

**SICO BSC (c)**  
**CONDENSED CONSOLIDATED INTERIM  
FINANCIAL STATEMENTS**  
**30 SEPTEMBER 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 September 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 September 2023, comprising of the interim consolidated statement of financial position as at 30 September 2023 and the related interim consolidated statements of profit or loss and other comprehensive income for the three month and nine month period then ended and the interim consolidated statements of changes in equity and cash flows for the nine 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 nine-month period ended 30 September 2022 were audited and reviewed respectively by another auditor who expressed an unmodified audit opinion and review conclusion dated 27 February 2023 and 13 November 2022 on those consolidated financial statements and condensed consolidated interim financial statements respectively.



13 November 2023  
Manama, Kingdom of Bahrain

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

Bahraini Dinars '000

	Note	30 September 2023 (reviewed)	31 December 2022 (audited)
<b>ASSETS</b>			
Cash and bank balances		64,433	46,237
Treasury bills		11,403	14,338
Securities bought under repurchase agreements		230,346	155,886
Investments at fair value through profit or loss	11	22,944	23,119
Investments at fair value through other comprehensive income	12	12,090	10,244
Investments at amortised cost		13,955	14,664
Fees receivable		2,893	2,062
Other assets		9,838	9,659
Property and equipment		1,744	2,099
Intangible assets and goodwill	13	1,623	1,674
<b>Total assets</b>		<b>371,269</b>	<b>279,982</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Liabilities</b>			
Short-term borrowings		16,320	5,048
Securities sold under repurchase agreements		236,847	162,989
Customer accounts		36,930	29,722
Other liabilities		10,798	9,822
Payable to other unit holders in consolidated funds		2,344	2,419
<b>Total liabilities</b>		<b>303,239</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		372	885
Retained earnings		15,140	14,666
<b>Total equity</b>		<b>68,030</b>	<b>69,982</b>
<b>Total liabilities and equity</b>		<b>371,269</b>	<b>279,982</b>

The condensed consolidated interim financial statements was approved by the Board of Directors 13 November 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 nine months ended 30 September 2023**

Bahraini Dinars '000

	Note	Nine months ended 30 September		Three months ended 30 September	
		2023	2022	2023	2022
		(reviewed)	(reviewed)	(reviewed)	(reviewed)
Net investment income	14	2,774	697	500	29
Net fee income		5,378	7,190	2,194	1,745
Brokerage and other income		1,447	1,918	410	644
Net interest income		2,612	1,816	731	678
<b>Total income</b>		<b>12,211</b>	11,621	<b>3,835</b>	3,096
Staff cost		6,107	5,644	2,009	1,910
Other operating expenses		3,758	3,105	1,339	940
Expected Credit Loss		(24)	(19)	(24)	-
Share of profit /(loss) of other unit holders in consolidated funds		195	27	(34)	(17)
<b>Total expenses</b>		<b>10,036</b>	8,757	<b>3,290</b>	2,833
<b>Profit for the period</b>		<b>2,175</b>	2,864	<b>545</b>	263
<b>Profit attributable to:</b>					
Shareholders of the Bank		2,175	2,809	545	336
Non-controlling interests		-	55	-	(73)
		<b>2,175</b>	2,864	<b>545</b>	263
<b>Basic and diluted earnings per share (fils)</b>		<b>5.05</b>	6.67	<b>1.27</b>	0.80



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 nine months ended 30 September 2023**

Bahraini Dinars '000

	Nine months ended 30 September		Three months ended 30 September	
	2023 (reviewed)	2022 (reviewed)	2023 (reviewed)	2022 (reviewed)
<b>Profit for the period</b>	<b>2,175</b>	2,864	<b>545</b>	263
<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	(95)	(361)	(69)	(136)
<b>Items that will not be reclassified to profit or loss in subsequent periods:</b>				
Net change in fair value of FVOCI equity instruments	67	(25)	48	56
<b>Total other comprehensive loss for the period</b>	<b>(28)</b>	(386)	<b>(21)</b>	(80)
<b>Total comprehensive income for the period</b>	<b>2,147</b>	2,478	<b>524</b>	183
<b>Total comprehensive income attributable to:</b>				
Shareholders of the Bank	2,147	2,423	524	256
Non-controlling interests	-	55	-	(73)
	<b>2,147</b>	2,478	<b>524</b>	183

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 nine months ended 30 September 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>	-	-	-	-	-	-	2,175	2,175
<b>Other comprehensive income:</b>								
Net change in fair value of FVOCI instruments	-	-	-	-	-	(28)	-	(28)
<b>Total other comprehensive income</b>	-	-	-	-	-	(28)	-	(28)
<b>Total comprehensive income for period</b>	-	-	-	-	-	(28)	2,175	2,147
Amount transferred to retained earnings on sale of FVOCI equity instruments	-	-	-	-	-	(485)	485	-
<b>Transaction with owners recognized directly in equity:</b>								
Transfer to charitable donation reserve	-	-	-	-	-	-	(40)	(40)
Cash dividends Paid for 2022	-	-	-	-	-	-	(2,146)	(2,146)
Treasury Shares Purchased	-	-	(1,913)	-	-	-	-	(1,913)
Balance at 30 September 2023	44,134	(2,263)	(1,913)	9,343	3,217	372	15,140	68,030

