

## SICO BSC (c)

### CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

30 JUNE 2024

Comprehensive investment services for the Bahrain and GCC securities market	
Commercial registration	33469
Board of Directors	Abdulla Kamal Chairman of the Board and the Investment Committee
	Hisham Al Kurdi Vice Chairman of the Board & the Investment Committee
	Waleed Al-Hashar Member of the Board & the Investment Committee
	Elham AlMajed Member of the Board & the Investment Committee
	Khalid Al Jasim Member of the Board & Chairman of the Nominations, Remuneration & Corporate Governance Committee
	Dana Raees Member of the Board & Vice Chairperson of the Nominations, Remuneration & Corporate Governance Committee
	Mohammed Abdulla Member of the Board & the Audit, Risk and Compliance Committee
	Tala Fakhro Member of the Board & Chairperson of the Audit, Risk and Compliance Committee
	Naseema Haider Member of the Board & Vice Chairperson of the Audit, Risk and Compliance Committee
	Fadi AlQutub Member of the Board & the Nominations, Remuneration & Corporate Governance Committee
Chief Executive Officer	Najla M. Al Shirawi
Office	Bahrain World Trade Center Isa Al Kabeer Avenue 365, Block 316, Kingdom of Bahrain Telephone 17515000, Fax 17514000
Bankers	BBK BSC
Auditors	Ernst & Young

<i><b>Index</b></i>	<i><b>Page</b></i>
Independent auditors' report on review of condensed consolidated interim financial statements	1
<b>Condensed consolidated interim financial statements</b>	
Consolidated interim statement of financial position	2
Consolidated interim statement of profit or loss	3
Consolidated interim statement of comprehensive income	4
Consolidated interim statement of changes in equity	5 - 6
Consolidated interim statement of cash flows	7
Notes to the condensed consolidated interim financial Statements	8 - 18

## **REPORT ON REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS TO THE BOARD OF DIRECTORS OF SICO B.S.C. (c)**

### **Introduction**

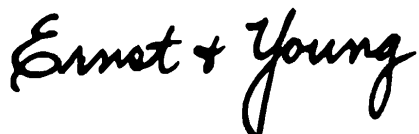
We have reviewed the accompanying condensed consolidated interim financial statements of SICO B.S.C. (c) ("the Bank") and its subsidiaries (collectively, "the Group") as at 30 June 2024, comprising of the consolidated interim statement of financial position as at 30 June 2024 and the related consolidated interim statements of profit or loss and comprehensive income for the three month and six month period then ended and the consolidated interim statements of changes in equity and cash flows for the six month period then ended and explanatory notes. The Board of Directors of the Bank is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with International Accounting Standard 34 Interim Financial Reporting ("IAS 34"). Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

### **Scope of Review**

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

### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements are not prepared, in all material respects, in accordance with IAS 34.



12 August 2024

Manama, Kingdom of Bahrain

## SICO BSC (c)

### CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

As at 30 June 2024


Bahraini Dinars '000

		<b>30 June 2024</b>	<i>31 December 2023</i>
<b>ASSETS</b>	<i>Notes</i>	<b>(Reviewed)</b>	<i>(Audited)</i>
Cash and bank balances		<b>60,895</b>	56,437
Treasury bills		<b>9,618</b>	10,151
Securities bought under repurchase agreements		<b>262,919</b>	252,883
Investments at fair value through profit or loss	11	<b>23,934</b>	25,152
Investments at fair value through other comprehensive income	12	<b>11,689</b>	12,497
Investments at amortised cost		<b>16,993</b>	17,372
Fees receivable		<b>2,136</b>	2,720
Other assets		<b>9,254</b>	9,642
Property and equipment		<b>1,477</b>	1,623
Intangible assets	13	<b>1,447</b>	1,456
<b>TOTAL ASSETS</b>		<b>400,362</b>	389,933
<b>LIABILITIES AND EQUITY</b>			
<b>Liabilities</b>			
Short term bank borrowings		<b>11,310</b>	5,655
Deposits		<b>9,487</b>	4,234
Securities sold under repurchase agreements		<b>272,642</b>	259,391
Customer accounts		<b>26,430</b>	35,806
Other liabilities		<b>8,564</b>	11,215
Payable to other unit holders in consolidated funds		<b>625</b>	3,150
<b>Total liabilities</b>		<b>329,058</b>	319,451
<b>Equity</b>			
Share capital		<b>44,134</b>	44,134
Shares under employee share incentive scheme		<b>(2,263)</b>	(2,263)
Treasury shares		<b>(1,913)</b>	(1,913)
Statutory reserve		<b>9,781</b>	9,781
General reserve		<b>3,217</b>	3,217
Investments fair value reserve		<b>462</b>	618
Retained earnings		<b>17,886</b>	16,908
<b>Total equity (page 5)</b>		<b>71,304</b>	70,482
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>400,362</b>	389,933


