

## SICO BSC (c)

### CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

30 JUNE 2025 (Reviewed)

<b>Commercial Registration</b>	33469
<b>Board of Directors</b>	<p>Abdulla Kamal <i>Chairman of the Board and the Investment Committee</i></p> <p>Hisham Al Kurdi <i>Vice Chairman of the Board and the Investment Committee</i></p> <p>Waleed Al-Hashar <i>Member of the Board and the Investment Committee</i></p> <p>Elham AlMajed <i>Member of the Board and the Investment Committee</i></p> <p>Khalid Al Jasim <i>Member of the Board and Chairman of the Nominations, Remuneration and Corporate Governance Committee</i></p> <p>Dana Raees <i>Member of the Board and Vice Chairperson of the Nominations, Remuneration and Corporate Governance Committee</i></p> <p>Mohammed Abdulla <i>Member of the Board and the Audit, Risk and Compliance Committee</i></p> <p>Tala Fakhro <i>Member of the Board and Chairperson of the Audit, Risk and Compliance Committee</i></p> <p>Naseema Haider <i>Member of the Board and Vice Chairperson of the Audit, Risk and Compliance Committee</i></p> <p>Fadi AlQutub <i>Member of the Board and the Nominations, Remuneration and Corporate Governance Committee</i></p>
<b>Group Chief Executive Officer</b>	Najla M. Al Shirawi
<b>Office</b>	Bahrain World Trade Center Isa Al Kabeer Avenue 365, Block 316, Kingdom of Bahrain Telephone 17515000, Fax 17514000
<b>Principal Banker</b>	Bank of Bahrain and Kuwait B.S.C.
<b>Auditors</b>	Ernst and Young - Middle East

# SICO BSC (c)

## CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the period ended 30 June 2025 (Reviewed)

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## **REPORT ON REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS TO THE BOARD OF DIRECTORS OF SICO BSC (c)**

### **Introduction**

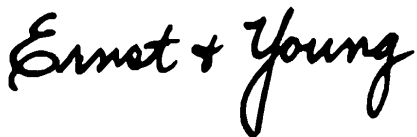
We have reviewed the accompanying condensed consolidated interim financial statements of SICO BSC (c) ("the Bank") and its subsidiaries (collectively, "the Group") as at 30 June 2025, comprising of the consolidated interim statement of financial position as at 30 June 2025 and the related interim consolidated statements of profit or loss and comprehensive income for the three month and six month periods then ended, and the consolidated interim statements of changes in equity and cash flows for the six month period then ended and explanatory notes. The Board of Directors of the Bank is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with International Accounting Standard 34 Interim Financial Reporting ("IAS 34"). Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

### **Scope of Review**

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

### **Conclusion**

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



12 August 2025

Manama, Kingdom of Bahrain

# SICO BSC (c)

## CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

As at 30 June 2025 (Reviewed)

Bahraini Dinars '000

		<b>30 June 2025 (Reviewed)</b>	<b>31 December 2024 (Audited)</b>
<b>ASSETS</b>	<i>Notes</i>		
Cash and bank balances		<b>64,133</b>	52,414
Treasury bills		<b>8,953</b>	14,505
Securities bought under repurchase agreements		<b>378,130</b>	272,366
Investments at fair value through profit or loss	11	<b>29,879</b>	26,488
Investments at fair value through other comprehensive income	11	<b>14,988</b>	13,858
Investments at amortised cost	11	<b>17,794</b>	13,800
Fees receivable		<b>3,085</b>	3,384
Other assets		<b>12,265</b>	11,597
Property and equipment		<b>1,003</b>	1,249
Intangible assets		<b>1,348</b>	1,489
<b>TOTAL ASSETS</b>		<b>531,578</b>	411,150
<b>LIABILITIES AND EQUITY</b>			
<b>Liabilities</b>			
Short term bank borrowings		<b>13,195</b>	7,540
Securities sold under repurchase agreements		<b>386,361</b>	279,033
Customer accounts		<b>38,400</b>	38,100
Other liabilities	12	<b>18,459</b>	11,271
Payable to other unit holders in consolidated funds		<b>1,390</b>	1,223
<b>Total liabilities</b>		<b>457,805</b>	337,167
<b>Equity</b>			
Share capital		<b>44,134</b>	44,134
Shares under employee share incentive scheme		<b>(2,263)</b>	(2,263)
Treasury shares		<b>(1,913)</b>	(1,913)
Statutory reserve		<b>10,331</b>	10,331
General reserve		<b>3,217</b>	3,217
Investments fair value reserve		<b>1,118</b>	860
Retained earnings		<b>19,149</b>	19,617
<b>Total equity</b>		<b>73,773</b>	73,983
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>531,578</b>	411,150

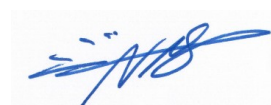
The condensed consolidated interim financial statements was approved by the Board of Directors on 12 August 2025 and signed on its behalf by:



Abdulla Kamal  
Chairman



Tala Fakhro  
Director



Najla M. Al Shirawi  
Group Chief Executive Officer

The accompanying notes 1 to 16 form an integral part of these condensed consolidated interim financial statements.

