

**SICO BSC (c)**  
**CONDENSED CONSOLIDATED INTERIM  
FINANCIAL STATEMENTS**

**30 JUNE 2023**

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 & Investment Committee*

Elham AlMajed  
*Member of the Board & 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  
& the Nominations, Remuneration & Corporate Governance  
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*

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

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**For the period ended 30 June 2023**

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## **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 2023, comprising of the interim consolidated statement of financial position as at 30 June 2023 and the related interim consolidated statements of profit or loss and other comprehensive income for the three month and six month period then ended and the interim consolidated 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.

### *Other matter*

The consolidated financial statements of the Group for the year ended 31 December 2022 and the condensed consolidated interim financial statements for the six-month period ended 30 June 2022 were audited and reviewed respectively by another auditor who expressed an unmodified audit opinion and review conclusion dated 27 February 2023 and 11 August 2022 on those consolidated financial statements and condensed consolidated interim financial statements respectively.



9 August 2023  
Manama, Kingdom of Bahrain

**SICO BSC (c)**  
**CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION**  
**As at 30 June 2023**

Bahraini Dinars '000

	Note	30 June 2023 (reviewed)	31 December 2022 (audited)
<b>ASSETS</b>			
Cash and bank balances		47,927	46,237
Treasury bills		11,297	14,338
Securities bought under repurchase agreements		210,357	155,886
Investments at fair value through profit or loss	11	24,314	23,119
Investments at fair value through other comprehensive income	12	11,041	10,244
Investments at amortised cost		16,953	14,664
Fees receivable		2,162	2,062
Other assets		18,557	9,659
Property and equipment		1,862	2,099
Intangible assets and goodwill	13	1,674	1,674
<b>Total assets</b>		<b>346,144</b>	<b>279,982</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Liabilities</b>			
Short-term bank borrowings		9,425	5,048
Securities sold under repurchase agreements		217,126	162,989
Customer accounts		39,772	29,722
Other liabilities		10,006	9,822
Payable to other unit holders in consolidated funds		2,310	2,419
<b>Total liabilities</b>		<b>278,639</b>	<b>210,000</b>
<b>Equity</b>			
Share capital		44,134	44,134
Shares under employee share incentive scheme		(2,263)	(2,263)
Treasury shares		(1,913)	-
Statutory reserve		9,343	9,343
General reserve		3,217	3,217
Investments fair value reserve		394	885
Retained earnings		14,593	14,666
<b>Total equity</b>		<b>67,505</b>	<b>69,982</b>
<b>Total liabilities and equity</b>		<b>346,144</b>	<b>279,982</b>

The condensed consolidated interim financial statements was approved by the Board of Directors on 9 August 2023 and signed on its behalf by:



Abdulla Kamal  
Chairman



Hisham Al Kurdi  
Vice Chairman



Najla M. Al Shirawi  
Chief Executive Officer

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

**CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS**  
**For the three months and six months ended 30 June 2023**

Bahraini Dinars '000

	Note	Six months ended 30 June		Three months ended 30 June	
		2023	2022	2023	2022
		(reviewed)	(reviewed)	(reviewed)	(reviewed)
Net investment income /(loss)	14	2,274	668	1,242	(1,518)
Net fee income		3,184	5,445	1,584	3,810
Brokerage and other income		1,037	1,274	510	595
Net interest income		1,881	1,138	950	599
<b>Total income</b>		<b>8,376</b>	<b>8,525</b>	<b>4,286</b>	<b>3,486</b>
Staff cost		4,098	3,734	2,009	1,924
Other operating expenses		2,419	2,146	1,212	1,293
Share of profit /(loss) of other unit holders in consolidated funds		230	44	173	(185)
<b>Total expenses</b>		<b>6,747</b>	<b>5,924</b>	<b>3,394</b>	<b>3,032</b>
<b>Profit for the period</b>		<b>1,629</b>	<b>2,601</b>	<b>892</b>	<b>454</b>
<b>Profit attributable to:</b>					
Shareholders of the Bank		1,629	2,473	892	276
Non-controlling interests		-	128	-	178
		<b>1,629</b>	<b>2,601</b>	<b>892</b>	<b>454</b>
<b>Basic and diluted earnings per share (fils)</b>		<b>3.87</b>	<b>5.88</b>	<b>2.08</b>	<b>0.65</b>



Abdulla Kamal  
Chairman



Hisham Al Kurdi  
Vice Chairman



Najla M. Al Shirawi  
Chief Executive Officer

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

**CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME**  
**For the three months and six months ended 30 June 2023**

