

GFH FINANCIAL GROUP BSC
CONDENSED CONSOLIDATED INTERIM
FINANCIAL INFORMATION
31 MARCH 2023

Commercial registration	:	44136 (registered with Central Bank of Bahrain as an Islamic wholesale Bank)
Registered Office	:	Bahrain Financial Harbour Office: 2901, 29 th Floor Building 1398, East Tower Block: 346, Road: 4626 Manama, Kingdom of Bahrain Telephone +973 17538538
Directors	:	Ghazi Faisal Ebrahim Alhajeri, <i>Chairman</i> Edris Mohammed Rafi Alrafi, <i>Vice Chairman</i> Hisham Ahmed Alrayes Rashid Nasser Al Kaabi Ali Murad Fawaz Talal Al Tamimi Darwish Al Ketbi Yusuf Abdulla Taqi
Chief Executive Officer	:	Hisham Ahmed Alrayes
Auditors	:	KPMG Fakhro

GFH FINANCIAL GROUP BSC

CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
for the three months ended 31 March 2023

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

To the Board of Directors
GFH Financial Group BSC
Manama, Kingdom of Bahrain

Introduction

We have reviewed the accompanying 31 March 2023 condensed consolidated interim financial information of GFH Financial Group BSC (the "Bank") and its subsidiaries (together the "Group"), which comprises:

- the condensed consolidated statement of financial position as at 31 March 2023;
- the condensed consolidated income statement for the three-month period ended 31 March 2023;
- the condensed consolidated statement of changes in owners' equity for the three-month period ended 31 March 2023;
- the condensed consolidated statement of cash flows for the three-month period ended 31 March 2023;
- the condensed consolidated statement of changes in restricted investment accounts for the three-month period ended 31 March 2023;
- the condensed consolidated statement of sources and uses of zakah and charity fund for the three-month period ended 31 March 2023; 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 FAS 41, "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 Auditing standards for Islamic Financial Institutions and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 31 March 2023 condensed consolidated interim financial information is not prepared, in all material respects, in accordance with FAS 41, "Interim Financial Reporting".

11 May 2023

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2023

US\$ 000's

	Note	31 March 2023 (reviewed)	31 December 2022 (audited)	31 March 2022 (reviewed)
ASSETS				
Cash and bank balances		752,515	858,239	544,481
Treasury portfolio	9	4,787,937	4,210,020	3,202,597
Financing assets	10	1,506,597	1,435,238	1,440,867
Investment in real estate	11	1,296,531	1,287,085	1,074,445
Proprietary investments	12	1,020,915	1,005,053	1,123,766
Co-investments	13	157,847	142,051	119,368
Receivables and other assets	14	670,387	589,869	548,789
Property and equipment		208,138	232,736	63,427
Total assets		10,400,867	9,760,291	8,117,740
LIABILITIES				
Clients' funds		195,078	123,300	163,925
Placements from financial institutions		3,898,395	3,790,870	1,944,738
Placements from non-financial institutions and individuals		1,081,942	1,064,258	814,610
Customer current accounts		176,676	131,234	142,021
Term financing	15	1,919,213	1,942,198	1,931,838
Other liabilities		428,037	423,363	625,728
Total liabilities		7,699,341	7,475,223	5,622,860
Total equity of investment account holders		1,643,847	1,213,674	1,400,059
OWNERS' EQUITY				
Share capital		1,015,637	1,015,637	1,000,638
Treasury shares		(84,467)	(105,598)	(62,933)
Statutory reserve		36,995	36,995	27,970
Investment fair value reserve		(52,626)	(53,195)	(31,703)
Retained earnings		60,251	95,831	101,050
Share grant reserve		6,930	6,930	-
Total equity attributable to shareholders of the Bank		982,720	996,600	1,035,022
Non-controlling interests		74,959	74,794	59,799
Total owners' equity		1,057,679	1,071,394	1,094,821
Total liabilities, equity of investment account holders and owners' equity		10,400,867	9,760,291	8,117,740

The Board of Directors approved the condensed consolidated interim financial information on 11 May 2023 and signed on its behalf by:



Ghazi Faisal Ebrahim Alhajeri
Chairman



Hisham Alrayes
Chief Executive Officer & Board member

The accompanying notes 1 to 21 form an integral part of the condensed consolidated interim financial information.

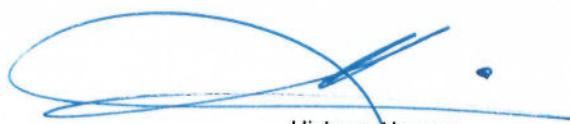
CONDENSED CONSOLIDATED INCOME STATEMENT
for the three months ended 31 March 2023

US\$ 000's

	Note	Three months ended	
		31 March 2023 (reviewed)	31 March 2022 (reviewed)
Investment banking			
Deal related income		42,164	23,690
Asset management		2,923	989
		45,087	24,679
Commercial banking			
Income from financing		27,219	21,228
Treasury and investment income		25,513	11,795
Fee and other income		5,468	3,323
Less: Return to investment account holders		(14,144)	(8,515)
Less: Finance expense		(18,578)	(8,080)
		25,478	19,751
Treasury and Proprietary Investments			
Finance and treasury portfolio income, net		57,682	25,624
Direct investment income, net		3,055	2,490
Income from co-investments, net		3,720	4,434
Share of profit from equity-accounted investees		6,818	-
Income from sale of assets		72	1,932
Leasing and operating income		4,430	1,128
Other income, net		1,950	7,975
Finance expenses - Repo and FI		(61,357)	(21,990)
		16,370	21,593
		86,935	66,023
Total income			
Other operating expenses		41,100	34,299
Finance expense - Term financing and others		20,761	10,990
Impairment allowances	16	636	1,385
		62,497	46,674
		24,438	19,349
Profit for the period			
Attributable to:			
Shareholders of the Bank		24,007	19,118
Non-controlling interests		431	231
		24,438	19,349
Earnings per share			
Basic and diluted earnings per share (US cents)		0.72	0.54