## SICO BSC (c)

## CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS

For the three months and six months ended 30 June 2025 (Reviewed)

Bahraini Dinars '000

	Notes	For the six months ended		For the three months ended	
		30 June 2025	30 June 2024	30 June 2025	30 June 2024
Net investment income	13	2,105	1,500	1,456	420
Net fee income		5,524	4,779	2,520	2,621
Brokerage and other income		1,552	2,001	783	809
Net interest income		2,289	1,908	958	1,036
<b>NET OPERATING INCOME</b>		<b>11,470</b>	10,188	<b>5,717</b>	4,886
Staff cost		5,518	4,591	2,618	2,308
Other operating expenses		2,985	2,421	1,553	1,264
Share of profit of other unit holders in consolidated funds		49	2	24	2
<b>TOTAL OPERATING EXPENSES</b>		<b>8,552</b>	7,014	<b>4,195</b>	3,574
<b>PROFIT FOR THE PERIOD</b>		<b>2,918</b>	3,174	<b>1,522</b>	1,312
<b>Basic and diluted earnings per share (fils)</b>		<b>7.15</b>	7.77	<b>3.73</b>	3.23



Abdulla Kamal  
Chairman



Tala Fakhro  
Director



Najla M. Al Shirawi  
Group Chief Executive Officer

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## SICO BSC (c)

## CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

For the three months and six months ended 30 June 2025 (Reviewed)

Bahraini Dinars '000

	<i>For the six months ended</i>		<i>For the three months ended</i>	
	<b>30 June 2025</b>	<i>30 June 2024</i>	<b>30 June 2025</b>	<i>30 June 2024</i>
<b>Profit for the period</b>	<b>2,918</b>	3,174	<b>1,522</b>	1,312
<b>Other comprehensive income:</b>				
<i>Items that will be reclassified to profit or loss in subsequent periods:</i>				
Net changes in fair value of debt instruments at fair value through other comprehensive income	<b>18</b>	(78)	<b>12</b>	(31)
<i>Items that will not be reclassified to profit or loss in subsequent periods:</i>				
Net changes in fair value of equity instruments at fair value through other comprehensive income	<b>133</b>	(78)	<b>154</b>	(65)
<b>Other comprehensive income / (loss) for the period</b>	<b>151</b>	(156)	<b>166</b>	(96)
<b>Total comprehensive income for the period</b>	<b>3,069</b>	3,018	<b>1,688</b>	1,216

The accompanying notes 1 to 16 form an integral part of these condensed consolidated interim financial statements.

## SICO BSC (c)

## CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2025 (Reviewed)

Bahraini Dinars '000

	<i>Share capital</i>	<i>Shares under employee share incentive scheme</i>	<i>Treasury shares</i>	<i>Statutory reserve</i>	<i>General reserve</i>	<i>Investments fair value reserve</i>	<i>Retained earnings</i>	<i>Total equity</i>
<b>Balance at 1 January 2025 (Audited)</b>	<b>44,134</b>	<b>(2,263)</b>	<b>(1,913)</b>	<b>10,331</b>	<b>3,217</b>	<b>860</b>	<b>19,617</b>	<b>73,983</b>
Profit for the period	-	-	-	-	-	-	2,918	2,918
Other comprehensive income	-	-	-	-	-	151	-	151
Total other comprehensive income	-	-	-	-	-	151	2,918	3,069
Amount transferred to retained earnings on sale of equity instruments at fair value through other comprehensive income	-	-	-	-	-	107	(107)	-
Transfer to charitable donation reserve	-	-	-	-	-	-	(60)	(60)
<i>Transaction with owners recognised directly in equity:</i>								
Cash dividend paid for 2024	-	-	-	-	-	-	(3,219)	(3,219)
<b>Balance at 30 June 2025 (Reviewed)</b>	<b>44,134</b>	<b>(2,263)</b>	<b>(1,913)</b>	<b>10,331</b>	<b>3,217</b>	<b>1,118</b>	<b>19,149</b>	<b>73,773</b>

The accompanying notes 1 to 16 form an integral part of these condensed consolidated interim financial statements.