Bahraini Dinars '000

	Six months ended 30 June		Three months ended 30 June	
	2023 (reviewed)	2022 (reviewed)	2023 (reviewed)	2022 (reviewed)
<b>Profit for the period</b>	<b>1,629</b>	<b>2,601</b>	892	454
<b>Other comprehensive income</b>				
<b>Items that are or may be reclassified to profit or loss in subsequent periods:</b>				
Net changes in fair value of FVOCI debt instruments	(26)	(225)	(6)	(114)
<b>Items that will not be reclassified to profit or loss in subsequent periods:</b>				
Net change in fair value of FVOCI equity instruments	19	(81)	145	(522)
<b>Total other comprehensive income for the period</b>	<b>(7)</b>	<b>(306)</b>	<b>139</b>	<b>(636)</b>
<b>Total comprehensive income for the period</b>	<b>1,622</b>	<b>2,295</b>	<b>1,031</b>	<b>(182)</b>
<b>Total comprehensive income attributable to:</b>				
Shareholders of the Bank	1,622	2,167	1,031	(360)
Non-controlling interests	-	128	-	178
	<b>1,622</b>	<b>2,295</b>	<b>1,031</b>	<b>(182)</b>

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

## SICO BSC (c)

**CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY**  
**For the six months ended 30 June 2023**

Bahraini Dinars '000

2023 (reviewed)

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

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

**SICO BSC (c)**

**CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY**  
**For the six months ended 30 June 2023 (continued)**

Bahraini Dinars '000

2022 (reviewed)

	Share capital	Shares under employee share incentive scheme	Statutory reserve	General reserve	Investments fair value reserve	Retained earnings	Total owners' equity	Non-controlling interest	Total equity
Balance at 1 January 2022	42,849	(2,263)	8,982	3,217	1,540	14,540	68,865	1,947	70,812
Profit for the period	-	-	-	-	-	2,473	2,473	128	2,601
<i>Other comprehensive income:</i>									
Net change in fair value of FVOCI instruments	-	-	-	-	(306)	-	(306)	-	(306)
<i>Total other comprehensive income</i>	-	-	-	-	(306)	-	(306)	-	(306)
Total comprehensive income for period	-	-	-	-	(306)	2,473	2,167	128	2,295
Amount transferred to RE on sale of FVOCI equity instruments	-	-	-	-	(279)	279	-	-	-
Transfer to charitable donation reserve	-	-	-	-	-	(65)	(65)	-	(65)
Transaction with owners recognised directly in equity:									
Stock dividend at 3%	1,285	-	-	-	-	(1,285)	-	-	-
Cash dividends paid for 2021	-	-	-	-	-	(2,142)	(2,142)	-	(2,142)
Balance at 30 June 2022	44,134	(2,263)	8,982	3,217	955	13,800	68,825	2,075	70,900

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



**CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS**  
**For the six months ended 30 June 2023**

Bahraini Dinars '000

	<b>30 June 2023 (reviewed)</b>	30 June 2022 (reviewed)
<b>Operating activities</b>		
Net interest received	2,308	1,706
Net purchase of investments at fair value through profit or loss	(216)	(18)
Net (purchase) / sale of investments at fair value through other comprehensive income	(722)	472
Net movement in investments at amortized cost	(2,289)	10
Net (decrease) / increase in customer accounts	10,050	(6,160)
Securities bought under repurchase agreements	(54,471)	(11,618)
Securities sold under repurchase agreements	54,137	11,857
Dividends received	392	394
Recovery on previously written off investment	-	1,009
Movement in brokerage accounts and other receivables	(4,347)	12,014
Movement in other liabilities	464	754
Payments for staff and related expenses	(4,378)	(4,962)
Payments for other operating expenses	(2,062)	(2,134)
<b>Net cash (used in) / generated from operating activities</b>	<b>(1,134)</b>	3,324
<b>Investing activities</b>		
Net capital expenditure on furniture and equipment	(188)	(1,188)
Net Purchase of Treasury Bills	(4,664)	-
<b>Net cash used in investing activities</b>	<b>(4,852)</b>	(1,188)
<b>Financing activities</b>		
Net increase in short-term bank borrowings	4,377	(56)
Treasury Shares Purchased	(1,913)	-
Dividend paid	(2,146)	(2,142)
Contribution by other unit holders in consolidated funds	887	672
Distribution by other unit holders in consolidated funds	(1,226)	(921)
<b>Net cash used in financing activities</b>	<b>(21)</b>	(2,447)
<b>Net decrease in cash and cash equivalents</b>	<b>(6,007)</b>	(311)
Cash and cash equivalents at the beginning of the period	60,575	77,829
<b>Cash and cash equivalents at the end of the period*</b>	<b>54,568</b>	77,518
Represented by:		
Cash and bank balances	47,927	62,456
Treasury bills	6,633	15,054
	<b>54,560</b>	77,510

\* Excludes ECL balance of BD 8 (2022: BD 8).