Ghazi Faisal Ebrahim Alhajeri
Chairman



Hisham Alrayes
Chief Executive Officer & Board member

The accompanying notes 1 to 21 form an integral part of the condensed consolidated interim financial information.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY
for the three months ended 31 March 2023

US\$ 000's

	Attributable to shareholders of the Bank						Non-Controlling Interests	Total owners' equity	
	Share capital	Treasury shares	Statutory reserve	Investment fair value reserve	Retained earnings	Share grant reserve			Total
Balance at 1 January 2023	1,015,637	(105,598)	36,995	(53,195)	95,831	6,930	996,600	74,794	1,071,394
Profit for the period	-	-	-	-	24,007	-	24,007	431	24,438
Fair value changes during the period	-	-	-	569	-	-	569	(266)	303
Total recognised income and expense	-	-	-	569	24,007	-	24,576	165	24,741
Purchase of treasury shares	-	(8,342)	-	-	-	-	(8,342)	-	(8,342)
Sale / vesting of treasury shares	-	29,473	-	-	(2,326)	-	27,147	-	27,147
Dividends declared for 2022	-	-	-	-	(56,261)	-	(56,261)	-	(56,261)
Transfer to zakah and charity fund	-	-	-	-	(1,000)	-	(1,000)	-	(1,000)
Balance at 31 March 2023	1,015,637	(84,467)	36,995	(52,626)	60,251	6,930	982,720	74,959	1,057,679

The accompanying notes 1 to 21 form an integral part of the condensed consolidated interim financial information.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY
for the three months ended 31 March 2023 *(continued)*

US\$ 000's

	Attributable to shareholders of the Bank						Non-Controlling Interests	Total owners' equity	
	Share capital	Treasury shares	Statutory reserve	Investment fair value reserve	Foreign currency translation reserve	Retained earnings			Total
Balance at 1 January 2022	1,000,638	(48,498)	27,970	(28,561)	(70,266)	81,811	963,094	205,027	1,168,121
Profit for the period	-	-	-	-	-	19,118	19,118	231	19,349
Transfer on reclassification from FVTE to amortised cost	-	-	-	41,320	-	-	41,320	-	41,320
Fair value changes during the period	-	-	-	(42,889)	-	-	(42,889)	(4,165)	(47,054)
Transfer to income statement on disposal of sukuk	-	-	-	(1,573)	-	-	(1,573)	-	(1,573)
Total recognised income and expense	-	-	-	(3,142)	-	19,118	15,976	(3,934)	12,042
Purchase of treasury shares	-	(23,942)	-	-	-	-	(23,942)	-	(23,942)
Sale of treasury shares	-	9,507	-	-	-	121	9,628	-	9,628
Transferred to income statement on deconsolidation of subsidiaries	-	-	-	-	70,266	-	70,266	-	70,266
Adjusted on deconsolidation of subsidiaries	-	-	-	-	-	-	-	(141,294)	(141,294)
Balance at 31 March 2022	1,000,638	(62,933)	27,970	(31,703)	-	101,050	1,035,022	59,799	1,094,821

The accompanying notes 1 to 21 form an integral part of the condensed consolidated interim financial information.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
for the three months ended 31 March 2023

US\$ 000's

	31 March 2023 (reviewed)	31 March 2022 (reviewed)
OPERATING ACTIVITIES		
Profit for the period	24,438	19,349
Adjustments for:		
Treasury and proprietary investments	(16,370)	(21,593)
Foreign exchange loss/ (gain)	953	(443)
Finance expense	20,761	14,021
Impairment allowances	636	1,385
Depreciation and amortisation	1,949	397
	32,367	13,116
Changes in:		
Placements with financial institutions (original maturities of more than 3 months)	150,012	-
Financing assets	(69,669)	(63,606)
Receivable and other assets	(68,335)	(35,359)
CBB Reserve and restricted bank balance	(5,638)	233
Clients' funds	71,778	(52,837)
Customer current accounts	45,444	5,581
Equity of investment account holders	430,173	41,714
Other liabilities	(52,587)	209,381
Net cash from operating activities	533,545	118,223
INVESTING ACTIVITIES		
Payments for purchase of equipment	(809)	-
Purchase of proprietary investment securities, net	(4,355)	(31,771)
Purchase of treasury portfolio, net	(179,535)	(201,439)
Proceeds from sale of real estate	-	660
Dividends received from proprietary investments and co-investments	11,531	7,657
Payment for purchase of real estate	(10,655)	(1,106)
Net cash used in investing activities	(183,823)	(225,999)
FINANCING ACTIVITIES		
Financing liabilities, net	(18,127)	200,976
Finance expense paid	(101,782)	(60,080)
Placements from financial, non-financial institutions and individuals	125,209	(292,744)
Dividends paid	(130)	(114)
Sale/(Purchase) of treasury shares	21,130	(14,435)
Net cash from / (used) in financing activities	26,300	(166,397)
Net increase / (decrease) in cash and cash equivalents during the period	376,022	(274,173)
Cash and cash equivalents at 1 January	1,041,064	844,344
Cash and cash equivalents at 31 March *	1,417,086	570,171
Cash and cash equivalents comprise:		
Cash and balances with banks (excluding CBB reserve balance and restricted cash)	677,487	486,630
Placements with financial institutions (original maturities of 3 months or less)	739,599	83,541
	1,417,086	570,171

* net of expected credit loss of US\$ 10 thousands (31 March 2022: US\$ 19 thousands).