The condensed consolidated interim financial statements was approved by the Board of Directors on 12 August 2024 and signed on its behalf by:



Abdulla Kamal  
Chairman



Tala Fakhro  
Director



Najla M. Al Shirawi  
Chief Executive Officer

The accompanying notes 1 to 18 form an integral part of these condensed consolidated interim financial statements.

## SICO BSC (c)

## CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS

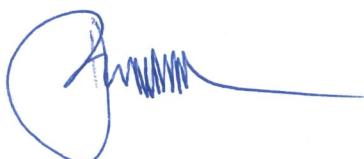
For the three months and six months ended 30 June 2024

Bahraini Dinars '000

	Notes	<i>For the six months ended 30 June 2024</i>		<i>For the three months ended 30 June 2024</i>	
		<b>30 June 2024 (Reviewed)</b>	<i>30 June 2023 (Reviewed)</i>	<b>30 June 2024 (Reviewed)</b>	<i>30 June 2023 (Reviewed)</i>
Net investment income	14	<b>1,429</b>	2,274	<b>384</b>	1,242
Net fee income		<b>4,779</b>	3,184	<b>2,621</b>	1,584
Brokerage and other income		<b>2,001</b>	1,037	<b>809</b>	510
Net interest income		<b>1,979</b>	1,881	<b>1,072</b>	950
<b>Total income</b>		<b>10,188</b>	8,376	<b>4,886</b>	4,286
Staff cost		<b>4,591</b>	4,098	<b>2,308</b>	2,009
Other operating expenses		<b>2,421</b>	2,419	<b>1,264</b>	1,212
Share of profit of other unit holders in consolidated funds		<b>2</b>	230	<b>2</b>	173
<b>Total expenses</b>		<b>7,014</b>	6,747	<b>3,574</b>	3,394
<b>Profit for the period</b>		<b>3,174</b>	1,629	<b>1,312</b>	892
<b>Basic and diluted earnings per share (fils)</b>		<b>7.77</b>	3.87	<b>3.23</b>	2.08



Abdulla Kamal  
Chairman



Tala Fakhro  
Director



Najla M. Al Shirawi  
Chief Executive Officer

The accompanying notes 1 to 18 form an integral part of these condensed consolidated interim financial statements.

## SICO BSC (c)

## CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

For the three months and six months ended 30 June 2024

Bahraini Dinars '000

	<i>For the six months ended 30 June 2024</i>		<i>For the three months ended 30 June 2024</i>	
	<i>30 June 2024 (Reviewed)</i>	<i>30 June 2023 (Reviewed)</i>	<i>30 June 2024 (Reviewed)</i>	<i>30 June 2023 (Reviewed)</i>
<b>Profit for the period</b>	<b>3,174</b>	1,629	<b>1,312</b>	892
<b>Other comprehensive income</b>				
<i>Items that will be reclassified to profit or loss in subsequent periods:</i>				
Net changes in fair value of FVOCI debt instruments	<b>(78)</b>	(26)	<b>(31)</b>	(6)
<i>Items that will not be reclassified to profit or loss in subsequent periods:</i>				
Net change in fair value of FVOCI equity instruments	<b>(78)</b>	19	<b>(65)</b>	145
<b>Total other comprehensive income for the period</b>	<b>(156)</b>	(7)	<b>(96)</b>	139
<b>Total comprehensive income for the period</b>	<b>3,018</b>	1,622	<b>1,216</b>	1,031

The accompanying notes 1 to 18 form an integral part of these condensed consolidated interim financial statements.

