,528

*Murabaha financing comprise:

Short-term and medium-term facilities of US\$ 1,710,365 thousand (31 December 2023: US\$ 1,857,388 thousand) are secured by quoted sukuk of US\$ 2,715,738 thousand (31 December 2023: US\$ 2,762,506 thousand) and structured notes of US\$ 370,306 thousand (31 December 2023: US\$ 404,839 thousand).

** Sukuk

Represents outstanding unsecured sukuk certificates with a profit rate of 7.5% p.a. repayable by 2025. The outstanding sukuk also includes accrued profit of US\$ 3,604 thousand.

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15 OTHER LIABILITIES

	30 September 2024 (reviewed)	31 December 2023 (audited)	30 September 2023 (reviewed)
Investment banking payables*	118,622	173,297	319,720
Accounts Payables	78,748	46,091	58,967
Unclaimed dividends	3,630	2,312	2,615
Payables to equity-accounted investees	22,435	107,466	68,388
Other accrued expenses and payables	57,395	67,292	55,665
Deferred Income	9,897	32,240	19,431
Payables towards purchase of investments	50,239	63,068	25,000
Zakah and Charity Fund	10,435	6,331	6,715
Advance received from customers**	2,049	2,106	7,756
Employee related accruals	20,003	25,039	14,038
Mudaraba profit accrual	13,929	22,814	17,794
Payable related to acquisition of additional stake in subsidiary	101,220	-	-
Payable related to buy-back of treasury shares	37,869	-	-
	526,471	548,056	596,089

*Represents amounts payable against assets acquired as part of investment banking deals along with payable for ongoing project related costs of the said SPVs. These payables on receipt of funds from investment banking receivables and underlying SPV's are usually settled within 12 months.

**Represents amount received in advance from the customers on account of real estate assets to be delivered by the Group.

16 QUASI EQUITY

	30 September 2024 (reviewed)	31 December 2023 (audited)	30 September 2023 (reviewed)
Financial institutions	1,806,102	2,312,153	1,800,918
Non-financial institutions and individuals	1,317,287	1,138,853	1,299,619
	3,123,389	3,451,006	3,100,537

	30 September 2024 (reviewed)	31 December 2023 (audited)	30 September 2023 (reviewed)
Balances with banks	146,234	50,266	78,135
CBB reserve account	82,703	75,310	75,310
Treasury portfolio	1,830,578	2,202,334	1,810,705
Financing contracts	987,708	1,006,144	1,018,101
Proprietary Investments	31,979	71,334	71,334
Investment in real estate	44,187	45,618	46,952
	3,123,389	3,451,006	3,100,537

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

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17 IMPAIRMENT ALLOWANCES, NET

	Nine months ended		Three months ended	
	30 September 2024 (reviewed)	30 September 2023 (reviewed)	30 September 2024 (reviewed)	30 September 2023 (reviewed)
Expected credit loss on:				
Bank balances	(24)	8	15	(12)
Treasury portfolio (note 8)	(16)	12,021	1,327	9,909
Financing assets, net (note 9)	5,800	3,211	1,934	(3,546)
Commitments and financial guarantees	-	(6)	-	(6)
	5,760	15,234	3,276	6,345
Impairment on proprietary investment (note 12)	1,599	(28)	547	3
Impairment on other receivables (note 13)	15,333	(1,599)	264	307
	22,692	13,607	4,087	6,655

18 EARNINGS PER SHARE

The calculation of basic earnings per share has been based on the following profit attributable to the ordinary shareholders and weighted-average number of ordinary shares outstanding. The Group does not have any diluted potentially ordinary shares as of the reporting dates. Hence, the basic and diluted earnings per share is similar.

	Nine months ended		Three months ended	
	30 September 2024 (reviewed)	30 September 2023 (reviewed)	30 September 2024 (reviewed)	30 September 2023 (reviewed)
Profit attributable to shareholders of the Bank	87,947	78,921	27,200	24,305
Weighted Average number of shares outstanding during the period	3,613,569	3,499,368	3,722,969	3,431,369
Earnings per share				
Basic and diluted earnings per share (US cents)	2.43	2.26	0.73	0.71

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
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19 RELATED PARTY TRANSACTIONS

The significant related party balances and transactions as at 30 September 2024 are given below:

	Related parties as per FAS 1			Assets under management (including special purpose and other entities)	Total
	Equity-accounted investees	Key management personnel	Significant shareholders / entities in which directors are interested		
30 September 2024 (reviewed)					
Assets					
Treasury portfolio	-	-	-	60,482	60,482
Financing contracts	-	10,528	230,167	17,932	258,627
Proprietary investments	886,781	-	6,058	9,865	902,704
Co-investments	-	-	-	301,387	301,387
Receivables and other assets	164,789	6,996	25,175	211,149	408,109
Liabilities					
Placements from financial, non-financial institutions and individuals	-	4,501	3,931	-	8,432
Current accounts	6,480	501	39,358	19,099	65,438
Other liabilities	22,435	7,420	-	118,622	148,477
Quasi equity	6,249	8,568	100,954	19,040	134,811
Income					
Investment banking	-	-	-	133,190	133,190
Commercial banking					
- <i>Income from financing</i>	-	451	1,732	-	2,183
Treasury and proprietary investments	35,215	-	-	69,777	104,992
Expenses					
Operating expenses	-	(493)	-	(284)	(777)
Staff Cost	-	(11,602)	-	-	(11,602)
Finance Cost	(37)	(379)	(11,171)	(13)	(11,600)