The accompanying notes 1 to 21 form an integral part of the condensed consolidated interim financial information.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN RESTRICTED INVESTMENT ACCOUNTS
for the three months ended 31 March 2023

31 March 2023 (reviewed)

Company	Balance at 1 January 2023			Movements during the period						Balance at 31 March 2023		
	No of units (000)	Average value per share US\$	Total US\$ 000's	Investment/ (withdrawal) US\$ 000's	Revaluation US\$ 000's	Gross income US\$ 000's	Dividends paid US\$ 000's	Group's fees as an agent US\$ 000's	Administration expenses US\$ 000's	No of units (000)	Average value per share US\$	Total US\$ 000's
Mena Real Estate Company KSCC	150	0.33	50	-	-	-	-	-	-	150	0.33	50
Al Basha'er Fund	12	7.87	94	-	-	-	-	-	-	12	7.87	94
Safana Investment (RIA 1)	1,247	2.65	3,305	-	-	-	-	-	-	1,247	2.65	3,305
Shaden Real Estate Investment WLL (RIA 5)	269	2.65	713	-	-	-	-	-	-	269	2.65	713
Locata Corporation Pty Ltd (RIA 6)												
			4,162									4,162

31 March 2022 (reviewed)

Company	Balance at 1 January 2022			Movements during the period						Balance at 31 March 2022		
	No of units (000)	Average value per share US\$	Total US\$ 000's	Investment/ (withdrawal) US\$ 000's	Revaluation US\$ 000's	Gross income US\$ 000's	Dividends paid US\$ 000's	Group's fees as an agent US\$ 000's	Administration expenses US\$ 000's	No of units (000)	Average value per share US\$	Total US\$ 000's
Mena Real Estate Company KSCC	150	0.33	50	-	-	-	-	-	-	150	0.33	50
Al Basha'er Fund	12	7.87	94	(2)	-	-	-	-	-	12	7.70	92
Safana Investment (RIA 1)	6,254	2.65	16,573	(13,268)	-	-	-	-	-	1,247	2.65	3,305
Shaden Real Estate Investment WLL (RIA 5)	3,434	2.65	9,100	(8,387)	-	-	-	-	-	269	2.65	713
Locata Corporation Pty Ltd (RIA 6)	2,633	1.0	2,633	(2,633)	-	-	-	-	-	-	-	-
			28,450	(24,290)	-	-	-	-	-			4,160

The accompanying notes 1 to 21 form an integral part of the condensed consolidated interim financial information.

CONDENSED CONSOLIDATED STATEMENT OF SOURCES AND USES OF ZAKAH AND CHARITY FUND

for the three months ended 31 March 2023

US\$ 000's

	31 March 2023 (reviewed)	31 March 2022 (reviewed)
Sources of zakah and charity fund		
Contribution by the Group	2,472	1,059
Non-Islamic income	304	15
Total sources	2,776	1,074
Uses of zakah and charity fund		
Contributions to charitable organisations	(5)	(22)
Total uses	(5)	(22)
Surplus of sources over uses	2,771	1,052
Undistributed zakah and charity fund at beginning of the period	5,924	5,173
Undistributed zakah and charity fund at end of the period	8,695	6,225
Represented by:		
Zakah payable	3,225	2,000
Charity fund	5,470	4,225
	8,695	6,225

The accompanying notes 1 to 21 form an integral part of the condensed consolidated interim financial information.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
for the three months ended 31 March 2023

US\$ 000's

1 REPORTING ENTITY

The condensed consolidated interim financial information for the three months ended 31 March 2023 comprise the financial information of GFH Financial Group BSC (GFH or the "Bank") and its subsidiaries (together referred to as "the Group").

The following are the principal subsidiaries consolidated in the condensed consolidated interim financial information.

Investee name	Country of incorporation	Effective ownership interests as at 31 March 2023	Activities
GFH RE Partners Limited	United Arab Emirates	100%	Investment management
GFH Capital S.A.	Saudi Arabia	100%	Investment management
GFH Financial Group Limited	United Kingdom	100 %	Hold Co for Investment management
Khaleeji Commercial Bank BSC ('KHCB')	Kingdom of Bahrain	85.14%	Islamic retail bank
Al Areen Project companies		100%	Real estate development
GBCORP Tower Group Ltd		62.91%	Own & lease real estate
GBCORP B.S.C (c)*		42.91%	Islamic investment firm
Residential South Real Estate Development Company (RSRED)		100%	Real estate development
Harbour House Row Towers W.L.L.		100%	Own & lease real estate
Al Areen Hotels W.L.L.		100%	Hospitality management services
Britus International School for Special Education W.L.L.		100%	Educational institution
Gulf Holding Company KSCC		State of Kuwait	53.63%
SQ Topco II LLC	United States	51%	Property asset management Company
Big Sky Asset Management LLC	United States	51%	Real estate investment manager
Roebuck A M LLP	United Kingdom	60%	Property asset management Company

*Control though majority representation on board of directors.