## SICO BSC (c)

## CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2024

Bahraini Dinars '000

<i>2024 (Reviewed)</i>	<i>Share capital</i>	<i>Shares under employee share incentive scheme</i>	<i>Treasury Shares</i>	<i>Statutory reserve</i>	<i>General reserve</i>	<i>Investments fair value reserve</i>	<i>Retained earnings</i>	<i>Total equity</i>
<b>Balance at 1 January 2024</b>	44,134	(2,263)	(1,913)	9,781	3,217	618	16,908	70,482
Profit for the period	-	-	-	-	-	-	3,174	3,174
<b>Other comprehensive income:</b>								
Net change in fair value of FVOCI instruments	-	-	-	-	-	(156)	-	(156)
<b>Total other comprehensive income</b>	-	-	-	-	-	(156)	-	(156)
<b>Total comprehensive income for period</b>	-	-	-	-	-	(156)	3,174	3,018
Transfer to charitable donation reserve	-	-	-	-	-	-	(50)	(50)
<b>Transaction with owners recognized directly in equity:</b>								
Cash dividends paid for 2023	-	-	-	-	-	-	(2,146)	(2,146)
<b>Balance at 30 June 2024</b>	<b>44,134</b>	<b>(2,263)</b>	<b>(1,913)</b>	<b>9,781</b>	<b>3,217</b>	<b>462</b>	<b>17,886</b>	<b>71,304</b>

The accompanying notes 1 to 18 form an integral part of these condensed consolidated interim financial statements.

SICO BSC (c)

CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2024

Bahraini Dinars '000

<i>2023 (Reviewed)</i>	<i>Share capital</i>	<i>Shares under employee share incentive scheme</i>	<i>Treasury Shares</i>	<i>Statutory reserve</i>	<i>General reserve</i>	<i>Investments fair value reserve</i>	<i>Retained earnings</i>	<i>Total equity</i>
Balance at 1 January 2023	44,134	(2,263)	-	9,343	3,217	885	14,666	69,982
Profit for the period	-	-	-	-	-	-	1,629	1,629
Other comprehensive income:								
Net change in fair value of FVOCI instruments	-	-	-	-	-	(7)	-	(7)
Total other comprehensive income	-	-	-	-	-	(7)	-	(7)
Total comprehensive income for period	-	-	-	-	-	(7)	1,629	1,622
Amount transferred to retained earnings on sale of FVOCI equity instruments	-	-	-	-	-	(484)	484	-
Transfer to charitable donation reserve	-	-	-	-	-	-	(40)	(40)
Transaction with owners recognized directly in equity:								
Cash dividends paid for 2022	-	-	-	-	-	-	(2,146)	(2,146)
Treasury shares purchased	-	-	(1,913)	-	-	-	-	(1,913)
Balance at 30 June 2023	44,134	(2,263)	(1,913)	9,343	3,217	394	14,593	67,505

The accompanying notes 1 to 18 form an integral part of these condensed consolidated interim financial statements.



# SICO BSC (c)

## CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

For the six months ended 30 June 2024

Bahraini Dinars '000

	<b>30 June 2024 (Reviewed)</b>	<b>30 June 2023 (Reviewed)</b>
<b>Operating activities</b>		
Profit for the period	3,174	1,629
<b>Adjustments for:</b>		
Depreciation, Intangible amortization	368	425
Unrealised fair value gain	(63)	(915)
<b>Operating profit before changes in operating assets and liabilities</b>	<b>3,479</b>	<b>1,139</b>
<b>Changes in</b>		
Securities bought under repurchase agreements	(10,036)	(54,471)
Net Purchase of treasury bills with original maturity of more than 90 days	(4,760)	(4,664)
Investments at fair value through profit or loss	1,281	(280)
Investments at fair value through other comprehensive income	652	(804)
Investments at amortized cost	379	(2,289)
Fees receivable	584	(100)
Other assets	388	(8,898)
Securities sold under repurchase agreements	13,251	54,137
Customer accounts	(9,376)	10,050
Other liabilities	(2,701)	144
Payable to other unit holders in consolidated funds	(2,525)	(109)
<b>Net cash used in operating activities</b>	<b>(9,384)</b>	<b>(6,145)</b>
<b>Investing activity</b>		
Capital expenditure on furniture and equipment	(213)	(188)
<b>Net cash used in investing activity</b>	<b>(213)</b>	<b>(188)</b>
<b>Financing activities</b>		
Short-term bank borrowings	5,655	5,655
Deposits	5,253	(1,278)
Treasury shares purchased	-	(1,913)
Dividend paid	(2,146)	(2,146)
<b>Net cash generated from financing activities</b>	<b>8,762</b>	<b>318</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(835)</b>	<b>(6,015)</b>
Cash and cash equivalents at the beginning of the period	66,588	60,575
<b>Cash and cash equivalents at the end of the period</b>	<b>65,753</b>	<b>54,560</b>

