

## SICO BSC (c)

### CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION 31 March 2019

Comprehensive investment services for the Bahrain and GCC securities market	
Commercial registration	: 33469
Board of Directors	: Abdulla bin Khalifa Al Khalifa, <i>Chairman of the Board and the Investment Committee</i>
	Hussain Al Hussaini, <i>Vice Chairman of the Board &amp; the Investment Committee</i>
	Prakash Mohan <i>Member of the Investment Committee</i>
	Fahad Murad <i>Chairman of Nominations, Remuneration &amp; Corporate Governance Committee</i>
	Mohammed Abdulla <i>Vice Chairman of Nominations, Remuneration &amp; Corporate Governance Committee</i>
	Khurram Ali Mirza <i>Member of Nominations, Remuneration &amp; Corporate Governance Committee</i>
	Waleed Al Braikan <i>Chairman of the Audit Committee</i>
	Anwar Abdulla Ghuloom <i>Vice Chairman of the Audit Committee</i>
	Emad Al Saudi <i>Member of the Audit Committee</i>
Chief Executive Officer	: Najla M. Al Shirawi
Office	: BMB Centre PO Box 1331, Kingdom of Bahrain Telephone 17515000, Fax 17514000
Bankers	: Bank of Bahrain and Kuwait BSC
Auditors	: KPMG Fakhro

**CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION**  
**for the period ended 31 March 2019**

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

14 May 2019

The Board of Directors  
SICO BSC (c)  
PO Box 1331  
Manama  
Kingdom of Bahrain

### Introduction

We have reviewed the accompanying 31 March 2019 condensed consolidated interim financial information of SICO BSC (c) (the "Bank"), which comprises:

- the condensed consolidated statement of financial position as at 31 March 2019;
- the condensed consolidated statement of profit or loss for the three-month period ended 31 March 2019;
- the condensed consolidated statement of comprehensive income for the three-month period ended 31 March 2019;
- the condensed consolidated statement of changes in equity for the three-month period ended 31 March 2019;
- the condensed consolidated statement of cash flows for the three-month period ended 31 March 2019; 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 IAS 34, '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 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 31 March 2019 condensed consolidated interim financial information is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting'.

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
As at 31 March 2019

Bahraini Dinars '000

	Note	31 March 2019 (reviewed)	31 December 2018 (audited)
<b>ASSETS</b>			
Cash and bank balances		42,755	34,467
Treasury bills		7,492	10,416
Securities bought under repurchase agreements		35,784	41,927
Investments at fair value through profit or loss	13	25,118	23,644
Investments at fair value through other comprehensive income	14	6,863	6,214
Investments at amortized cost		9,985	9,990
Investment in properties	15	1,879	1,955
Fees receivable		1,141	1,252
Other assets		6,089	4,159
Furniture, equipment and intangibles	16	1,702	1,240
<b>Total assets</b>		<b>138,808</b>	<b>135,264</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Liabilities</b>			
Short-term bank borrowings		1,885	3,385
Securities sold under repurchase agreements		40,149	42,573
Customer accounts		27,698	23,135
Other liabilities		7,298	3,805
Payable to other unit holders in consolidated funds		7,298	6,701
<b>Total liabilities</b>		<b>84,328</b>	<b>79,599</b>
<b>Equity</b>			
Share capital		42,849	42,849
Shares under employee share incentive scheme		(2,263)	(1,599)
Treasury shares		(5,322)	(5,913)
Statutory reserve		7,431	7,362
General reserve		3,217	3,217
Investments fair value reserve		218	133
Retained earnings		8,350	9,616
<b>Total equity (page 5)</b>		<b>54,480</b>	<b>55,665</b>
<b>Total liabilities and equity</b>		<b>138,808</b>	<b>135,264</b>

The Board of Directors approved the condensed consolidated interim financial information on 14 May 2019 and signed on its behalf by:

  
Abdulla Bin Khalifa Al Khalifa  
Chairman

  
Hussain Al Hussaini  
Vice Chairman

  
Najla M. Al Shirawi  
Chief Executive Officer

The accompanying notes 1 to 20 form an integral part of these condensed consolidated financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS**  
**For the three months ended 31 March 2019**

Bahraini Dinars '000

	Note	31 March 2019 (reviewed)	31 March 2018 (reviewed)
Net investment income	17	2,497	1,417
Net fee income		954	828
Brokerage and other income		608	716
Net other interest income		365	234
Rental income from investment properties		40	-
<b>Total income</b>		<b>4,464</b>	<b>3,195</b>
Staff and related expenses		1,188	1,043
Other operating expenses		649	578
Expected Credit Loss		18	-
Share of profit of non-controlling unit holders in consolidated funds		750	152
<b>Total expenses</b>		<b>2,605</b>	<b>1,773</b>
<b>Profit for the period</b>		<b>1,859</b>	<b>1,422</b>
<b>Basic and diluted earnings per share (fils)</b>		<b>5.03</b>	<b>3.85</b>



Abdulla Bin Khalifa Al Khalifa  
Chairman



Hussain Al Hussaini  
Vice Chairman



Najla M. Al Shirawi  
Chief Executive Officer

The accompanying notes 1 to 20 form an integral part of these condensed consolidated financial statements.