SICO BSC (c)  
CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2025 (Reviewed)

Bahraini Dinars '000

	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 2024 (Audited)	44,134	(2,263)	(1,913)	9,781	3,217	618	16,908	70,482
Profit for the period	-	-	-	-	-	-	3,174	3,174
Other comprehensive loss	-	-	-	-	-	(156)	-	(156)
Total other comprehensive (loss) / income	-	-	-	-	-	(156)	3,174	3,018
Transfer to charitable donation reserve	-	-	-	-	-	-	(50)	(50)
<i>Transaction with owners recognised directly in equity:</i>								
Cash dividend paid for 2023	-	-	-	-	-	-	(2,146)	(2,146)
Balance at 30 June 2024 (Reviewed)	44,134	(2,263)	(1,913)	9,781	3,217	462	17,886	71,304

The accompanying notes 1 to 16 form an integral part of these condensed consolidated interim financial statements.

**SICO BSC (c)**  
**CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS**

For the six months ended 30 June 2025 (Reviewed)

Bahraini Dinars '000

	Notes	30 June 2025	30 June 2024
<b>Operating activities</b>			
Profit for the period		2,918	3,174
<i>Adjustments for:</i>			
Depreciation and amortisation		351	368
Unrealised fair value gain	13	(769)	(63)
Operating profit before changes in operating assets and liabilities		2,500	3,479
<i>Changes in operating assets and liabilities</i>			
Treasury bills with original maturity of 90 days or more		(1,983)	(734)
Securities bought under repurchase agreements		(105,764)	(10,036)
Investments at fair value through profit or loss		(2,622)	1,281
Investments at fair value through other comprehensive income		(979)	652
Investments at amortised cost		(3,994)	379
Fees receivable		299	584
Other assets		(668)	388
Securities sold under repurchase agreements		107,328	13,251
Customer accounts		300	(9,376)
Other liabilities		7,128	(2,701)
Payable to other unit holders in consolidated funds		167	(2,525)
<b>Net cash generated from / (used in) operating activities</b>		1,712	(5,358)
<b>Investing activities</b>			
Net movement on property, equipment and intangible assets		36	(213)
<b>Net cash generated from / (used in) investing activities</b>		36	(213)
<b>Financing activities</b>			
Short-term bank borrowings		5,655	5,655
Deposits		-	5,253
Dividend paid	8	(3,219)	(2,146)
<b>Net cash generated from financing activities</b>		2,436	8,762
<b>Net movement in cash and cash equivalents</b>		4,184	3,191
Cash and cash equivalents at the beginning of the period		64,585	62,562
<b>Cash and cash equivalents at the end of the period</b>		68,769	65,753
<b>Represented by:</b>			
Cash and bank balances		64,133	60,895
Treasury bills with original maturity of less than 90 days		4,636	4,858
<b>Cash and cash equivalents</b>		68,769	65,753

The accompanying notes 1 to 16 form an integral part of these condensed consolidated interim financial statements.

**1 REPORTING ENTITY**

SICO BSC (c) ("SICO" or the "Bank") is a closed joint stock company registered in Bahrain with Ministry of Industry and Commerce under commercial registration number 33469 on 11 February 1995 and operates under a wholesale banking license from the Central Bank of Bahrain (the "CBB"). On 7 May 2003, the Bank was listed on the Bahrain Bourse as a closed company.

These condensed financial statements is the reviewed condensed consolidated interim financial statements (the "condensed consolidated interim financial statements") of the Bank and its subsidiaries (together the "Group").

**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 summarised form.

The condensed consolidated interim financial statements do not include all the information required for full annual financial statements and should be read in conjunction with the audited consolidated financial statements of the Group for the year ended 31 December 2024. 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 2024.

The condensed consolidated interim financial statements are prepared in Bahraini Dinars (BD), which is also the functional currency of the Bank. Furthermore, all values are rounded-off to the nearest thousands, unless otherwise indicated.

The condensed consolidated interim financial statements incorporate the interim financial statements of the Bank and its subsidiaries. All intra-group transactions and balances including unrealised gains and losses on transactions between the Group companies have been eliminated on consolidation.

**3 ACCOUNTING POLICIES**

The new accounting standards issued and effective as at 1 January 2025 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 as at and for the year ended 31 December 2024, except for the adoption of new standards or amendments to existing standards that have become applicable effective from 1 January 2025.

