

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

**30 SEPTEMBER 2022**

Comprehensive investment services for the Bahrain and GCC securities market

Commercial registration : 33469

Board of Directors : Abdulla bin Khalifa Al Khalifa  
*Chairman of the Board and the Investment Committee*

Hisham Al Kurdi  
*Vice Chairman of the Board & the Investment Committee*

Khalid Jasim  
*Member of the Board & the Investment Committee*

Waleed Al-Hashar  
*Member of the Board & the Investment Committee*

Mohammed Abdulla  
*Member of the Board & Chairman of the Nominations, Remuneration  
& Corporate Governance Committee*

Khurram Ali Mirza  
*Member of the Board & Vice Chairman of Nominations,  
Remuneration & Corporate Governance Committee*

Dana Raees  
*Member of the Board & the Nominations, Remuneration &  
Corporate Governance Committee*

Tala Fakhro  
*Member of the Board & Chairperson of the Audit, Risk and  
Compliance Committee*

Abdulla Kamal  
*Member of the Board & Vice Chairman of the Audit, Risk and  
Compliance Committee*

Naseema Haider  
*Member of the Board & the Audit, Risk and Compliance Committee*

Chief Executive Officer : Najla M. Al Shirawi

Office : Bahrain World Trade Center  
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Telephone 17515000, Fax 17514000

Bankers : BBK BSC

Auditors : KPMG Fakhro

**CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION**  
**For the period ended 30 SEPTEMBER 2022**

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

## The Board of Directors

SICO BSC (c)

Kingdom of Bahrain

### Introduction

We have reviewed the accompanying 30 September 2022 condensed consolidated interim financial information of SICO BSC (c) (the "Bank") and its subsidiaries (together the "Group"), which comprises:

- the condensed consolidated statement of financial position as at 30 September 2022;
- the condensed consolidated statement of profit or loss for the three-month and nine-month periods ended 30 September 2022;
- the condensed consolidated statement of comprehensive income for the three-month and nine-month periods ended 30 September 2022;
- the condensed consolidated statement of changes in equity for the nine-month period ended 30 September 2022;
- the condensed consolidated statement of cash flows for the nine-month period ended 30 September 2022; 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 30 September 2022 condensed consolidated interim financial information is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting'.

13 November 2022

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2022

Bahraini Dinars '000

	Note	30 September 2022 (reviewed)	31 December 2021 (audited)
<b>ASSETS</b>			
Cash and bank balances		47,540	74,831
Treasury bills		11,886	2,998
Securities bought under repurchase agreements		139,661	117,938
Investments at fair value through profit or loss	13	25,841	26,948
Investments at fair value through other comprehensive income	14	10,147	10,614
Investments at amortised cost		10,919	9,935
Fees receivable		2,505	5,714
Other assets		13,325	12,431
Property and equipment		2,127	242
Intangible assets and goodwill	15	1,725	1,870
<b>Total assets</b>		<b>265,676</b>	<b>263,521</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Liabilities</b>			
Short-term bank borrowings		6,545	8,411
Securities sold under repurchase agreements		146,789	125,210
Customer accounts		28,703	47,149
Other liabilities		11,990	9,245
Payable to other unit holders in consolidated funds		2,466	2,694
<b>Total liabilities</b>		<b>196,493</b>	<b>192,709</b>
<b>Equity</b>			
Share capital		44,134	42,849
Shares under employee share incentive scheme		(2,263)	(2,263)
Statutory reserve		8,982	8,982
General reserve		3,217	3,217
Investments fair value reserve		828	1,540
Retained earnings		14,285	14,540
<b>Equity attributable to the shareholders of the Bank</b>		<b>69,183</b>	<b>68,865</b>
Non-controlling interest		-	1,947
<b>Total equity (page 5)</b>		<b>69,183</b>	<b>70,812</b>
<b>Total liabilities and equity</b>		<b>265,676</b>	<b>263,521</b>

The condensed consolidated interim financial information were approved by the Board of Directors on 13 November 2022 and signed on its behalf by:



Abdulla Bin Khalifa Al Khalifa  
Chairman



Hisham Al Kurdi  
Vice Chairman



Najla M. Al Shirawi  
Chief Executive Officer

The accompanying notes 1 to 19 form an integral part of this condensed consolidated interim financial information.