## SICO BSC (c)

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**For the three months ended 31 March 2019**

Bahraini Dinars '000

	<b>31 March 2019 (reviewed)</b>	<b>31 March 2018 (reviewed)</b>
<b>Profit for the period</b>	<b>1,859</b>	1,422
<b>Other comprehensive income</b>		
<b>Items that are or may be reclassified to profit or loss in subsequent periods:</b>		
- Net change in fair value of FVTOCI debt instruments	140	(11)
- Net amount transferred to profit or loss on sale of FVTOCI debt instruments	20	-
<b>Items that will not be reclassified to profit or loss in subsequent periods:</b>		
- Net change in fair value of FVTOCI equity instruments	(75)	131
<b>Total other comprehensive income for the period</b>	<b>85</b>	120
<b>Total comprehensive income for the period</b>	<b>1,944</b>	1,542

The accompanying notes 1 to 20 form an integral part of these condensed consolidated financial statements.

SICO BSC (c)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
for the three months ended 31 March 2019

Bahraini Dinars '000

2019 (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 2019	42,849	(1,599)	(5,913)	7,362	3,217	133	9,616	55,665
<b>Profit for the period</b>	-	-	-	-	-	65	1,859	1,859
<b>Other comprehensive income:</b>	-	-	-	-	-	20	-	65
Net change in fair value of FVTOCI instruments	-	-	-	-	-	20	-	20
Net amount transferred to profit or loss on sale of FVTOCI debt instruments	-	-	-	-	-	85	-	85
<b>Total other comprehensive income</b>	-	-	-	-	-	85	-	85
<b>Total comprehensive income for period</b>	-	-	-	-	-	-	1,859	1,944
- Transfer to charitable donation reserve	-	-	-	-	-	-	(40)	(40)
<b>Transaction with owners recognized directly in equity:</b>	-	-	-	-	-	-	(3,085)	(3,085)
- Dividends declared for 2018	-	-	-	-	-	-	-	-
- Treasury shares transferred to employee share incentive scheme	-	(664)	591	69	-	-	-	(4)
<b>Balance at 31 March 2019</b>	<b>42,849</b>	<b>(2,263)</b>	<b>(5,322)</b>	<b>7,431</b>	<b>3,217</b>	<b>218</b>	<b>8,350</b>	<b>54,480</b>

The accompanying notes 1 to 20 form an integral part of these condensed consolidated interim financial statements.

**SICO BSC (c)**

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
for the three months ended 31 March 2018 (continued)

Bahraini Dinars '000

Note	Share capital	Shares under employee share incentive scheme	Treasury shares	Statutory reserve	General reserve	Investments fair value reserve	Retained earnings	Total equity
2018 (reviewed)								
Balance at 1 January 2018	42,849	(1,599)	-	6,992	3,217	307	7,992	59,758
Profit for the period	-	-	-	-	-	-	1,422	1,422
<i>Other comprehensive income:</i>								
- Net change in fair value of FVTOCI instruments	-	-	-	-	-	120	-	120
- Net amount transferred to retained earnings on sale of FVTOCI equity instruments	-	-	-	-	-	(314)	314	-
<i>Total other comprehensive income</i>	-	-	-	-	-	(194)	314	120
Total comprehensive income for the period	-	-	-	-	-	(194)	1,736	1,542
- Transfer to charitable donation reserve	-	-	-	-	-	-	(30)	(30)
Transaction with owners recognized directly in equity:								
- Dividends declared for 2017	-	-	-	-	-	-	(1,928)	(1,928)
- Treasury shares purchased	-	-	(5,913)	-	-	-	-	(5,913)
Balance at 31 March 2018	42,849	(1,599)	(5,913)	6,992	3,217	113	1,770	53,429

The accompanying notes 1 to 20 form an integral part of these condensed consolidated financial statements.