Certain corresponding figures have been reclassified in order to conform to the presentation of the interim condensed consolidated financial statements for the current period. Such reclassifications did not affect previously reported net profit, total assets, total liabilities or total equity of the Group.

***Standards issued but not yet effective***

A number of new accounting standards, amendments and interpretations are effective for annual periods beginning after 1 January 2025 and earlier application is permitted; however, the Group has not early adopted the new or amended standards in preparing these condensed consolidated interim financial statements.

The following new standards, amendments and interpretations to standards that are relevant to the Group are not expected to have a significant impact on the Group's condensed consolidated interim financial statements:

**3 ACCOUNTING POLICIES (continued)*****Standards issued but not yet effective (continued)***

- Amendments to the Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7 - The amendments are effective for annual reporting periods starting on or after 1 January 2026.
- IFRS 18 Presentation and Disclosure in Financial Statements - IFRS 18 is effective for reporting periods beginning on or after 1 January 2027, with early application permitted. IFRS 18 introduces new requirements for: presentation within the statement of profit or loss, including specified totals and subtotals; disclosure of management-defined performance measures; and aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements and the notes.
- IFRS 19: Subsidiaries without Public Accountability: Disclosures - IFRS 19, which allows eligible subsidiaries to elect to provide reduced disclosures when they apply the recognition, measurement and presentation requirements in other IFRS accounting standards, is effective for reporting periods beginning on or after 1 January 2027 and can be early adopted.

**4 JUDGMENTS AND 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 as at and for the year ended 31 December 2024.

**5 FINANCIAL RISK MANAGEMENT**

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

The condensed consolidated interim financial statements does not include all financial risk management information and disclosures required in the annual consolidated financial statements and they should be read in conjunction with the Group's audited consolidated financial statements as at and for the year ended 31 December 2024. There have been no changes in the risk management department or in any risk management policies since during the period.

The key regulatory ratios are as follows:

	<b>Regulatory Requirement</b>	<b>30 June 2025 (Reviewed)</b>	<b>31 December 2024 (Audited)</b>
Liquidity Coverage Ratio	100%	324%	735%
Net Stable Funding Ratio (refer note 16)	100%	130%	174%

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

**6 OPERATING SEGMENTS**

The Group's lines of business are brokerage, asset management, investment banking, real estate, investments, market making and custody business. At present, the Group's revenue is reviewed by lines of business. However, the expenses and results are reviewed at a Group level therefore, no operating segment and geographic segment disclosures are provided in these condensed consolidated interim financial statements.

**7 COMPARABILITY**

Due to nature of the Group's business, the three and six 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 recognised 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 2024 held on 24 March 2025, the shareholders resolved to make the appropriations of the profit for the year ended 31 December 2024, which were given effect during the first quarter of 2025. These include a cash dividend of BD 3,219 i.e., 7.5 fils per share (2023: BD 2,146 i.e., 5 fils per share), representing 7.5% (2023: 5%) of the paid up capital and charitable donations of BD 60 (2023: BD 50).

**9 SHARES UNDER EMPLOYEE SHARE INCENTIVE SCHEME**

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

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

The liability under the Scheme has different vesting conditions based on the nature of incentive, which is based on the period of service with the Group. The liability vests pro-rata from the date of grant over a period of five years. 50% of the liability can be settled after five years at the option of the employee, while the remaining liability is settled after the employee is separated. The settlement is based on the last net assets value as per the most recent audited annual financial statements of the Group.

Upon issuance of shares under the Scheme, the share capital is increased with a corresponding increase in employee share incentive scheme account classified under equity. As at 30 June 2025, the Group has recognised a liability of BD 3,044 (2024: BD 2,565) on the shares granted until date. This has been determined on the value of the Group's net assets at reporting date, in accordance with the rules of the Scheme. This is considered under Level 1 valuation of the fair value hierarchy.

No movement in the shares under the Scheme during the six month periods ended 30 June 2025 and 2024. As at 30 June 2025, total number of shares issued under the scheme is 20,880,797 (31 December 2024: 20,880,797).

**10 CONTINGENCIES, COMMITMENTS AND MEMORANDUM ACCOUNTS**

	<b>30 June 2025 (Reviewed)</b>	<b>31 December 2024 (Audited)</b>
Assets under custody	<b>3,916,835</b>	3,417,095
Assets under management *	<b>2,538,077</b>	2,387,391
Guarantees	<b>3,593</b>	3,593
Other commitments	<b>6,496</b>	4,905

\* On a gross basis, including leverage, SICO's total AUMs stands at BD 3,031,954 (2024: BD 2,776,125).