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19 RELATED PARTY TRANSACTIONS (continued)

	Related parties as per FAS 1			Assets under management (including special purpose and other entities)	Total
	Equity-accounted investees	Key management personnel	Significant shareholders / entities in which directors are interested		
31 December 2023 (audited)					
Assets					
Treasury portfolio	-	-	-	70,546	70,546
Financing contracts	-	11,202	85,055	19,489	115,746
Proprietary investments	827,161	-	7,686	13,667	848,514
Co-investments	-	-	-	254,610	254,610
Receivables and prepayments	93,318	6,731	1,507	307,597	409,153
Liabilities					
Placements from financial, non-financial institutions and individuals	-	5,602	8,622	-	14,224
Current accounts	2,971	16	29,233	19,122	51,342
Payables and accruals	107,466	7,196	-	173,297	287,959
Quasi equity	2,485	5,027	44,145	14,422	66,079
30 September 2023 (reviewed)					
Income					
Investment banking	-	-	-	150,023	150,023
Commercial banking					
- <i>Income from financing</i>	-	477	4,759	-	5,236
- <i>Less: Return to quasi equity</i>	(37)	(172)	(8,520)	(13)	(8,742)
- <i>Less: Finance expense</i>	-	(194)	(8,565)	-	(8,759)
Treasury and proprietary investments	28,351	-	9,347	2,065	39,763
Expenses					
Operating expenses	-	(878)	-	-	(878)
Staff Cost	-	(6,750)	-	-	(6,750)
Finance Cost	-	-	-	(2,345)	(2,345)

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20 SEGMENT REPORTING

The Group is organised into business units based on their nature of operations and independent reporting entities and has three reportable operating segments namely investment banking, commercial banking and treasury and proprietary.

	Investment banking	Commercial banking	Proprietary and treasury	Total
30 September 2024 (reviewed)				
Segment revenue	133,190	95,875	257,421	486,486
Segment expenses	(75,880)	(72,096)	(220,262)	(368,238)
Impairment allowance	-	(5,120)	(17,572)	(22,692)
Segment result	57,310	18,659	19,587	95,556
Segment assets	191,411	4,121,457	6,626,587	10,939,455
Segment liabilities	165,180	2,433,261	4,116,033	6,714,474
Quasi equity	-	1,354,314	1,769,075	3,123,389
<i>Other segment information</i>				
Proprietary investments (<i>Equity-accounted investees</i>)	-	17,220	138,544	155,764
Commitments	13,162	94,607	27,559	135,328

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20 Segment reporting (continued)

	Investment banking	Commercial banking	Proprietary and treasury	Total
<i>30 September 2023 (reviewed)</i>				
Segment revenue	166,270	54,561	119,568	340,399
Segment expenses	(116,838)	(25,997)	(102,908)	(245,743)
Impairment allowance	-	(3,080)	(10,527)	(13,607)
<i>Segment result</i>	49,432	25,484	6,133	81,049
<i>31 December 2023 (audited)</i>				
Segment assets	278,056	3,985,192	6,858,231	11,121,479
Segment liabilities	208,859	2,146,851	4,240,401	6,596,111
Quasi equity	-	1,420,854	2,030,152	3,451,006
<i>Other segment information</i>				
Proprietary investments (<i>Equity-accounted investees</i>)	-	8,656	128,734	137,390
Commitments	49,147	154,550	-	203,697

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21 COMMITMENTS AND CONTINGENCIES

The commitments contracted in the normal course of business of the Group:

	30 September 2024 (reviewed)	31 December 2023 (audited)	30 September 2023 (reviewed)
Undrawn commitments to extend finance	76,454	113,873	122,069
Financial guarantees	18,154	40,677	41,552
Capital commitment for infrastructure development projects	40,720	49,147	49,147
	135,328	203,697	212,768

Performance obligations

During the ordinary course of business, the Group may performance obligations in respect of its infrastructure development projects. It is usual practice of the Group to pass these performance obligations, wherever possible, on to the companies that own the projects. In the opinion of the management, no liabilities are expected to materialise on the Group at 30 September 2024 due to the performance of any of its projects.

Litigations, claims and contingencies

The Group has several claims and litigations filed against it in connection with projects promoted by the Bank in the past and with certain transactions. Further, claims against the Group entities also have been filed by former employees and customers. Based on the advice of the Bank's external legal counsel, the management is of the opinion that the Bank has strong grounds to successfully defend itself against these claims. Where applicable, appropriate provision has been made in the books of accounts. No further disclosures regarding contingent liabilities arising from any such claims are being made by the Bank as the directors of the Bank believe that such disclosures may be prejudicial to the Bank's legal position.