**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**for the three months ended 31 March 2019**

Bahraini Dinars '000

	<b>31 March 2019 (reviewed)</b>	31 March 2018 (reviewed)
<b>Operating activities</b>		
Net interest received	620	610
Net decrease in placements with banks	-	4,974
Net sale of investments at fair value through profit or loss	507	5,895
Net (purchase) / sale of investments at fair value through other comprehensive income	(669)	655
Net sale of investments at amortized cost	5	4
Purchase of investments properties	76	(1,047)
Net increase / (decrease) in customer accounts	4,563	(1,628)
Securities bought under repurchase agreements	6,143	(1,933)
Securities sold under repurchase agreements	(2,424)	2,629
Dividends received	220	392
Rental income received	40	-
Movement in brokerage accounts and other receivables	(210)	2,466
Movement in other liabilities	3,669	1,785
Payments for staff and related expenses	(1,368)	(1,365)
Payments for other operating expenses	(498)	(389)
<b>Net cash from operating activities</b>	<b>10,674</b>	13,048
<b>Investing activities</b>		
Net capital expenditure on furniture and equipment	(572)	(18)
<b>Net cash used in investing activities</b>	<b>(572)</b>	(18)
<b>Financing activities</b>		
Net decrease in short-term bank borrowings	(1,500)	(754)
Treasury shares purchased	-	(5,913)
Dividends declared	(3,085)	(1,928)
(Redemption) / contribution by other unit holders in consolidated fund	(128)	188
Distribution to other unit holders in consolidated funds	(25)	(170)
<b>Net cash used in financing activities</b>	<b>(4,738)</b>	(8,577)
<b>Net increase in cash and cash equivalents</b>	<b>5,364</b>	4,453
Cash and cash equivalents at the beginning of the period	44,883	37,190
<b>Cash and cash equivalents at the end of the period</b>	<b>50,247</b>	41,643
Represented by:		
Cash and bank balances	42,755	35,267
Treasury bills	7,492	6,376
	<b>50,247</b>	41,643

The accompanying notes 1 to 20 form an integral part of these condensed consolidated financial statements.

**1. Reporting entity**

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

**2. Basis of preparation**

The condensed consolidated interim financial information has been prepared in accordance with International Accounting Standard 34 (Interim Financial Reporting), which permits the interim financial information to be in summarized form. The condensed consolidated interim financial information 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 2018. 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 2018.

**3. Accounting policies**

The condensed consolidated interim financial information has been prepared using the same accounting policies and methods of computation applied in the preparation of the Groups’ audited annual financial statements for the year ended 31 December 2018 other than for adoption of IFRS-16 – Leases. The impact on adoption of IFRS-16 has been disclosed in note 4.

**4. Adoption of new accounting standards**

The Bank has applied IFRS 16 with a transition date of 1 January 2019 which resulted in changes in accounting policies and adjustments to the amounts from those previously recognized in the financial statements as at 31 December 2018.

As permitted by the transitional provisions of IFRS 16, the Bank elected to use the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under IAS 17 ‘Leases’ and IFRIC 4 ‘Determining whether an arrangement contains a lease’.

Set out below are the details of the specific IFRS 16 accounting policies applied in the current period and the IFRS 16 transition impact disclosures for the Bank.

**(a) Changes in accounting policies**

At the inception of the contract, the Bank assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for the period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Bank assesses whether:

- The contract involves the use of an identified asset, this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- The Bank has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- The Bank has the right to direct the use of the asset. The Bank has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Bank has the right to direct the use of the asset if either:
  - The Bank has the right to operate the asset; or
  - The Bank designed the asset in a way that predetermines how and for what purpose it will be used.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION**

**For the three months ended 31 March 2019**

Bahraini Dinars '000

*4. Adoption of new accounting standards (continued)*

The new definition of a lease under IFRS 16 has been applied for contracts entered into, or changed, on or after 1 January 2019.

At inception or on reassessment of a contract that contains a lease component, the Bank allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for the leases of land and buildings in which it is a lessee, the Bank has elected not to separate non-lease components and to account for the lease and non-lease components as a single lease component.

**i) Measurement**

The Bank recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises:

- The amount of the initial measurement of the lease liability;
- Any lease payment made at or before the commencement date, less any lease incentives received;
- Any initial direct cost incurred by the lessee; and
- Estimated cost to dismantle and to remove the underlying asset, or to restore the underlying asset or the site on which it is located.