The accompanying notes 1 to 18 form an integral part of these condensed consolidated interim financial statement

## 1 REPORTING ENTITY

This condensed consolidated financial statements is the reviewed condensed consolidated interim financial statements (the “condensed consolidated interim financial statements”) of SICO BSC (c) (“SICO” or the “Bank”) and its subsidiaries (together the “Group”). The Bank operates under a wholesale banking license issued by the Central Bank of Bahrain (the “CBB”).

## 2 BASIS OF PREPARATION

The condensed consolidated interim financial statements has been prepared in accordance with International Accounting Standard 34 (Interim Financial Reporting), which permits the interim financial statements to be in summarized form.

The condensed consolidated interim financial statements does not include all the information required for full annual financial statements and should be read in conjunction with the audited financial statements of the Group 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 ACCOUNTING POLICIES

The new accounting standards issued and effective as at 1 January 2024 do not have a significant impact on the Group’s accounting policies. The condensed consolidated interim financial statements has been prepared using the same accounting policies and methods of computation applied in the preparation of the Group’s audited consolidated financial statements for the year ended 31 December 2023 (see note 2).

## 4 ESTIMATES

The preparation of the condensed consolidated interim financial statements 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 expense. Actual results may differ from these estimates.

In preparing this condensed consolidated interim financial statements, the 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 consolidated financial statements for the year ended 31 December 2023 (see note 2).

## 5 FINANCIAL RISK MANAGEMENT

The Group’s activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk.

The condensed consolidated interim financial statements does not include all financial risk management information and disclosures required in the annual consolidated financial statements and they should be read in conjunction with the Group’s audited consolidated financial statements for the year ended 31 December 2023. There have been no changes in the risk management department or in any risk management policies since 31 December 2023.

---

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

30 June 2024

Bahraini Dinars '000

**5 FINANCIAL RISK MANAGEMENT (continued)**

The key regulatory ratios are as follows:

	<b>Regulatory Requirement</b>	<b>30 June 2024</b>	<b>31 December 2023</b>
Liquidity Coverage Ratio	<b>100%</b>	<b>432%</b>	493%
Net Stable Funding Ratio (note 17)	<b>100%</b>	<b>158%</b>	156%

The daily average LCR for the six-months period ended 30 June 2024 was 462% (31 December 2023: 416%).

The Group continues to meet minimum required regulatory liquidity ratios and is also in compliance with the minimum required capital adequacy ratio ("CAR").

**6 OPERATING SEGMENTS**

The Group's lines of business are brokerage, asset management, treasury, investment banking, market making and custody business. At present, the Group's revenue is reviewed by lines of business and the expenses and results are reviewed at Group level. Accordingly, there are no reportable segments.

**7 COMPARABILITY**

Due to nature of the Group's business, the three and six months' results reported in this condensed consolidated interim financial statements may not represent a proportionate share of the overall annual results. In particular, dividends and performance fee are not necessarily recognized in the same interim reporting periods each year and are dependent on actions and performances of the investee companies and portfolio performance.

**8 APPROPRIATIONS**

At the shareholders Annual General Meeting for the year 2023 on 25 March 2024, the shareholders resolved to make the appropriations of the profit for the year ended 31 December 2023, which were given effect during the first quarter of 2024. These include a cash dividend of BD 2,146 (2022: BD 2,146) (5 fils per share), representing 5% of the paid up capital and charitable donations of BD 50.

**9 SHARES UNDER EMPLOYEE SHARE INCENTIVE SCHEME**

The Group has established an Employee Share Incentive scheme (the "Scheme") which is operated through a Trustee. The Trust has been set up by the transfer of shares of the Bank allotted to the employees under the Scheme.