22 FINANCIAL INSTRUMENTS

Fair values

Fair value is an amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties at a price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Underlying the definition of fair value is a presumption that an enterprise is a going concern without any intention or need to liquidate, curtail materially the scale of its operations or undertake a transaction on adverse terms.

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22 FINANCIAL INSTRUMENTS (continued)

Fair value hierarchy

The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e.as prices) or indirectly (i.e., derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table shows the valuation techniques used in measuring fair values, as well as the significant unobservable inputs used:

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Structured notes	Fair value of underlying reference portfolio adjusted for embedded derivatives that protect downside risk and cap upside potential over the period of the contract.	Credit risk of counterparty and volatility assumptions for time to maturity	Ability of the Group to hold the structure note to maturity and impact of the value of embedded derivatives (strike prices and barriers for coupon and principal).
Equity investments	Discounted cash flow	Marketability factor and Discount rate	Ability of Group to exit these investments and their impact on the overall value as these are unquoted investments.

The potential effect of change in assumptions used above would have the following effects.

	30 September 2024 (reviewed)		30 September 2023 (reviewed)	
	Statement of Income	FVOCI	Statement of Income	FVOCI
Equity instruments- marketability factor (±10%)	±939	±37,495	±894	± 23,161
Structured notes- impact in underlying value (±5%)	± 18,515	-	±21,464	-
Proprietary Investments- impact of change in value (±5%)	± 2,233	-	±719	-
Quoted Fund- impact in underlying value (±5%)	± 1,507	-	± 1,387	-

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22 FINANCIAL INSTRUMENTS (continued)

The table below analyses the financial instruments carried at fair value, by valuation method.

30 September 2024 (reviewed)

i) Proprietary investments

Investment securities carried at fair value through:

- *statement of income*
- OCI

Level 1	Level 2	Level 3	Total
44,663	-	-	44,663
18,077	886,781	63,271	968,129
62,740	886,781	63,271	1,012,792

ii) Treasury portfolio

Investment securities carried at fair value through:

- *statement of income*
- OCI

-	402,482	-	402,482
768,368	-	-	768,368
768,368	402,482	-	1,170,850

iii) Co-investments

Investment securities carried at fair value through

- OCI
- *statement of income*

-	-	293,600	293,600
-	-	9,393	9,393
-	-	302,993	302,993
831,108	1,289,263	366,264	2,486,635

31 December 2023 (audited)

(i) Proprietary investments

Investment securities carried at fair value through:

- *statement of income*
- OCI

Level 1	Level 2	Level 3	Total
17,194	-	-	17,194
-	827,012	64,045	891,057
17,194	827,012	64,045	908,251

(ii) Treasury portfolio

Investment securities carried at fair value through:

- *statement of income*
- OCI

-	434,133	-	434,133
817,626	-	-	817,626
817,626	434,133	-	1,251,759

iii) Co-investments

Investment securities carried at fair value through OCI

Investment securities carried at fair value through *statement of income*

-	-	247,048	247,048
-	-	9,168	9,168
-	-	256,216	256,216
834,820	1,261,145	320,261	2,416,226

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22 *FINANCIAL INSTRUMENTS (continued)*

The following table analyses the movement in Level 3 financial assets during the period:

	30 September 2024 (reviewed)	31 December 2023 (audited)
At beginning of the period	320,261	197,944
Disposals	(23,406)	(3,682)
Purchases / reclassification	69,183	127,134
Fair value changes during the period	226	(1,135)
At end of the period	366,264	320,261

23 ACQUISITION OF SUBSIDIARIES

During the period, the Group acquired controlling stake in the below subsidiary.

	% Stake acquired	Place of incorporation	Nature of activities
TEI Holdings	50.1%	Cayman Islands	Investment in market leading mobile commerce- based discount offering business in UAE

Identifiable assets acquired and liabilities assumed

Entity acquired was considered as a business. The fair value of assets, liabilities, equity interests have been reported on a provisional basis. If new information, obtained within one year from the acquisition date about facts and circumstances that existed at the acquisition date, identifies adjustments to the above amounts, or any additional provisions that existed at the acquisition date, then the acquisition accounting will be revised. Revisions to provisional acquisition accounting are required to be done on a retrospective basis.

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23 ACQUISITION OF SUBSIDIARIES (continued)

The reported amounts below represent the adjusted acquisition carrying values of the acquired entities at the date of acquisition reported on a provisional basis as permitted by accounting standards.

	2024
Intangible assets	2,703
Tangible assets	1,907
Receivables	33,262
Cash and bank balances	5,584
Total assets	43,456
Accruals and other liabilities	22,935
Total liabilities	22,935
Total net identifiable assets and liabilities (A)	20,521
	2024
Consideration	35,534
Non-controlling interests recognised	12,287
Total consideration (B)	47,821
Goodwill (B-A)	27,300

24. SUBSEQUENT EVENTS

Subsequent to period end, the Group has successfully raised debt funding of \$500,000 thousand at profit rate of 7.5% for a period of 5 years through Trust Certificate Issuance Program (Sukuk).