**11 INVESTMENTS**

	<b>30 June 2025 (Reviewed)</b>	<b>31 December 2024 (Audited)</b>
<b><u>Carried at Fair Value Through Profit or Loss (FVTPL):</u></b>		
<b>Quoted equity securities</b>		
- Parent	2,632	2,075
<b>Funds</b>		
- Quoted	16,129	12,213
- Unquoted	6,100	5,279
<b>Quoted debt securities</b>		
- Parent	515	1,767
- Consolidated funds	3,909	4,560
<b>Unquoted debt securities</b>		
- Parent	594	594
	<b>29,879</b>	<b>26,488</b>
<b><u>Carried at Fair Value Through Other Comprehensive Income (FVOCI):</u></b>		
<b>Equity securities</b>		
- Quoted	5,340	5,722
- Unquoted	377	377
<b>Debt securities</b>		
- Quoted	9,271	7,759
	<b>14,988</b>	<b>13,858</b>

**At amortised cost:**

Investments at amortised cost include investments in sovereign issuances which are held to maturity. As at the balance sheet date, the market values of these investments are higher than the carrying values.

**12 OTHER LIABILITIES**

These include a balance of BD 6,013 (2024: BD Nil) pertaining to escrow account for the purpose of executing a proposed investment banking transaction on behalf of a third party. The transaction is expected to be settled during the year.

**13 NET INVESTMENT INCOME**

	<b>Six months ended 30 June 2025 (Reviewed)</b>	<b>30 June 2024 (Reviewed)</b>
Interest income from debt instruments	952	1,038
Realised (loss) / gain on sale	(129)	50
Unrealised fair value gain	769	63
Net gain on investments at FVTPL	640	113
Dividend income	508	348
Realised gain on sale of treasury bills	5	-
Net gain on sale of investments at FVOCI	-	1
	<b>2,105</b>	<b>1,500</b>

**14 RELATED PARTY TRANSACTIONS AND BALANCES**

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 and balances with/relating to funds owned by the subsidiary companies**

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 Funds Company X BSC (c), SICO Ventures Company WLL, SICO Kingdom Equity Fund, Dilmun Compounder Fund, Flow Mena Residential RE Funds 1, SICO Mena Equity Fund, SICO Capital Money Market Fund, Al Qasr Real Estate Fund, SICO Saudi REIT Fund, SICO VC Fund, Najd Real Estate Fund, SICO Capital's AlShatee Fund and SICO Capital's La Pearl Fund are as follows:

	<b><i>Six months ended</i></b>	
	<b><i>30 June 2025 (Reviewed)</i></b>	<b><i>30 June 2024 (Reviewed)</i></b>
Fee income	760	567
Dividend income	38	19
	<b><i>30 June 2025 (Reviewed)</i></b>	<b><i>31 December 2024 (Audited)</i></b>
Fees receivable	1,311	1,404
Other receivables	100	69
Investments in own funds	12,804	12,231
Funds under management	205,436	180,480
Securities bought under repurchase agreements	3,151	1,031

**Transactions and balances with shareholders**

As at 30 June 2025, the Group obtained short-term borrowings from its shareholders of BD 7,540 (31 December 2024: BD 3,770). During the six months ended 30 June 2025, the Group entered into repurchase agreements with its shareholders and as of 30 June 2025, the Group had BD 4,604 (31 December 2024: BD 4,367) of repurchase agreements with them. The Group has banking relationships, makes deposits and placements, obtains short-term borrowings and has unutilised credit facilities with certain of its shareholders that are local banks.

The Group also provides discretionary portfolio management account services to two of its shareholders in the ordinary course of business. These services are provided on commercial terms and conditions and the related funds are held by the Group in a fiduciary capacity. The excess funds are placed with the other banks as deposits on commercial terms.

	<b><i>Six months ended</i></b>	
	<b><i>30 June 2025 (Reviewed)</i></b>	<b><i>30 June 2024 (Reviewed)</i></b>
Fee income	175	145
Dividend income	8	7
Expenses	85	18

**14 RELATED PARTY TRANSACTIONS AND BALANCES (continued)**

	<b>30 June 2025 (Reviewed)</b>	<i>31 December 2024 (Audited)</i>
Fees receivable	78	77
Fees payable	30	53
Securities sold under repurchase agreements	4,604	4,367
Funds under management	83,230	78,159
Investments	1,321	1,343
Placements	1,785	4,692
Short-term bank borrowings	7,540	3,770

**15 FAIR VALUE**

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 carrying amount of assets and liabilities carried at amortised cost approximates the fair value in view of the short-term nature of such assets and liabilities.