Under the Scheme, employees are entitled to receive shares as part of their bonus in ratios determined by the Board of Directors. The value of the shares is to be determined based on the fair value of the Group's net assets as at the reporting date. This Scheme is treated as a cash-settled share based payment transaction due to the restrictions imposed under the Scheme whereby the employees have to sell back the shares to the Group on resignation/ retirement based on the vesting conditions mentioned in the scheme.

## SICO BSC (c)

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

30 June 2024

Bahraini Dinars '000

#### 10 CONTINGENCIES, COMMITMENTS AND MEMORANDUM ACCOUNTS

	<b>30 June 2024</b>	<i>31 December 2023</i>
Assets under custody	<b>3,504,269</b>	3,322,187
Assets under management **	<b>2,081,405</b>	1,941,330
Guarantees	<b>3,593</b>	3,593
Other commitments	<b>2,585</b>	2,511

\*\* On a gross basis, including leverage, SICO's total AUMs stands at BD 2,386,274 (2023: BD 2,252,092).

#### 11 INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<b>30 June 2024</b>	<i>31 December 2023</i>
<b>Quoted equity securities</b>		
- Parent	<b>809</b>	734
- Consolidated funds	-	3,278
<b>Funds</b>		
- Quoted	<b>13,180</b>	10,702
- Unquoted	<b>3,469</b>	2,470
<b>Quoted debt securities</b>		
- Parent	<b>1,870</b>	3,561
- Consolidated funds	<b>4,040</b>	3,841
<b>Unquoted debt securities</b>		
- Parent	<b>566</b>	566
	<b>23,934</b>	25,152

#### 12 INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	<b>30 June 2024</b>	<i>31 December 2023</i>
<b>Equity securities</b>		
- Quoted	<b>3,617</b>	3,594
- Unquoted	<b>377</b>	377
<b>Debt securities</b>		
- Quoted	<b>7,695</b>	8,526
	<b>11,689</b>	12,497

## SICO BSC (c)

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

30 June 2024

Bahraini Dinars '000

#### 13 INTANGIBLE ASSETS

	<b>30 June 2024</b>	<i>31 December 2023</i>
Intangibles – software	<b>947</b>	956
Other intangibles	<b>500</b>	500
	<b>1,447</b>	1,456

#### 14 NET INVESTMENT INCOME

	<b>Six months ended</b>	
	<b>30 June 2024</b>	<i>30 June 2023</i>
Net gain from investments at fair value through profit or loss	<b>113</b>	936
Net gain from investments at fair value through comprehensive income	<b>1</b>	75
Realised gain on sale of treasury bills	-	14
Interest income from debt instruments	<b>967</b>	857
Dividend income	<b>348</b>	392
	<b>1,429</b>	2,274

Net gain from investments at fair value through profit or loss comprises the following:

	<b>Six months ended</b>	
	<b>30 June 2024</b>	<i>30 June 2023</i>
Realised gain	<b>50</b>	21
Unrealised gain	<b>63</b>	915
	<b>113</b>	936

The realised gain / (loss) from investments at fair value through profit or loss represents the difference between the carrying amount of investments at the beginning of the reporting period, or the transaction price if it was purchased in the current reporting period, and its sale or settlement price that occur during the period.

The unrealised gain represents the difference between the carrying amount of investments at the beginning of the period, or the transaction price if it was purchased in the current reporting period, and its carrying amount at the end of the period.

#### 15 RELATED PARTIES

The following are the related party transactions during the period. All of these transactions are in the ordinary course of business and on normal commercial terms.