The Bank has other investment holding companies, SPV's and subsidiaries, which are set up to supplement the activities of the Bank and its principal subsidiaries.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
for the three months ended 31 March 2023**

US\$ 000's

2 BASIS OF PREPARATION

The condensed consolidated interim financial information of the Group has been prepared in accordance with Financial Accounting Standard FAS 41, Interim Financial Reporting ("FAS 41") issued by the Accounting and Auditing Organisation of Islamic Financial Institutions ("AAOIFI"). In line with the requirements of AAOIFI and the Central Bank of Bahrain (CBB) rule book, for matters not covered under AAOIFI standards the group uses guidance from the relevant International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB").

These condensed consolidated interim financial information are reviewed and not audited. The condensed consolidated interim financial information of the Group does not contain all information and disclosures required for the annual consolidated financial statements and should be read in conjunction with the Group's audited annual consolidated financial statements 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 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation applied by the Group in the preparation of the condensed consolidated interim financial information are the same as those used in the preparation of the Group's last audited consolidated financial statements as at and for the year ended 31 December 2022, except those arising from certain changes in segment reporting and adoption of the following standards and amendments to standards effective from 1 January 2023. The impact of adoption of these standards and amendments is set out below.

a. New standards, amendments and interpretations issued and effective for annual periods beginning on or after 1 January 2023:**(i) FAS 39 Financial Reporting for Zakah**

AAOIFI has issued FAS 39 Financial Reporting for Zakah in 2021. The objective of this standard is to establish principles of financial reporting related to Zakah attributable to different stakeholders of an Islamic financial Institution. This standard supersedes FAS 9 Zakah and is effective for the financial reporting periods beginning on or after 1 January 2023.

This standard shall apply to institution with regard to the recognition, presentation and disclosure of Zakah attributable to relevant stakeholders. While computation of Zakah shall be applicable individually to each institution within the Group, this standard shall be applicable on all consolidated and separate / standalone financial statements of an institution.

This standard does not prescribe the method for determining the Zakah base and measuring Zakah due for a period. An institution shall refer to relevant authoritative guidance for determination of Zakah base and to measure Zakah due for the period. (for example: AAOIFI Shari'a standard 35 Zakah, regulatory requirements or guidance from Shari'a supervisory board, as applicable).

An institution obliged to pay Zakah by law or by virtue of its constitution documents shall recognise current Zakah due for the period as an expense in its financial statements. Where Zakah is not required to be paid by law or by virtue of its constitution documents, and where the institution is considered as an agent to pay Zakah on behalf of certain stakeholders, any amount paid in respect of Zakah shall be adjusted with the equity of the relevant stakeholders.

The Group has adopted this standard and will provide the necessary additional disclosures in its annual financial statements.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
for the three months ended 31 March 2023**

US\$ 000's

3. Significant accounting policies (continued)

- a. *New standards, amendments and interpretations issued and effective for annual periods beginning on or after 1 January 2023: (continued)*

(ii) FAS 41 Interim financial reporting

This standard prescribes the principles for the preparation of condensed interim financial information and the relevant presentation and disclosure requirements, emphasizing the minimum disclosures specific to Islamic financial institutions in line with various financial accounting standards issued by AAOIFI. This standard is also applicable to the institutions which prepare a complete set of financial statements at interim reporting dates in line with the respective FAS's.

This standard is effective for financial statements for the period beginning on or after 1 January 2023. The Group has adopted this standard for the basis of preparation of its condensed consolidated interim financial information. The adoption of this standard did not have any significant impact on the Group's interim financial information.

b. New standards, amendments and interpretations issued but not yet effective

(i) FAS 1 General Presentation and Disclosures in the Financial Statements

AAOIFI has issued the revised FAS 1 General Presentation and Disclosures in the Financial Statements in 2021. This standard describes and improves the overall presentation and disclosure requirements prescribed in line with the global best practices and supersedes the earlier FAS 1. It is applicable to all the Islamic Financial Institutions and other institutions following AAOIFI FAS's. This standard is effective for the financial reporting periods beginning on or after 1 January 2024 with an option to early adopt.

The revision of FAS 1 is in line with the modifications made to the AAOIFI conceptual framework for financial reporting.

Some of the significant revisions to the standard are as follows:

- a) Revised conceptual framework is now integral part of the AAOIFI FAS's;
- b) Definition of Quassi equity is introduced;
- c) Definitions have been modified and improved;
- d) Concept of comprehensive income has been introduced;
- e) Institutions other than Banking institutions are allowed to classify assets and liabilities as current and non-current;
- f) Disclosure of Zakah and Charity have been relocated to the notes;
- g) True and fair override has been introduced;
- h) Treatment for change in accounting policies, change in estimates and correction of errors has been introduced;
- i) Disclosures of related parties, subsequent events and going concern have been improved;
- j) Improvement in reporting for foreign currency, segment reporting;
- k) Presentation and disclosure requirements have been divided into three parts. First part is applicable to all institutions, second part is applicable only to banks and similar IFI's and third part prescribes the authoritative status, effective date and amendments to other AAOIFI FAS's; and
- l) The illustrative financial statements are not part of this standard and will be issued separately.

The Group is assessing the impact of adoption of this standard and expects changes in certain presentation and disclosures in its consolidated financial statement in line with the wider market practice.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
for the three months ended 31 March 2023**

US\$ 000's

4 ESTIMATES AND JUDGEMENTS

Preparation of 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 expenses. Actual results may differ from these estimates. The areas of 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 audited consolidated financial statements as at and for the year ended 31 December 2022.