The right-of-use asset is subsequently depreciated using the straight line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

Lease liability is measure as the present value of the future lease payments that are not paid at the commencement date. The lease payments are discounted based on the Bank's incremental borrowing rate. Lease liability comprises the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantees;
- the exercise price of a purchase option if the Bank is reasonably certain to exercise that option;
- lease payments in an optional renewal period if the Bank is reasonably certain to exercise an extension option; and
- Penalties for early termination of a lease unless the Bank is reasonably certain not to terminate early.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Bank's estimate of the amount expected to be payable under a residual value guarantee, or if the Bank changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION****For the three months ended 31 March 2019**

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**4. Adoption of new accounting standards (continued)****ii) Short-term leases and leases of low-value assets**

The Bank has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and for leases of low-value assets. The Bank recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

**(b) Impact of adopting IFRS 16**

On transition to IFRS 16, the Bank elected to apply the practical expedient to grandfather the assessment of which transactions are leases. It applied IFRS 16 to contracts that were previously identified as leases. The impact from the adoption of IFRS 16 as at 1 January 2019 has resulted in an increase in property and equipment by BD 456 and an increase in and other liabilities by BD 456:

	Furniture, equipment and intangibles	Other liabilities
Closing balance under IAS 17 (31 December 2018)	-	-
<u>Impact on re-measurements:</u>		
Right-of-use asset	456	-
Lease liability	-	456
<b>Opening balance under IFRS 16 on date of initial application of 1 January 2019</b>	<b>456</b>	<b>456</b>

5. The condensed consolidated interim financial information is reviewed, not audited.

**6. Estimates**

The preparation of the 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 expense. Actual results may differ from these estimates.

In preparing these condensed consolidated interim financial information, the significant judgments made by the management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended 31 December 2018.

**7. 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 information do not include all financial risk management information and disclosures required in the annual financial statements and they should be read in conjunction with the Group's audited annual financial statements for the year ended 31 December 2018. There have been no changes in the risk management department or in any risk management policies since 31 December 2018.

**8. 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.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION**

For the three months ended 31 March 2019

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**9. Cyclical**

Due to nature of the Bank's business, the three months' results reported in this condensed consolidated interim financial information may not represent a proportionate share of the overall annual results.

**10. Appropriations**

At the shareholders Annual General Meeting for the year 2018 on 25 March 2019, the shareholders resolved to make the appropriations of the profit for the year ended 31 December 2018, which were effected during the first quarter of 2019. These include cash dividend of BD 3,085 representing 8% of paid up capital and charitable donations of BD 40.

**11. 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.

During the first quarter of 2019, 1% of the issued and fully paid capital of the Bank was transferred to the overall Scheme's pool.

**12. Contingencies, commitments and memorandum accounts**

	<b>As at 31 March 2019</b>	<b>As at 31 December 2018</b>
Assets under custody	2,462,897	2,334,070
Assets under management	775,189	699,087
Other Commitments	1,718	2,213
Guarantees	5,133	5,133

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

	<b>As at 31 March 2019</b>	<b>As at 31 December 2018</b>
<b>Quoted equity securities – (listed)</b>		
- Consolidated funds	8,453	7,295
- Parent	2,648	1,621
<b>Funds</b>		
- Quoted	3,132	4,415
- Unquoted	3,679	3,667
<b>Quoted debt securities</b>		
- Parent	3,541	2,910
- Consolidated funds	3,665	3,585
<b>Unquoted debt securities</b>		
- Consolidated funds	-	151
	<b>25,118</b>	<b>23,644</b>

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the three months ended 31 March 2019

Bahraini Dinars '000

## 14. Investments at fair value through other comprehensive income

	As at 31 March 2019	As at 31 December 2018
<b>Equity securities</b>		
- Quoted (listed)	3,603	3,074
- Unquoted	63	64
	<b>3,666</b>	<b>3,138</b>
<b>Debt securities</b>		
- Quoted	2,062	1,940
- Unquoted	1,135	1,136
	<b>3,197</b>	<b>3,076</b>
	<b>6,863</b>	<b>6,214</b>

## 15. Investments in properties

Investment in properties represents investment in SICO US Real Estate Income Fund I LP (the Fund) which is incorporated as a limited partnership by SICO in the Cayman Islands. The Fund is managed by SICO and seeks income generating properties in various geographies in the United States. The Fund focuses on multifamily residential properties.