## SICO BSC (c)

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

30 June 2024

Bahraini Dinars '000

#### 15 RELATED PARTIES (continued)

Transactions with funds owned by the subsidiary companies namely SICO Funds Company BSC (c), SICO Funds Company III BSC (c), SICO Funds Company IV BSC (c), SICO Funds Company VI BSC (c), SICO Funds Company VIII BSC (c), SICO Funds Company IX BSC (c), SICO Ventures Company WLL, SICO Kingdom Equity Fund, SICO Capital GCC Dividend Growth Fund, SICO Capital Money Market Fund, Al Qasr Real Estate Fund, Riyadh Real Estate Fund, SICO Saudi REIT Fund, SICO Capital Khairat Fund, Mena Residential RE Fund and Najd Real Estate Fund are as follows:

	<i>Six months ended</i>	
	<i>30 June</i>	<i>30 June</i>
	<i>2024</i>	<i>2023</i>
Fee income	567	511
Dividend income	19	-
	<b>30 June</b>	<b>31 December</b>
	<b>2024</b>	<b>2023</b>
Fee receivable	455	276
Fee payable	17	13
Investments in own funds	11,900	11,022
Funds under management	157,154	146,585
Securities bought under repurchase agreements	1,149	-
Other receivables	131	-

#### Transactions with shareholders:

	<i>Six months ended</i>	
	<i>30 June</i>	<i>30 June</i>
	<i>2024</i>	<i>2023</i>
Fee income	145	235
Dividend income	7	36
Expenses	18	-
	<b>30 June</b>	<b>31 December</b>
	<b>2024</b>	<b>2023</b>
Fee receivable	184	266
Fee payable	98	232
Securities sold under repurchase agreements	-	16,846
Funds under management	87,473	87,240
Investments	1,383	1,552
Placements	13,656	4,902
Borrowings	7,540	3,770

The Group has banking relationships, makes deposits and placements and has utilised and unutilised credit facilities with certain of its shareholders that are banks.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

30 June 2024

Bahraini Dinars '000

## 16 FAIR VALUE

(i) Set out below is a comparison of the carrying amounts and fair values of financial instruments:

	30 June 2024		31 December 2023	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Assets</b>				
Cash and bank balances	60,895	60,895	56,437	56,437
Treasury bills	9,618	9,618	10,151	10,151
Securities bought under repurchase agreements	262,919	262,919	252,883	252,883
Investments at fair value through profit or loss	23,934	23,934	25,152	25,152
Investments at fair value through other comprehensive income	11,689	11,689	12,497	12,497
Investments at amortised cost	16,993	17,364	17,372	17,829
Fees receivable	2,136	2,136	2,720	2,720
Other assets	9,254	9,254	9,642	9,642
<b>Total assets</b>	<b>397,438</b>	<b>397,809</b>	<b>386,854</b>	<b>387,311</b>
<b>Liabilities</b>				
Short term bank borrowings	11,310	11,310	5,655	5,655
Deposits	9,487	9,487	4,234	4,234
Securities sold under repurchase agreements	272,642	272,642	259,391	259,391
Customer accounts	26,430	26,430	35,806	35,806
Other liabilities	8,564	8,564	11,215	11,215
Payable to unit holders	625	625	3,150	3,150
<b>Total liabilities</b>	<b>329,058</b>	<b>329,058</b>	<b>319,451</b>	<b>319,451</b>

All investments at fair value through other comprehensive income and investments at fair value through profit or loss are carried at fair value. Investments at amortised cost are carried at amortised cost.

(ii) Fair value hierarchy

The Group measures fair values of financial instruments using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements from the date of reclassification.

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly observable from market data.

Level 3: Valuation techniques using significant unobservable inputs. This category includes instruments where the valuation technique includes inputs not based on market observable data.

SICO BSC (c)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

30 June 2024

Bahraini Dinars '000

**16 FAIR VALUE (continued)**

(ii) Fair value hierarchy (continued)

The tables below analyses financial assets and liabilities carried at fair value, by the level in the fair value hierarchy into which the fair value measurement is categorised.

<b>As at 30 June 2024</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Assets</b>				
Investments at fair value through profit or loss				
- Equity	809	-	-	809
- Debt securities	5,910	566	-	6,476
- Funds	13,180	-	3,469	16,649
Investment at fair value through other comprehensive income:				
- Equities	3,617	377	-	3,994
- Debt securities	7,695	-	-	7,695
	<b>31,211</b>	<b>943</b>	<b>3,469</b>	<b>35,623</b>

<b>31 December 2023</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Assets</b>				
Investments at fair value through profit or loss				
- Equity	4,012	-	-	4,012
- Debt securities	7,402	566	-	7,968
- Funds	10,702	-	2,470	13,172
Investment at fair value through other comprehensive income:				
- Equities	3,594	377	-	3,971
- Debt securities	8,526	-	-	8,526
	<b>34,236</b>	<b>943</b>	<b>2,470</b>	<b>37,649</b>