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS**  
**For the nine months ended 30 September 2022**

Bahraini Dinars '000

	Note	Nine months ended 30 September		Three months ended 30 September	
		2022 (reviewed)	2021 (reviewed)	2022 (reviewed)	2021 (reviewed)
Net investment income	16	697	3,676	29	944
Net fee income		6,974	3,764	1,745	1,500
Brokerage and other income		2,134	2,074	644	544
Net interest income		1,816	1,340	678	494
Income from investment property		-	-	-	(3)
<b>Total income</b>		<b>11,621</b>	10,854	<b>3,096</b>	3,479
Staff cost		5,644	4,481	1,910	1,592
Other operating expenses		3,086	2,421	940	951
Share of profit of other unit holders in consolidated funds		27	405	(17)	146
<b>Total expenses</b>		<b>8,757</b>	7,307	<b>2,833</b>	2,689
<b>Profit for the period</b>		<b>2,864</b>	3,547	<b>263</b>	790
<b>Profit attributable to:</b>					
Shareholders of the Bank		2,809	3,656	336	871
Non-controlling interests		55	(109)	(73)	(81)
		<b>2,864</b>	3,547	<b>263</b>	790
<b>Basic and diluted earnings per share (fils)</b>		6.67	8.68	0.80	2.07



Abdulla Bin Khalifa Al Khalifa  
Chairman



Hisham Al Kurdi  
Vice Chairman



Najla M. Al Shirawi  
Chief Executive Officer

The accompanying notes 1 to 19 form an integral part of this condensed consolidated interim financial information.

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**For the nine months ended 30 September 2022**

Bahraini Dinars '000

	<b>Nine months ended 30 September</b>		<b>Three months ended 30 September</b>	
	<b>2022 (reviewed)</b>	<b>2021 (reviewed)</b>	<b>2022 (reviewed)</b>	<b>2021 (reviewed)</b>
<b>Profit for the period</b>	<b>2,864</b>	<b>3,547</b>	<b>263</b>	<b>790</b>
<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	(361)	(87)	(136)	(82)
<b>Items that will not be reclassified to profit or loss in subsequent periods:</b>				
Net change in fair value of FVOCI equity instruments	(25)	582	56	108
<b>Other comprehensive income for the period</b>	<b>(386)</b>	<b>495</b>	<b>(80)</b>	<b>26</b>
<b>Total comprehensive income for the period</b>	<b>2,478</b>	<b>4,042</b>	<b>183</b>	<b>816</b>
<b>Total comprehensive income attributable to:</b>				
Shareholders of the Bank	2,423	4,151	256	897
Non-controlling interests	55	(109)	(73)	(81)
	<b>2,478</b>	<b>4,042</b>	<b>183</b>	<b>816</b>

The accompanying notes 1 to 19 form an integral part of this condensed consolidated interim financial information.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**For the nine months ended 30 September 2022**

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
<b>Profit for the period</b>						2,809	2,809	55	2,864
<b>Other comprehensive income:</b>									
Net change in fair value of FVOCI instruments	-	-	-	-	(386)	-	(386)	-	(386)
<b>Total other comprehensive income</b>	-	-	-	-	(386)	-	(386)	-	(386)
<b>Total comprehensive income for period</b>	-	-	-	-	(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)
<b>Transaction with owners recognised directly in equity:</b>									
Acquisition of NCI without a change in control (note 11)	-	-	-	-	-	102	102	(2,002)	(1,900)
Stock dividend (note 9)	1,285	-	-	-	-	(1,285)	-	-	-
Cash dividend for 2021 (note 9)	-	-	-	-	-	(2,142)	(2,142)	-	(2,142)
<b>Balance at 30 September 2022</b>	<b>44,134</b>	<b>(2,263)</b>	<b>8,982</b>	<b>3,217</b>	<b>828</b>	<b>14,285</b>	<b>69,183</b>	<b>-</b>	<b>69,183</b>

The accompanying notes 1 to 19 form an integral part of this condensed consolidated interim financial information.