5 FINANCIAL RISK MANAGEMENT

The Group's financial risk management objectives and policies are consistent with those disclosed in the audited consolidated financial statements for the year ended 31 December 2022.

Regulatory ratios***a. Net stable funding Ratio (NSFR)***

The objective of the NSFR is to promote the resilience of banks' liquidity risk profiles and to incentivise a more resilient banking sector over a longer time horizon. The NSFR limits overreliance on short-term wholesale funding, encourages better assessment of funding risk across all on-balance sheet and off-balance sheet items, and promotes funding stability.

NSFR as a percentage is calculated as "Available stable funding" divided by "Required stable funding".

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
for the three months ended 31 March 2023**

US\$ 000's

5 *Financial risk management (continued)*

The Consolidated NSFR calculated as per the requirements of the CBB rulebook, is as follows:

As at 31 March 2023

No.	Item	No Specified Maturity	Less than 6 months	More than 6 months and less than one year	Over one year	Total weighted value
Available Stable Funding (ASF):						
1	Capital:					
2	Regulatory Capital	1,007,396			58,174	1,065,570
3	Other Capital Instruments					
4	Retail deposits and deposits from small business customers:					
5	Stable deposits		144,721	32,935	20,239	189,013
6	Less stable deposits		1,665,591	475,170	222,969	2,149,654
7	Wholesale funding:					
8	Operational deposits					
9	Other Wholesale funding		4,246,118	1,071,087	1,101,649	2,397,093
10	Other liabilities:					
11	NSFR Shari'a-compliant hedging contract liabilities					
12	All other liabilities not included in the above categories	-	326,705	4,345	8,738	8,738
13	Total ASF					5,810,067
Required Stable Funding (RSF):						
14	Total NSFR high-quality liquid assets (HQLA)	2,071,094				103,237
15	Deposits held at other financial institutions for operational purposes					
16	Performing financing and sukuk/securities:		1,937,923		852,998	1,015,737
17	Performing financial to financial institutions by level 1 HQLA					
18	Performing financing to financial institutions secured by non-level 1 HQLA and unsecured performing financing to financial institutions			16,384	1,107,046	949,181
19	Performing financing to non-financial corporate clients, financing to retail and small business customers, and financing to sovereigns, central banks and PSEs, of which:		215,730	136,728	300,423	371,503
20	With a risk weight of less than or equal to 35% as per the CBB Capital Adequacy Ratio guidelines					
21	Performing residential mortgages, of which:					
22	With a risk weight of less than or equal to 35% under the CBB Capital Adequacy Ratio Guidelines					
23	Securities/sukuk that are not in default and do not qualify as HQLA, including exchange-traded equities		932,185	121,601	463,980	990,873
24	Other assets:					
25	Physical traded commodities, including gold					
26	Assets posted as initial margin for Shari'a-compliant hedging contracts and contributions to default funds of CCPs					
27	NSFR Shari'a-compliant hedging assets					11,682

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
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5 FINANCIAL RISK MANAGEMENT (continued)

No.	Item	No Specified Maturity	Less than 6 months	More than 6 months and less than one year	Over one year	Total weighted value
28	All other assets not included in the above categories	2,250,878				2,250,878
29	OBS items					40,793
30	Total RSF		3,085,838	274,713	2,724,446	5,733,884
31	NSFR (%)					101%

As at 31 December 2022

No.	Item	No Specified Maturity	Less than 6 months	More than 6 months and less than one year	Over one year	Total weighted value
Available Stable Funding (ASF):						
1	Capital:					
2	Regulatory Capital	1,004,974	-	-	53,171	1,058,145
3	Other Capital Instruments	-	-	-	-	-
4	Retail deposits and deposits from small business customers:					
5	Stable deposits	-	158,056	15,076	26,054	190,530
6	Less stable deposits	-	1,684,867	423,803	328,355	2,226,158
7	Wholesale funding:					
8	Operational deposits	-	-	-	-	-
9	Other Wholesale funding	-	3,548,055	931,464	1,303,542	2,656,368
10	Other liabilities:					
11	NSFR Shari'a-compliant hedging contract liabilities		-	-	-	
12	All other liabilities not included in the above categories	-	311,371	-	43,201	43,201
13	Total ASF					
Required Stable Funding (RSF):						
14	Total NSFR high-quality liquid assets (HQLA)	1,761,766				87,048
15	Deposits held at other financial institutions for operational purposes					
16	Performing financing and sukuk/securities:		1,576,916		790,425	908,398
17	Performing financial to financial institutions by level 1 HQLA	-	-	-	-	-
18	Performing financing to financial institutions secured by non-level 1 HQLA and unsecured performing financing to financial institutions	-	-	94,704	1,050,345	940,145
19	Performing financing to non-financial corporate clients, financing to retail and small business customers, and financing to sovereigns, central banks and PSEs, of which:	-	294,926	102,548	279,352	380,316
20	With a risk weight of less than or equal to 35% as per the CBB Capital Adequacy Ratio guidelines	-	-	-	-	-
21	Performing residential mortgages, of which:	-	-	-	-	-
22	With a risk weight of less than or equal to 35% under the CBB Capital Adequacy Ratio Guidelines	-	-	-	-	-

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
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5 FINANCIAL RISK MANAGEMENT (continued)