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

**1. Reporting entity**

This condensed 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 2022. 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 2022.

**3. Accounting policies**

The new accounting standards issued and effective as at 1 January 2023 do not have a significant impact on the Group’s accounting policies. The condensed consolidated interim financial statements have 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 2022 (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 these 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 2022 (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 do 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 2022. There have been no changes in the risk management department or in any risk management policies since 31 December 2022.

## SICO BSC (c)

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

30 June 2023 (Reviewed)

Bahraini Dinars '000

#### 5. Financial risk management (continued)

The key regulatory ratios are as follows:

	Regulatory Requirement	30 June 2023	31 December 2022
Liquidity Coverage Ratio	100%	392%	268%
Net Stable Funding Ratio (note 17)	100%	115%	136%

The average LCR for the six-months period ended 30 June 2023 was 318% (31 December 2022: 231%).

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 months' results reported in these 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 2022 on 27 March 2023, the shareholders resolved to make the appropriations of the profit for the year ended 31 December 2022, which were given effect during the first quarter of 2023. These include a cash dividend of BD 2,146 (2021: BD 2,207) (0.005 fils per share), representing 5% of the paid up capital and charitable donations of BD 40.

#### 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.

#### 10. Contingencies, commitments and memorandum accounts

	30 June 2023	31 December 2022
Assets under custody	3,394,891	3,302,805
Assets under management **	1,925,808	1,578,429
Guarantees	3,593	3,593
Other commitments	3,120	4,717

\*\* On a gross basis, including leverage, SICO's total AUMs stands at BD 2,194,966 (2022: BD 1,794,859).

**SICO BSC (c)**

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

30 June 2023 (Reviewed)

Bahraini Dinars '000

**11. Investments at fair value through profit or loss**

	<b>30 June 2023</b>	31 December 2022
<b>Quoted equity securities</b>		
- Parent	615	2,479
- Consolidated funds	3,525	3,748
<b>Funds</b>		
- Quoted	9,710	6,530
- Unquoted	2,684	3,086
<b>Quoted debt securities</b>		
- Parent	3,990	3,128
- Consolidated funds	3,790	4,148
	<b>24,314</b>	<b>23,119</b>

**12. Investments at fair value through other comprehensive income**

	<b>30 June 2023</b>	31 December 2022
<b>Equity securities</b>		
- Quoted & Unquoted	3,643	5,108
<b>Debt securities</b>		
- Quoted	7,398	5,136
	<b>11,041</b>	<b>10,244</b>

**13. Intangible assets and goodwill**

	<b>30 June 2023</b>	31 December 2022
Intangibles – software	984	934
Goodwill and intangibles	690	740
	<b>1,674</b>	<b>1,674</b>

**14. Net investment income**

	<b>Six months ended</b>	
	<b>30 June 2023</b>	30 June 2022
Net gain / (loss) from investments at fair value through profit or loss	936	(1,451)
Net gain from investments at fair value through comprehensive income	75	-
Realised gain on sale of treasury bills	14	-
Other investment income	-	1,009
Interest income from debt instruments	857	716
Dividend income	392	394
	<b>2,274</b>	<b>668</b>

## SICO BSC (c)

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

30 June 2023 (Reviewed)

Bahraini Dinars '000

#### 14. Net investment income (continued)

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

	Six months ended	
	30 June 2023	30 June 2022
Realised gain	21	1,159
Unrealised gain / (loss)	915	(2,610)
	<b>936</b>	<b>(1,451)</b>

The realised gain 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 / (loss) 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.

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 Saudi REIT Fund, SICO Capital GCC Dividend Growth Fund, SICO Capital Money Market Fund, Al Qasr real estate Fund, Riyadh real estate Fund and SICO Capital Khairat Fund are as follows:

	Six months ended	
	30 June 2023	30 June 2022
Fee income	511	501

  

	30 June 2023	31 December 2022
	Fee receivable	290
Investments in own funds	7,187	4,014
Fee payable	2	21
Funds under management	139,623	151,577

#### Transactions with shareholders:

	Six months ended	
	30 June 2023	30 June 2022
Fee income	235	1,239

**SICO BSC (c)**

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

30 June 2023 (Reviewed)

Bahraini Dinars '000

**15. Related parties (continued)**

	<b>30 June 2023</b>	31 December 2022
Fee receivable	439	385
Fee payable	449	392
Securities sold under repurchase agreements	1,682	3,373
Investments	1,550	2,625
Placements	13,329	11,175
Borrowings	7,540	3,770
Funds under management	83,568	64,462