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 nine months ended 30 September 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	-	-	-	-	-	2,809	2,809	55	2,864
<i>Other comprehensive income:</i>									
Net change in fair value of FVOCI instruments	-	-	-	-	(386)	-	(386)	-	(386)
<i>Total other comprehensive income</i>	-	-	-	-	(386)	-	(386)	-	(386)
Total comprehensive income for period	-	-	-	-	(386)	2,809	2,423	55	2,478
Amount transferred to retained earnings on sale of FVOCI equity instruments	-	-	-	-	(326)	326	-	-	-
Transfer to charitable donation reserve	-	-	-	-	-	(65)	(65)	-	(65)
Transaction with owners recognised directly in equity:									
Acquisition of NCI without a change in control	-	-	-	-	-	102	102	(2,002)	(1,900)
Stock dividend at 3%	1,285	-	-	-	-	(1,285)	-	-	-
Cash dividends paid for 2021	-	-	-	-	-	(2,142)	(2,142)	-	(2,142)
Balance at 30 September 2022	44,134	(2,263)	8,982	3,217	828	14,285	69,183	-	69,183

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 nine months ended 30 September 2023**

Bahraini Dinars '000

	<b>30 September 2023 (reviewed)</b>	30 September 2022 (reviewed)
<b>Operating activities</b>		
Net interest received	3,214	2,449
Net Purchase of Treasury Bills	(4,287)	-
Net decrease in long-term placements	-	(500)
Net sale / (purchase) of investments at fair value through profit or loss	784	(806)
Net (purchase) / sale of investments at fair value through other comprehensive income	(1,771)	467
Net movement in investments at amortized cost	709	(984)
Net increase / (decrease) in customer accounts	7,208	(18,446)
Securities bought under repurchase agreements	(74,460)	(21,723)
Securities sold under repurchase agreements	73,858	21,579
Dividends received	641	561
Recovery on previously written off investment	-	1,009
Movement in brokerage accounts and other receivables	6,691	11,862
Movement in other liabilities	941	3,676
Payments for staff and related expenses	(6,122)	(6,575)
Payments for other operating expenses	(3,094)	(4,865)
<b>Net cash generated from / (used in) operating activities</b>	<b>4,312</b>	<b>(12,296)</b>
<b>Investing activities</b>		
Net capital expenditure on furniture and equipment	(272)	(2,411)
<b>Net cash used in investing activities</b>	<b>(272)</b>	<b>(2,411)</b>
<b>Financing activities</b>		
Net increase / (decrease) in short-term bank borrowings	11,272	(1,866)
Treasury Shares Purchased	(1,913)	-
Dividend paid	(2,146)	(2,142)
Contribution by other unit holders in consolidated funds	1,459	745
Distribution by other unit holders in consolidated funds	(1,730)	(925)
<b>Net cash generated from / (used in) financing activities</b>	<b>6,942</b>	<b>(4,188)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>10,982</b>	<b>(18,895)</b>
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>71,557</b>	<b>58,934</b>
Represented by:		
Cash and bank balances	64,433	47,540
Less: placements with an original maturity over 3 months	-	(500)
Treasury bills	7,116	11,886
	<b>71,549</b>	<b>58,926</b>

\* Excludes ECL balance of BD 8 (30 September 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 consolidated interim 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 September 2023 (Reviewed)

Bahraini Dinars '000

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

The key regulatory ratios are as follows:

	Regulatory Requirement	30 September 2023	31 December 2022
Liquidity Coverage Ratio	100%	469%	268%
Net Stable Funding Ratio (note 17)	100%	114%	136%

The average LCR for the nine-months period ended 30 September 2023 was 379% (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 and nine 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 ended 31 December 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 (2022: BD 2,142) (5 fils per share), representing 5% of the paid up capital and charitable donations of BD 40. (2022: BD 65)

#### 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 September 2023	31 December 2022
Assets under custody	3,355,015	3,302,805
Assets under management **	1,914,198	1,578,429
Guarantees	3,593	3,593
Other commitments	2,627	4,717

\*\* On a gross basis, including leverage, SICO's total AUMs stands at BD 2,202,405 (2022: BD 1,794,859).