## SICO BSC (c)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**For the nine months ended 30 September 2022 (continued)**

Bahraini Dinars '000

2021 (reviewed)

	Share capital	Treasury shares	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 2021	42,849	(5,322)	(2,263)	8,330	3,217	992	10,520	58,323	-	58,323
Profit for the period	-	-	-	-	-	-	3,656	3,656	(109)	3,547
<i>Other comprehensive income:</i>										
Net change in fair value of FVOCI instruments	-	-	-	-	-	495	-	495	-	495
<i>Total other comprehensive income</i>	-	-	-	-	-	495	-	495	-	495
Total comprehensive income for period	-	-	-	-	-	495	3,656	4,151	(109)	4,042
Transfer to charitable donation reserve	-	-	-	-	-	-	(40)	(40)	-	(40)
Transaction with owners recognised directly in equity:										
Dividends paid for 2020	-	-	-	-	-	-	(2,142)	(2,142)	-	(2,142)
Acquisition of a subsidiary	-	5,322	-	-	-	-	445	5,767	1,831	7,598
Balance at 30 September 2021	42,849	-	(2,263)	8,330	3,217	1,487	12,439	66,059	1,722	67,781

The accompanying notes 1 to 19 form an integral part of this condensed consolidated interim financial information.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**For the nine months ended 30 September 2022**

Bahraini Dinars '000

	<b>30 September 2022 (reviewed)</b>	30 September 2021 (reviewed)
<b>Operating activities</b>		
Net interest received	2,449	2,478
Net purchase of investments at fair value through profit or loss	(806)	(83)
Net sale / (purchase) of investments at fair value through other comprehensive income	467	(811)
Net (purchase) / sale of investments at amortised cost	(984)	14
Net decrease in investment property	-	427
Net (decrease) / increase in customer accounts	(18,446)	6,273
Securities bought under repurchase agreements	(21,723)	(29,794)
Securities sold under repurchase agreements	21,579	35,374
Dividends received	561	540
Net income from investment property	1,009	-
Movement in brokerage accounts and other receivables	11,862	4,765
Movement in other liabilities	3,676	478
Payments for staff and related expenses	(6,575)	(3,917)
Payments for other operating expenses	(4,865)	(1,119)
<b>Net cash (used in) / generated from operating activities</b>	<b>(11,796)</b>	14,625
<b>Investing activities</b>		
Net capital expenditure on equipment and intangibles	(2,411)	(101)
Acquisition of subsidiary, net cash acquired	-	5,109
<b>Net cash (used in) / generated from investing activities</b>	<b>(2,411)</b>	5,008
<b>Financing activities</b>		
Net (decrease) / increase in short-term bank borrowings	(1,866)	70
Net increase in long-term placements	(500)	(859)
Dividend paid	(2,142)	(2,142)
Net (redemption) / contribution by other unit holders in consolidated funds	(180)	841
<b>Net cash used in financing activities</b>	<b>(4,688)</b>	(2,090)
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(18,895)</b>	17,543
Cash and cash equivalents at the beginning of the period	77,829	55,520
<b>Cash and cash equivalents at the end of the period*</b>	<b>58,934</b>	73,063
Represented by:		
Cash and bank balances	47,540	65,959
Less: placements with an original maturity over 3 months	(500)	-
Treasury bills	11,886	7,087
	<b>58,926</b>	73,046

\* Excludes ECL balance of BD 8 (2021: BD 17).

The accompanying notes 1 to 19 form an integral part of this condensed consolidated interim financial information.

**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) (“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 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 2021. 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 2021.

The accounting policies used in the preparation of annual audited consolidated financial information of the Group for the year ended 31 December 2020 and 31 December 2021 were in accordance with IFRS as modified by CBB (refer to the Group’s audited financial statements for the year ended 31 December 2021 for the details of the COVID-19 related modifications applied). Since the CBB modification were specific to the financial year 2020 and no longer apply to both the current and comparative periods presented, the Group’s condensed consolidated interim financial information for the nine months ended 30 June 2022 has been prepared in accordance with IAS 34 ‘Interim Financial Reporting’ (without any modifications).

**3. Adoption of new accounting standards and amendments to standards****(a) New accounting policy, standards, amendments and interpretations effective from 1 January 2022**

The following relevant amendments to existing standards and framework did not have any significant impact on the Group’s financial information.

- Annual Improvements to IFRS Standards 2018–2020
- Onerous Contracts – Cost of Fulfilling a Contract – Amendments to IAS 37
- Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16
- Reference to the Conceptual Framework – Amendments to IFRS 3

**(b) New standards, amendments and interpretations issued but not yet effective**

A number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2022 and earlier application is permitted; however, the Group has not early adopted them in preparing these consolidated financial statements. The new standards and amendments to standards are not expected to have a significant impact on the Group’s consolidated financial statements.

**4. 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 consolidated financial statements for the year ended 31 December 2021 (see note 2).

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION****For the nine months ended 30 September 2022**

Bahraini Dinars '000

**5. 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 this condensed consolidated interim financial information, 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 2021 (see note 2).