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

**16. Fair value**

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

	<b>30 June 2023</b>		31 December 2022	
	<b>Carrying amount</b>	<b>Fair value</b>	Carrying amount	Fair value
<b>Assets</b>				
Cash and bank balances	47,912	47,912	46,237	46,237
Treasury bills	11,297	11,297	14,338	14,338
Securities bought under repurchase agreements	210,356	210,356	155,886	155,886
Investments at fair value through profit or loss	24,314	24,314	23,119	23,119
Investments at fair value through other comprehensive income	11,041	11,041	10,244	10,244
Investments at amortised cost	16,953	17,214	14,664	14,802
Fees Receivable	2,162	2,162	2,062	2,062
Other Assets	18,036	18,036	9,242	9,242
<b>Total assets</b>	<b>342,071</b>	<b>342,332</b>	275,792	275,930
<b>Liabilities</b>				
Short-term bank borrowings	9,425	9,425	5,048	5,048
Securities sold under repurchase agreements	217,126	217,126	162,989	162,989
Customer Balances	39,772	39,772	29,722	29,722
Other Liabilities	10,006	10,006	9,822	9,822
Payable to unit holders	2,310	2,310	2,419	2,419
<b>Total liabilities</b>	<b>278,639</b>	<b>278,639</b>	210,000	210,000

**SICO BSC (c)**

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

30 June 2023 (Reviewed)

Bahraini Dinars '000

**16. Fair value (continued)**

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.

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.

**As at 30 June 2023****Assets**

Investments at fair value through profit or loss:

	Level 1	Level 2	Level 3	Total
- Equity	4,140	-	-	4,140
- Debt securities	7,780	-	-	7,780
- Funds	9,710	-	2,684	12,394
Investment at fair value through other comprehensive income:				
- Equities	3,266	377	-	3,643
- Debt securities	7,398	-	-	7,398
	<b>32,294</b>	<b>377</b>	<b>2,684</b>	<b>35,355</b>

**As at 31 December 2022****Assets**

Investments at fair value through profit or loss:

	Level 1	Level 2	Level 3	Total
- Equities	6,227	-	-	6,227
- Debt securities	7,276	-	-	7,276
- Funds	6,530	-	3,086	9,616
Investment at Fair value through other comprehensive income investments:				
- Equities	4,731	377	-	5,108
- Debt securities	5,136	-	-	5,136
	<b>29,900</b>	<b>377</b>	<b>3,086</b>	<b>33,363</b>

## SICO BSC (c)

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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#### 16. Fair value (continued)

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

	<b>Level 3 30 June 2023</b>	<b>Level 3 30 June 2022</b>
<b>At 1 January</b>	3,086	2,134
Total loss:		
- in income statement	(98)	(65)
Purchases	29	292
Sold	(333)	-
<b>At 31 June</b>	<b>2,684</b>	<b>2,361</b>

#### 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.



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**17. Net stable funding ratio (NSFR) (continued)**

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

30 June 2023	Unweighted values (before applying factors)				Total weighted value
	No specified maturity	Less than 6 months	More than 6 months and less than one year	Over one year	
<b>Available stable funding (ASF):</b>					
<b>Capital:</b>					
Regulatory capital	66,474	-	-	90	66,564
<b>Retail deposits and deposits from small business customers:</b>					
Less stable deposits	-	11,919	-	-	10,727
<b>Other liabilities:</b>					
NSFR derivative liabilities					
All other liabilities not included in above categories	-	267,918	-	-	6,233
<b>Total ASF</b>					<b>83,524</b>
<b>Required stable funding (RSF):</b>					
<b>Total NSFR high-quality liquid assets (HQLA)</b>	36,846	-	-	-	2,387
<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	-	24,862	-	-	12,431
<b>Other assets:</b>					
All other assets not included in the above categories	17,684	253,103	-	-	57,543
Off-balance sheet items	6,713	-	-	-	336
<b>Total RSF</b>					<b>72,697</b>
<b>NSFR %</b>					<b>115%</b>

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## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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**17. Net stable funding ratio (NSFR) (continued)**

31 December 2022	Unweighted values (before applying factors)				Total weighted value
	No specified maturity	Less than 6 months	More than 6 months and less than one year	Over one year	
Available stable funding (ASF):					
Capital:					
Regulatory capital	69,183	-	-	94	69,277
Retail deposits and deposits from small business customers:					
Less stable deposits	-	11,804	-	-	10,624
Other liabilities:					
All other liabilities not included in above categories	-	200,299	-	-	2,709
Total ASF					82,610
Required stable funding (RSF):					
Total NSFR high-quality liquid assets (HQLA)	32,526	-	-	-	2,546
Performing loans and securities:					
Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	-	24,949	-	-	12,475
Other assets:					
All other assets not included in the above categories	12,989	198,528	-	-	45,506
Off-balance sheet items	8,310	-	-	-	416
Total RSF					60,943
NSFR %					136%

**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.