No.	Item	No Specified Maturity	Less than 6 months	More than 6 months and less than one year	Over one year	Total weighted value
23	Securities/sukuk that are not in default and do not qualify as HQLA, including exchange-traded equities	-	945,435	388,631	426,531	1,093,564
24	Other assets:	-	-	-	-	-
25	Physical traded commodities, including gold	-	-	-	-	-
26	Assets posted as initial margin for Shari'a-compliant hedging contracts and contributions to default funds of CCPs	-	-	-	-	-
27	NSFR Shari'a-compliant hedging assets	-	-	-	-	-
28	NSFR Shari'a-compliant hedging contract liabilities before deduction of variation margin posted	-	-	-	-	-
29	All other assets not included in the above categories	2,090,285	-	-	-	2,090,285
30	OBS items	-	-	-	-	43,344
31	Total RSF	-	2,817,278	585,882	2,546,653	5,543,102
32	NSFR(%)	-	-	-	-	111%

b. Liquidity Coverage Ratio (LCR)

LCR has been developed to promote short-term resilience of a bank's liquidity risk profile. The LCR requirements aim to ensure that a bank has an adequate stock of unencumbered high-quality liquidity assets (HQLA) that consists of assets that can be converted into cash immediately to meet its liquidity needs for a 30-calendar day stressed liquidity period. The stock of unencumbered HQLA should enable the Bank to survive until day 30 of the stress scenario, by which time appropriate corrective actions would have been taken by management to find the necessary solutions to the liquidity crisis.

LCR is computed as a ratio of Stock of HQLA over the Net cash outflows over the next 30 calendar days.

	Average balance	
	31 March 2023	31 December 2022
Stock of HQLA	372,729	272,429
Net cashflows	212,399	213,055
LCR %	179%	134%
Minimum required by CBB	100%	100%

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
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5 FINANCIAL RISK MANAGEMENT (continued)

c. Capital Adequacy Ratio

	31 March 2023	31 December 2022
CET 1 Capital before regulatory adjustments	1,007,396	1,020,249
Less: regulatory adjustments	-	-
<i>CET 1 Capital after regulatory adjustments</i>	1,007,396	1,020,249
T 2 Capital adjustments	58,174	52,628
Regulatory Capital	1,065,570	1,072,877
Risk weighted exposure:		
Credit Risk Weighted Assets	6,924,455	6,799,081
Market Risk Weighted Assets	43,800	54,624
Operational Risk Weighted Assets	436,932	431,784
Total Regulatory Risk Weighted Assets	7,405,187	7,285,489
Investment risk reserve (30% only)	2	2
Profit equalization reserve (30% only)	3	3
Total Adjusted Risk Weighted Exposures	7,405,182	7,285,484
Capital Adequacy Ratio (CAR)	14.39%	14.73%
Tier 1 Capital Adequacy Ratio	13.60%	14.00%
Minimum CAR required by CBB	12.50%	12.50%

6 SEASONALITY

Due to the inherent nature of the Group's business (investment banking, commercial and Proprietary and treasury), the three-month results reported in this condensed consolidated interim financial information may not represent a proportionate share of the overall annual results.

7 COMPARATIVES

Except for the changes in segment reporting, the comparative figures have been regrouped in order to conform with the presentation for current period. Such regrouping did not affect previously reported profit for the period or total equity.

8 APPROPRIATIONS

Appropriations, if any, are made when approved by the shareholders.

In the shareholders meeting held on 19 March 2023, the following were approved:

- Cash dividend of 6% of the paid-up share capital net of treasury shares;
- To allocate an amount US \$ 1,000,000 for charity, civil society institutions and Zakat fund; and,
- Board remuneration of US\$ 1,200,000

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
for the three months ended 31 March 2023

US\$ 000's

9 TREASURY PORTFOLIO

	31 March 2023 (reviewed)	31 December 2022 (audited)	31 March 2022 (reviewed)
Placements with financial institutions	1,065,226	729,311	83,592
Derivatives			
<i>At fair value through income statement</i>	1,682	2,675	-
Equity type investments			
<i>At fair value through equity</i>			
- Quoted sukuk	32,642	32,966	19,538
<i>At fair value through income statement</i>			
- Structured notes*	388,258	371,978	380,693
- Quoted fund	25,000	-	-
Debt type investments			
<i>At fair value through equity*</i>			
- Quoted sukuk	828,240	846,205	909,969
<i>At amortised cost</i>			
- Quoted sukuk *	2,464,377	2,240,354	1,818,172
- Unquoted sukuk	3,494	3,494	3,486
Less: Impairment allowances	(20,982)	(16,963)	(12,853)
	4,787,937	4,210,020	3,202,597

* Short-term and medium-term facilities of US\$ 1,637,389 thousand (31 December 2022: US\$ 1,653,875 thousand) are secured by quoted sukuk of US\$ 2,612,379 thousand (31 December 2022: US\$ 2,506,041 thousand), structured notes of US\$ 348,393 thousand (31 December 2022: US\$ 371,928 thousand).

10 FINANCING ASSETS

	31 March 2023 (reviewed)	31 December 2022 (audited)	31 March 2022 (reviewed)
Murabaha	973,027	982,170	1,072,464
Musharaka			-
Wakala	239	239	239
Mudharaba	17,956	17,336	11,129
Ijarah assets	578,056	499,865	430,163
	1,569,278	1,499,610	1,513,995
Less: Impairment allowances	(62,681)	(64,372)	(73,128)
	1,506,597	1,435,238	1,440,867

Murabaha financing receivables are net of deferred profits of US\$ 54,016 thousands (31 December 2022: US\$ 50,133 thousands).