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

<b>As at 30 June 2025 (Reviewed)</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Assets</b>				
<i>At FVTPL:</i>				
- Equity	2,632	-	-	2,632
- Debt securities	4,424	594	-	5,018
- Funds	15,230	899	6,100	22,229
<i>At FVOCI:</i>				
- Equities	5,340	377	-	5,717
- Debt securities	9,271	-	-	9,271
	<b>36,897</b>	<b>1,870</b>	<b>6,100</b>	<b>44,867</b>
<b>Liabilities</b>				
Payable to other unit holders in consolidated funds	-	-	1,390	1,390

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**15 FAIR VALUE (continued)**

<i>31 December 2024 (Audited)</i>	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Total</i>
<b>Assets</b>				
<i>At FVTPL:</i>				
- Equity	2,075	-	-	2,075
- Debt securities	6,327	594	-	6,921
- Funds	11,830	383	5,279	17,492
<i>At FVOCI:</i>				
- Equities	5,722	377	-	6,099
- Debt securities	7,759	-	-	7,759
	<u>33,713</u>	<u>1,354</u>	<u>5,279</u>	<u>40,346</u>
<b>Liabilities</b>				
Payable to other unit holders in consolidated funds	<u>-</u>	<u>-</u>	<u>1,223</u>	<u>1,223</u>

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

	<b><i>Level 3</i></b> <b><i>30 June</i></b> <b><i>2025</i></b> <b><i>(Reviewed)</i></b>	<b><i>Level 3</i></b> <b><i>30 June</i></b> <b><i>2024</i></b> <b><i>(Reviewed)</i></b>
At 1 January	5,279	2,470
Loss recognised in profit or loss	(7)	(169)
Purchases	833	1,216
Settlements	(5)	(48)
At 30 June	<u>6,100</u>	<u>3,469</u>

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

In August 2018, the CBB 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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16 NET STABLE FUNDING RATIO (NSFR) (continued)

	<i>Unweighted values (before applying factors)</i>				<i>Total weighted value</i>
<i>30 June 2025 (Reviewed)</i>	<i>No specified maturity</i>	<i>Less than 6 months</i>	<i>More than 6 months and less than one year</i>	<i>Over one year</i>	
<b>Available stable funding (ASF):</b>					
Capital:					
Regulatory capital	72,085	-	-	79	72,164
Retail deposits and deposits from small business customers:					
Less stable deposits	-	17,769	-	-	15,992
Other liabilities:					
All other liabilities not included in above categories	-	420,703	13,497	5,598	14,967
<b>Total ASF (A)</b>					<b>103,123</b>
<b>Required stable funding (RSF):</b>					
Total NSFR high-quality liquid assets (HQLA)	402,999	-	13,497	-	29,723
Performing loans and securities:					
Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	-	47,965	-	-	23,982
Other assets:					
All other assets not included in the above categories	16,357	59,000	-	-	25,207
Off-balance sheet items	10,089	-	-	-	504
<b>Total RSF (B)</b>					<b>79,416</b>
<b>NSFR % (A/B)</b>					<b>130%</b>

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16 NET STABLE FUNDING RATIO (NSFR) (continued)

	<i>Unweighted values (before applying factors)</i>				<i>Total weighted value</i>
<i>31 December 2024 (Audited)</i>	<i>No specified maturity</i>	<i>Less than 6 months</i>	<i>More than 6 months and less than one year</i>	<i>Over one year</i>	
Available stable funding (ASF):					
Capital:					
Regulatory capital	73,841	-	-	66	73,907
Retail deposits and deposits from small business customers:					
Less stable deposits	-	16,221	-	-	14,599
Other liabilities:					
NSFR derivative liabilities					
All other liabilities not included in above categories	-	291,826	28,660	5,598	22,666
Total ASF (A)					111,172
Required stable funding (RSF):					
Total NSFR high-quality liquid assets (HQLA)	308,372	-	25,488	-	30,489
Performing loans and securities:					
Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	-	33,016	-	-	16,508
Other assets:					
All other assets not included in the above categories	8,862	50,766	-	-	16,477
Off-balance sheet items	8,498	-	-	-	425
Total RSF (B)					63,899
NSFR % (A/B)					174%