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

	<b>Level 3 2024</b>	<b>Level 3 2023</b>
<b>At 1 January</b>	<b>2,470</b>	3,086
Total (loss) : in income statement	(132)	(98)
Purchases	1,138	29
Sold	(7)	(333)
<b>At 30 June</b>	<b>3,469</b>	2,684



**17 NET STABLE FUNDING RATIO (NSFR)**

In August 2018, the Central Bank of Bahrain issued its regulations on Liquidity Risk Management (Module LM). The main objective of the NSFR is to promote the resilience of the banking system by improving the funding profile of banks by ensuring they have sufficient level of stable funding in relation to their assets and commitments. The NSFR thus promotes banks to rely on funding from stable sources and long-term borrowing in order to reduce the risks of disruptions which might impact the bank's liquidity position.

As per CBB Module LM, banks are required to meet the minimum NSFR of at least 100% on a continuous basis.

Further details on the calculation of the NSFR is presented in the following tables.

30 June 2024	<i>Unweighted values (before applying factors)</i>				<i>Total weighted value</i>
	<i>No specified maturity</i>	<i>Less than 6 months</i>	<i>More than 6 months and less than one year</i>	<i>Over one year</i>	
<b>Available stable funding (ASF):</b>					
<b>Capital:</b>					
Regulatory capital	70,088	-	-	66	70,154
<b>Retail deposits and deposits from small business customers:</b>					
Less stable deposits	-	14,248	-	-	12,823
<b>Other liabilities:</b>					
All other liabilities not included in above categories	-	307,935	-	5,598	7,474
<b>Total ASF</b>					<b>90,451</b>

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

30 June 2024

Bahraini Dinars '000

## 17 NET STABLE FUNDING RATIO (NSFR) (continued)

	<i>Unweighted values (before applying factors)</i>				<i>Total weighted value</i>
	<i>No specified maturity</i>	<i>Less than 6 months</i>	<i>More than 6 months and less than one year</i>	<i>Over one year</i>	
30 June 2024					
<b>Required stable funding (RSF):</b>					
<b>Total NSFR high-quality liquid assets (HQLA)</b>	279,718	-	-	-	14,712
<b>Deposits held at other financial institutions for operational purposes</b>					
<b>Performing loans and securities:</b>					
Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	-	41,725	-	-	20,863
<b>Other assets:</b>					
All other assets not included in the above categories	12,314	60,924	-	-	21,452
Off-balance sheet items	6,178	-	-	-	309
<b>Total RSF</b>					<b>57,336</b>
<b>NSFR %</b>					<b>158%</b>

## SICO BSC (c)

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

30 June 2024

Bahraini Dinars '000

## 17 NET STABLE FUNDING RATIO (NSFR) (continued)

	<i>Unweighted values (before applying factors)</i>				<i>Total weighted value</i>
	<i>No specified maturity</i>	<i>Less than 6 months</i>	<i>More than 6 months and less than one year</i>	<i>Over one year</i>	
31 December 2023					
Available stable funding (ASF):					
Capital:					
Regulatory capital	68,096	-	-	66	68,162
Retail deposits and deposits from small business customers:					
Less stable deposits	-	12,232	-	-	11,008
Other liabilities:					
NSFR derivative liabilities					
All other liabilities not included in above categories	-	300,970	-	5,521	7,722
Total ASF					<u>86,892</u>
Required stable funding (RSF):					
Total NSFR high-quality liquid assets (HQLA)	273,551	-	-	-	14,377
Deposits held at other financial institutions for operational purposes					
Performing loans and securities:					
Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	-	36,692	-	-	18,346
Other assets:					
All other assets not included in the above categories	14,108	57,359	-	-	22,712
Off-balance sheet items	6,014	-	-	-	305
Total RSF					<u>55,740</u>
NSFR %					<u>156%</u>

**18 COMPARATIVE FIGURES**

Certain of the prior year/period figures have been reclassified to conform to the presentation adopted in the current year/period. Such reclassification does not affect previously reported net income or owners' equity.