The investment in properties is disclosed at cost less depreciation

## 16. Furniture, equipment and intangibles

	As at 31 March 2019	As at 31 December 2018
Property and equipment	1,279	1,240
Right-of-use of leased property	423	-
	<b>1,702</b>	<b>1,240</b>

Lease liabilities in relation to right-of-use of leased property are presented under interest payable and other liabilities and amounted to BD 383 as at 31 March 2019. The depreciation charge on Right-of-use asset during the period was BD 33

SICO BSC (c)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the three months ended 31 March 2019

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17. Net investment income

	Three months ended	
	31 March 2019	31 March 2018
Net gain from investments at fair value through profit or loss	1,964	666
Realized gain/(loss) on sale of FVTOCI debt securities	(20)	-
Realized gain on Treasury Bills	10	-
Interest income from debt instruments	323	359
Dividend income	220	392
	<b>2,497</b>	<b>1,417</b>

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

	Three months ended	
	31 March 2019	31 March 2018
Realized gain	271	365
Unrealized gain	1,693	301
	<b>1,964</b>	<b>666</b>

The realized 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.

The unrealized 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.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION**  
**for the three months ended 31 March 2019**

Bahraini Dinars '000

**18. Related parties**

The following are the related party transactions during the period. All 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) and SICO Ventures Company SPC are as follows:

	<b>Three months ended</b>	
	<b>31 March 2019</b>	31 March 2018
Fee income	147	69

	<b>31 March 2019</b>	31 December 2018
Fee receivable	81	244
Funds under management	60,461	58,046
Investments in own funds	2,520	2,373

**Transactions with shareholders:**

	<b>Three months ended</b>	
	<b>31 March 2019</b>	31 March 2018
Fee income	134	126

	<b>As at 31 March 2019</b>	As at 31 December 2018
Fee receivable	246	236
Funds under management	72,294	65,356

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



SICO BSC (c)

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION  
for the three months ended 31 March 2019**

Bahraini Dinars '000

**19. Fair value**

- (i) Set out below is a comparison of the carrying amounts and fair values of financial instruments as at 31 March 2019:

	31 March 2019		31 December 2018	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Assets</b>				
Investments at amortized cost	9,985	10,528	9,990	9,935
Investments at fair value through profit or loss	25,118	25,118	23,644	23,644
Investments at fair value through other comprehensive	6,863	6,863	6,214	6,214
<b>Total assets</b>	<b>41,966</b>	<b>42,509</b>	39,848	39,793
<b>Liabilities</b>				
Short-term bank borrowings	1,885	1,889	3,385	3,392
Securities sold under repurchase agreements	40,149	40,247	42,573	42,724
Payable to unit holders	7,298	7,298	6,701	6,701
<b>Total liabilities</b>	<b>49,332</b>	<b>49,434</b>	52,659	52,817

All investments at fair value through other comprehensive income, investments at fair value through profit or loss are carried at fair value. Investments at amortized cost are carried at amortized 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 categorized.

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## 19. Fair value (continued)

<b>As at 31 March 2019</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Assets</b>				
Fair value through other comprehensive income investments:				
- Equities	3,603	-	63	3,666
- Debt securities	2,062	1,135	-	3,197
Fair value through profit or loss:				
- Equity	11,101	-	-	11,101
- Debt securities	7,206	-	-	7,206
- Funds	4,811	1,130	870	6,811
Investments at amortized cost:				
- Debt securities	10,528	-	-	10,528
<b>Liabilities</b>				
- Payable to unit holders in consolidated funds	(7,298)	-	-	(7,298)
	<b>32,013</b>	<b>2,265</b>	<b>933</b>	<b>35,211</b>

**As at 31 March 2018****Assets**

Fair value through other comprehensive income investments:

- Equities	3,000	-	313	3,313
- Debt securities	113	2,077	-	2,190

Fair value through profit or loss:

- Equity	5,745	-	-	5,745
- Debt securities	9,034	231	-	9,265
- Funds	7,536	698	1,032	9,266

Investments at amortized cost:

- Debt securities	9,710	-	-	9,710
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**Liabilities**

- Payable to unit holders in consolidated funds	(2,832)	-	-	(2,832)
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	<b>32,306</b>	<b>3,006</b>	<b>1,345</b>	<b>36,657</b>
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*19 Fair value (continued)*

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

<b>At 1 January 2019</b>	<b>Level 3 31 March 2019</b>
Total loss:	974
- in income statement	-
- in other comprehensive income	(41)
Purchases	-
Settlements	-
Transfers into / (out) of level 3	-
<b>At 31 March 2019</b>	<b>933</b>
At 1 January 2018	<b>Level 3 31 March 2018</b>
Total loss:	1,280
- in income statement	-
- in other comprehensive income	65
Purchases	-
Settlements	-
Transfers into / (out) of level 3	-
At 31 March 2018	<b>1,345</b>

**20. Comparatives**

Prior period / year have been regrouped to conform to the presentation in the current period. Such re-groupings did not affect previously reported net profit for the period or total equity