**6. 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 consolidated financial statements and they should be read in conjunction with the Group's audited consolidated financial statements for the year ended 31 December 2021. There have been no changes in the risk management department or in any risk management policies since 31 December 2021.

The key regulatory ratios are as follows:

	<b>30 September 2022</b>	<b>31 December 2021</b>
<b>Liquidity Coverage Ratio</b>	389%	170%
<b>Net Stable Funding Ratio (note 19)</b>	137%	139%

The average LCR for the nine-months period ended 30 September 2022 was 221% (31 December 2021: 212%).

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

**7. 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.

**8. Comparability**

Due to nature of the Group's business, the nine months' results reported in this condensed consolidated interim financial information 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.

The Bank acquired 72.7% stake in SICO Capital Company ("SCC") on 15 March 2021 and accordingly the financial results were consolidated starting 1 April 2021. Hence, the financial results of nine month period of 2021 is not comparable to the current period.

**9. Appropriations**

At the shareholders Annual General Meeting for the year 2021 on 23 March 2022, the shareholders resolved to make the appropriations of the profit for the year ended 31 December 2021, which were effected during the first quarter of 2022. These include cash dividend of BD 2,142 representing 5% of the paid up capital and stock dividend of BD 1,285 representing 3% of the paid up capital and charitable donations of BD 65.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION****For the nine months ended 30 September 2022**

Bahraini Dinars '000

**10. 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.

**11. Acquisition of remaining stake in SICO Capital**

On 18<sup>th</sup> September 2022, the Group completed the acquisition of the remaining 27.29% interest in SICO Capital Pjsc, thereby increasing its ownership from 72.71% to 100%. The carrying amount of this non-controlling interest of 27.29% as of 30 September 2022 amounted to BD 2,002 thousand.

<b>Amounts in BD '000</b>	
Carrying amount of NCI acquired (as of September 2022)	2,002
Consideration paid to NCI	1,900
<b>An increase in equity attributable to owners of the Group</b>	<b>102</b>

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

	<b>30 September 2022</b>	<b>31 December 2021</b>
Assets under custody	2,793,307	3,105,858
Assets under management **	1,600,008	1,548,353
Guarantees	3,593	3,593
Other commitments	3,830	3,373

\*\* On a gross basis, including leverage, SICO's total AUMs stands at BD 1,790,358 (2021: BD 1,701,226).

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

	<b>30 September 2022</b>	<b>31 December 2021</b>
<b>Quoted equity securities</b>		
- Parent & Subsidiary	2,549	3,659
- Consolidated funds	4,133	4,523
<b>Funds</b>		
- Quoted	8,913	8,328
- Unquoted	3,073	2,134
<b>Quoted debt securities</b>		
- Parent	3,095	3,724
- Consolidated funds	4,078	4,580
	<b>25,841</b>	<b>26,948</b>

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

	<b>30 September 2022</b>	31 December 2021
<b>Equity securities</b>		
- Quoted	5,110	5,779
<b>Debt securities</b>		
- Quoted	5,037	4,835
	<b>10,147</b>	10,614

**15. Intangible assets and goodwill**

	<b>30 September 2022</b>	31 December 2021
Intangibles – software	960	1,030
Goodwill	765	840
	<b>1,725</b>	1,870

**16. Net investment income**

	<b>Nine months ended</b>	
	<b>30 September 2022</b>	30 September 2021
Net (loss) / gain from investments at fair value through profit or loss	(1,945)	2,023
Realised gain on treasury bills	-	2
Other investment income	1,009	
Interest income from debt instruments	1,072	1,104
Dividend income	561	547
	<b>697</b>	3,676

Other investment income represents a non-recurring income of about BD 1 million relating to a recovery of a written-off investment in the prior years.

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

	<b>Nine months ended</b>	
	<b>30 September 2022</b>	30 September 2021
Realised gain	1,259	707
Unrealised (loss) / gain	(3,204)	1,316
	<b>(1,945)</b>	2,023

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.