**SICO BSC (c)**

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

30 September 2023 (Reviewed)

Bahraini Dinars '000

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

	<b>30 September 2023</b>	<b>31 December 2022</b>
<b>Quoted equity securities</b>		
- Parent	576	2,479
- Consolidated funds	2,898	3,748
<b>Funds</b>		
- Quoted	8,206	6,530
- Unquoted	2,536	3,086
<b>Quoted debt securities</b>		
- Parent	5,091	3,128
- Consolidated funds	3,637	4,148
	<b>22,944</b>	<b>23,119</b>

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

	<b>30 September 2023</b>	<b>31 December 2022</b>
<b>Equity securities</b>		
- Quoted	3,826	5,108
<b>Debt securities</b>		
- Quoted	8,264	5,136
	<b>12,090</b>	<b>10,244</b>

**13. Intangible assets and goodwill**

	<b>30 September 2023</b>	<b>31 December 2022</b>
Intangibles – software	958	934
Goodwill and intangibles	665	740
	<b>1,623</b>	<b>1,674</b>

**14. Net investment income**

	<b>Nine months ended</b>	
	<b>30 September 2023</b>	<b>30 September 2022</b>
Net gain / (loss) from investments at fair value through profit or loss	565	(1,945)
Net gain from investments at fair value through comprehensive income	75	-
Realised gain on sale of treasury bills	15	-
Other investment income	-	1,009
Interest income from debt instruments	1,478	1,072
Dividend income	641	561
	<b>2,774</b>	<b>697</b>

## SICO BSC (c)

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

30 September 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:

	Nine months ended	
	30 September 2023	30 September 2022
Realised gain	594	1,259
Unrealised loss	(29)	(3,204)
	<b>565</b>	<b>(1,945)</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 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:

	Nine months ended	
	30 September 2023	30 September 2022
Fee income	953	826

  

	30 September 2023	31 December 2022
	Fee receivable	593
Other receivable	402	-
Investments in own funds	8,518	4,014
Fee payable	8	21
Funds under management	132,004	151,577

#### Transactions with shareholders:

	Nine months ended	
	30 September 2023	30 September 2022
Fee income	186	1,334

**SICO BSC (c)**

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

30 September 2023 (Reviewed)

Bahraini Dinars '000

**15. Related parties (continued)**

	<b>30 September 2023</b>	31 December 2022
Fee receivable	<b>541</b>	385
Fee payable	<b>492</b>	392
Securities sold under repurchase agreements	<b>1,698</b>	3,373
Investments	<b>1,546</b>	2,625
Placements	<b>8,246</b>	11,175
Borrowings	<b>3,770</b>	3,770
Funds under management	<b>81,331</b>	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. The unutilised credit facilities amount to 3,770 (31 December 2022: 3,770)

**16. Fair value**

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

	<b>30 September 2023</b>		31 December 2022	
	<b>Carrying amount</b>	<b>Fair value</b>	Carrying amount	Fair value
<b>Assets</b>				
Cash and bank balances	64,433	64,433	46,237	46,237
Treasury bills	11,403	11,403	14,338	14,338
Securities bought under repurchase agreements	230,346	230,346	155,886	155,886
Investments at fair value through profit or loss	22,944	22,944	23,119	23,119
Investments at fair value through other comprehensive income	12,090	12,090	10,244	10,244
Investments at amortised cost	13,955	14,044	14,664	14,802
Fees Receivable	2,893	2,893	2,062	2,062
Other Assets excluding prepayments	9,285	9,285	9,242	9,242
<b>Total assets</b>	<b>367,349</b>	<b>367,438</b>	275,792	275,930
<b>Liabilities</b>				
Short-term bank borrowings	16,320	16,320	5,048	5,048
Securities sold under repurchase agreements	236,847	236,847	162,989	162,989
Customer Balances	36,930	36,930	29,722	29,722
Other Liabilities	10,798	10,798	9,822	9,822
Payable to unit holders	2,344	2,344	2,419	2,419
<b>Total liabilities</b>	<b>303,239</b>	<b>303,239</b>	210,000	210,000

**SICO BSC (c)**

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

30 September 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 September 2023****Assets**

Investments at fair value through profit or loss:

	Level 1	Level 2	Level 3	Total
- Equity	3,474	-	-	3,474
- Debt securities	8,162	566	-	8,728
- Funds	8,206		2,536	10,742
Investment at fair value through other comprehensive income:				
- Equities	3,449	377	-	3,826
- Debt securities	8,264	-	-	8,264
	<b>31,555</b>	<b>943</b>	<b>2,536</b>	<b>35,034</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 September 2023</b>	<b>Level 3 30 September 2022</b>
<b>At 1 January</b>	3,086	2,134
Total loss:		
- in income statement	(246)	(137)
Purchases	29	1,076
Sold	(333)	-
<b>At 30 September</b>	<b>2,536</b>	<b>3,073</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 September 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	67,505	-	-	90	67,595
<b>Retail deposits and deposits from small business customers:</b>					
Less stable deposits	-	10,838	-	-	9,754
<b>Other liabilities:</b>					
NSFR derivative liabilities					
All other liabilities not included in above categories	-	286,616	-	4,038	7,889
<b>Total ASF</b>					<b>85,238</b>
<b>Required stable funding (RSF):</b>					
<b>Total NSFR high-quality liquid assets (HQLA)</b>	37,429	-	-	-	2,527
<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	-	23,358	-	-	11,679
<b>Other assets:</b>					
All other assets not included in the above categories	14,406	294,022	-	-	60,020
Off-balance sheet items	6,220	-	-	-	311
<b>Total RSF</b>					<b>74,537</b>
<b>NSFR %</b>					<b>114%</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
<b>Total ASF</b>					<b>82,610</b>
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
<b>Total RSF</b>					<b>60,943</b>
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.