The unrealised (loss) / 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 nine months ended 30 September 2022**

Bahraini Dinars '000

**17. 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 the subsidiaries and the funds owned by the subsidiary companies namely SICO Funds Services Company BSC (c), SICO Financial Brokerage LLC, SICO Capital, 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 are as follows:

	<b>Nine months ended</b>	
	<b>30 September 2022</b>	30 September 2021
Fee income	826	519

	<b>30 September 2022</b>	31 December 2021
	Fee receivable	534
Fee Payable	16	-
Funds under management	71,570	75,436
Investments in own funds	6,054	2,780
Securities bought under repurchase agreements	-	2,775

**Transactions with shareholders:**

	<b>Nine months ended</b>	
	<b>30 September 2022</b>	30 September 2021
Fee income	1,334	699

	<b>30 September 2022</b>	31 December 2021
	Fee Receivable	295
Fee Payable	283	-
Funds under management	68,903	101,146
Placements	11,618	7,178
Borrowings	5,278	8,411
Securities sold under repurchase agreements	4,149	52,263
Investment	2,869	3,819

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

**18. Fair value**

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

	30 September 2022		31 December 2021	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Assets</b>				
Cash and bank balances	47,540	47,624	74,831	74,878
Treasury bills	11,886	11,886	2,998	2,998
Securities bought under repurchase agreements	139,661	140,270	117,938	118,136
Investments at fair value through profit or loss	25,841	25,841	26,948	26,948
Investments at fair value through other comprehensive income	10,147	10,147	10,614	10,614
Investments at amortised cost	10,919	10,685	9,935	10,705
<b>Total assets</b>	<b>245,994</b>	<b>246,453</b>	243,264	244,279
<b>Liabilities</b>				
Short-term bank borrowings	6,545	6,552	8,411	8,420
Securities sold under repurchase agreements	146,789	147,306	125,210	125,309
Payable to unit holders	2,466	2,466	2,694	2,694
<b>Total liabilities</b>	<b>155,800</b>	<b>156,324</b>	136,315	136,423

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.

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## 18. Fair value (continued)

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

	Level 1	Level 2	Level 3	Total
<b>As at 30 September 2022</b>				
<b>Assets</b>				
Investments at fair value through profit or loss:				
- Debt securities	7,173	-	-	7,173
- Equity	6,682	-	-	6,682
- Funds	8,913	-	3,073	11,986
Investment at fair value through other comprehensive income:				
- Debt securities	5,037	-	-	5,037
- Equities	4,733	377	-	5,110
	<b>32,538</b>	<b>377</b>	<b>3,073</b>	<b>35,988</b>

As at 31 December 2021

	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
Fair value through profit or loss:				
- Debt securities	8,304	-	-	8,304
- Equities	8,182	-	-	8,182
- Funds	8,328	-	2,134	10,462
Fair value through other comprehensive income investments:				
- Debt securities	4,835	-	-	4,835
- Equities	5,402	377	-	5,779
	<b>35,051</b>	<b>377</b>	<b>2,134</b>	<b>37,562</b>

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

	Level 3 30 September 2022	Level 3 30 September 2021
<b>At 1 January</b>	2,134	1,143
Total loss:		
- in income statement	(137)	(35)
- in other comprehensive income	-	-
Purchases	1,076	-
Transfers into level 3	-	956
<b>At 30 September</b>	<b>3,073</b>	<b>2,064</b>

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**19. Net stable funding ratio (NSFR)**

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

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

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

30 September 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	
<b>Available stable funding (ASF):</b>					
<b>Capital:</b>					
Regulatory capital	70,900			95	70,995
Less stable deposits	-	13,535	-	-	12,181
NSFR derivative liabilities					
All other liabilities not included in above categories	-	177,403	-	-	2,248
<b>Total ASF</b>					<b>85,424</b>
<b>Required stable funding (RSF):</b>					
<b>Total NSFR high-quality liquid assets (HQLA)</b>	28,747	-	-	-	2,317
<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	-	27,851	-	-	13,926
<b>Other assets:</b>					
All other assets not included in the above categories	8,916	191,648	-	-	45,681
Off-balance sheet items	9,333	-	-	-	467
<b>Total RSF</b>					<b>62,391</b>
<b>NSFR %</b>					<b>137%</b>

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## 19. Net stable funding ratio (NSFR) (continued)

31 December 2021	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	67,781	-	-	130	67,911
Retail deposits and deposits from small business customers:					
Less stable deposits	-	13,451	-	-	12,106
Other liabilities:					
All other liabilities not included in above categories	-	175,441	2,993	-	4,406
<b>Total ASF</b>					<b>84,423</b>
Required stable funding (RSF):					
Total NSFR high-quality liquid assets (HQLA)	20,592	-	-	-	2,155
Performing loans and securities:					
Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	-	28,542	-	-	14,271
Other assets:					
All other assets not included in the above categories	7,915	194,000	-	-	44,076
Off-balance sheet items	6,966	-	-	-	348
<b>Total RSF</b>					<b>60,850</b>
NSFR %					139%