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
for the three months ended 31 March 2023**

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10 Financing assets(Continued)

The movement on financing assets and impairment allowances is as follows:

Financing assets	Stage 1	Stage 2	Stage 3	Total
Financing assets (gross)	1,295,211	177,377	96,690	1,569,278
Expected credit loss	(10,642)	(16,592)	(35,447)	(62,681)
Financing assets (net)	1,284,569	160,785	61,243	1,506,597

Impairment allowances	Stage 1	Stage 2	Stage 3	Total
At 1 January 2023	18,049	11,989	34,334	64,372
Net movement between stages	(1,937)	889	1,048	-
Net reversal for the period	(5,470)	3,714	65	(1,691)
At 31 March 2023	10,642	16,592	35,447	62,681

Financing assets	Stage 1	Stage 2	Stage 3	Total
Financing assets (gross)	1,285,165	117,318	111,512	1,513,995
Expected credit loss	(22,613)	(5,276)	(45,239)	(73,128)
Financing assets (net)	1,262,552	112,042	66,273	1,440,867

Impairment allowances	Stage 1	Stage 2	Stage 3	Total
At 1 January 2022	19,888	7,119	44,442	71,449
Net movement between stages	1,872	(1,326)	(546)	-
Net charge for the period	853	(517)	1,343	1,679
At 31 March 2022	22,613	5,276	45,239	73,128

11. INVESTMENT IN REAL ESTATE

	31 March 2023 (reviewed)	31 December 2022 (audited)	31 March 2022 (reviewed)
Investment Property			
- Land	549,896	556,215	472,352
- Building	201,271	194,050	155,758
	751,167	750,265	628,110
Development Property			
- Land	152,703	147,393	100,385
- Building	392,661	389,427	345,950
	545,364	536,820	446,335
	1,296,531	1,287,085	1,074,445

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
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12. PROPRIETARY INVESTMENTS

	31 March 2023 (reviewed)	31 December 2022 (audited)	31 March 2022 (reviewed)
Equity type investments			
<i>At fair value through income statement</i>			
- Unquoted securities	9,480	9,480	-
- Listed securities	11,828	-	10,000
	21,308	9,480	10,000
<i>At fair value through equity</i>			
- Listed securities	-	-	13
- Equity type Sukuk	833,507	836,251	929,487
- Unquoted securities	57,783	55,893	63,049
	891,290	892,144	992,549
Equity-accounted investees	108,427	103,471	121,217
Impairment allowance	(110)	(42)	-
	1,020,915	1,005,053	1,123,766

13. CO-INVESTMENTS

	31 March 2023 (reviewed)	31 December 2022 (audited)	31 March 2022 (reviewed)
<i>At fair value through equity</i>			
- Unquoted securities	150,505	131,553	108,738
<i>At fair value through income statement</i>			
- Unquoted securities	7,342	10,498	10,630
	157,847	142,051	119,368

14. RECEIVABLES AND OTHER ASSETS

	31 March 2023	31 December 2022
Investment banking receivables	259,494	193,923
Receivable from equity-accounted investees	62,000	62,000
Financing to projects, net	10,765	26,744
Receivable on sale of development properties	13,125	16,341
Advances and deposits	69,799	61,613
Employee receivables	4,530	5,067
Profit on sukuk receivable	21,461	18,766
Lease rentals receivable	6,829	6,117
Prepayments and other receivables	229,942	208,614
Less: impairment allowance net (note 16)	(7,558)	(9,316)
	670,387	589,869

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
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US\$ 000's

15. TERM FINANCING

	31 March 2023 (reviewed)	31 December 2022 (audited)	31 March 2022 (reviewed)
Murabaha financing *	1,663,238	1,680,940	1,665,655
Sukuk **	237,429	242,076	245,062
Ijarah financing	16,956	17,603	19,484
Other borrowings	1,590	1,579	1,637
	1,919,213	1,942,198	1,931,838

**Murabaha financing comprise:*

Short-term and medium-term facilities of US\$ 1,637,389 thousand (31 December 2022: US\$ 1,653,875 thousand) are secured by quoted sukuk of US\$ 2,612,379 thousand (31 December 2022: US\$ 2,506,041 thousand) and structured notes of US\$ 348,393 thousand (31 December 2022: US\$ 332,455 thousand).

*** Sukuk*

During 2020, the Group raised US\$ 500,000 thousand through issuance of unsecured sukuk certificates with a profit rate of 7.5% p.a. repayable by 2025. The Bank has repurchased cumulative sukuk of US\$ 265,610 thousand as at and upto period ended 31 March 2023. The outstanding sukuk also includes accrued profit of US\$ 3,438 thousand.

16. IMPAIRMENT ALLOWANCES

	Three months ended	
	31 March 2023 (reviewed)	31 March 2022 (reviewed)
Expected credit loss on:		
Bank balances	(2)	25
Treasury portfolio (note 9)	4,019	(1,398)
Financing assets, net (note 10)	(1,691)	1,679
Other receivables (note 14)	(1,758)	1,077
	568	1,383
Impairment on investment in equity securities	68	2
	636	1,385

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
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17. RELATED PARTY TRANSACTIONS

The significant related party balances and transactions as at 31 March 2023 are given below:

	Related parties as per FAS 1			Assets under management (including special purpose and other entities)	Total
	Associates and joint venture	Key management personnel	Significant shareholders / entities in which directors are interested		
31 March 2023 (reviewed)					
Assets					
Cash and bank balances	-	-	-	11,578	11,578
Treasury portfolio	-	-	-	65,705	65,705
Financing assets	-	11,101	38,574	18,201	67,876
Proprietary investments	689,817	-	143,690	-	833,507
Co-investments	-	-	6,058	158,280	164,338
Receivables and prepayments	87,877	4,593	15,327	55,116	162,913
Liabilities					
Placements from financial, non-financial institutions and individuals	-	-	-	550,468	550,468
Customer accounts	2,451	178	9,130	30,748	42,507
Payables and accruals	1,235	1,671	60,887	142,168	205,961
Equity of investment account holders	9,379	5,599	1,241	25,088	41,307
Income					
Investment banking	-	-	-	45,876	45,876
commercial banking					
- <i>Income from financing</i>	-	159	133	-	292
- <i>Less: Return to investment account holders</i>	(11)	(56)	(4,334)	(5)	(4,406)
- <i>Less: Finance expense</i>	-	(53)	(3,867)	-	(3,920)
Treasury and proprietary investments	6,822	-	-	572	7,394
Expenses					
- Operating expenses	-	(684)	-	(13)	(697)
- Staff Cost	-	(2,681)	-	-	(2,681)
- Finance Cost	-	-	-	(489)	(489)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
for the three months ended 31 March 2023

US\$ 000's

17 *Related party transactions (continued)*

	Related parties as per FAS 1			Assets under management (including special purpose and other entities)	Total
	Associates and joint venture	Key management personnel	Significant shareholders / entities in which directors are interested		
31 December 2022 (audited)					
Assets					
Cash and bank balances	-	-	-	12,777	12,777
Treasury portfolio	-	-	-	70,656	70,656
Financing assets	-	8,411	38,181	18,201	64,793
Proprietary investments	836,251	-	6,058	-	842,309
Co-investments	-	-	-	142,665	142,665
Receivables and prepayments	62,045	5,326	721	198,231	266,323
Liabilities					
Placements from financial, non-financial institutions and individuals	-	3,379	22,697	24,077	50,153
Customer accounts	1,918	183	2,003	13,973	18,077
Payables and accruals	36,009	1,565	-	139,529	177,103
Equity of investment account holders	3,239	2,875	33,328	148,114	187,556
31 March 2022 (reviewed)					
Income					
Investment banking	(769)	-	-	24,679	23,910
Commercial banking	-	-	-	-	-
- <i>Income from financing</i>	-	456	759	-	1,215
- <i>Fee and other income</i>	(8)	(5)	(1,740)	(3)	(1,756)
- <i>Less: Return to investment account holders</i>	-	(37)	-	-	(37)
- <i>Less: Finance expense</i>	-	-	-	9,474	9,474
Treasury and proprietary investments	-	3,020	-	318	3,338
Expenses					
Operating expenses	-	2,296	-	-	2,296
Staff Cost	-	(255)	-	-	(255)
Finance Cost	-	(2,041)	-	-	(2,041)
	-	-	-	(406)	(406)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
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18. SEGMENT REPORTING

The Group is organised into business units based on their nature of operations and independent reporting entities and has three reportable operating segments namely investment banking, commercial banking and treasury and proprietary.

	Investment banking	Commercial banking	Treasury and Proprietary Investments	Total
31 March 2023 (reviewed)				
Segment revenue	45,087	25,478	16,370	86,935
Segment expenses	(33,513)	(15,379)	(13,605)	(62,497)
Segment result	11,574	10,099	2,765	24,438
Impairment allowance	-	1,451	(815)	636
Segment assets	224,427	3,885,143	6,291,297	10,400,867
Segment liabilities	177,211	1,918,947	5,603,183	7,699,341
<i>Other segment information</i>				
Proprietary investments (<i>Equity-accounted investees</i>)	-	3,698	104,729	108,427
Equity of investment account holders	-	1,540,883	102,964	1,643,847
Commitments	55,485	130,894	-	186,379

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
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US\$ 000's

18 *Segment reporting (continued)*

	Investment banking	Commercial banking	Treasury and Proprietary Investments	Total
31 March 2022 (reviewed)				
Segment revenue	24,679	19,751	21,593	66,023
Segment expenses	(17,473)	(11,328)	(17,873)	(46,674)
Segment result	7,206	8,423	3,720	19,349
Impairment allowance	(337)	1,678	44	1,385
31 December 2022 (audited)				
Segment assets	201,828	3,785,535	5,772,928	9,760,291
Segment liabilities	171,359	2,177,989	5,125,875	7,475,223
<i>Other segment information</i>				
Proprietary investments (<i>Equity-accounted investees</i>)	-	5,303	98,168	103,471
Equity of investment account holders	-	1,189,016	24,658	1,213,674
Commitments	55,485	142,992	7,007	205,484

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
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19. COMMITMENTS AND CONTINGENCIES

The commitments contracted in the normal course of business of the Group:

	31 March 2023 (reviewed)	31 December 2022 (audited)	31 March 2022 (reviewed)
Undrawn commitments to extend finance	87,085	100,422	124,374
Financial guarantees	43,809	49,044	38,632
Capital commitment for infrastructure development projects	55,485	55,485	14,502
Commitment to lend	-	533	1,739
	186,379	205,484	179,247

Performance obligations

During the ordinary course of business, the Group may enter performance obligations in respect of its infrastructure development projects. It is the usual practice of the Group to pass these performance obligations, wherever possible, on to the companies that own the projects. In the opinion of the management, no liabilities are expected to materialise on the Group at 31 March 2023 due to the performance of any of its projects.

Litigations, claims and contingencies

The Group has several claims and litigations filed against it in connection with projects promoted by the Bank in the past and with certain transactions. Further, claims against the Group entities also have been filed by former employees and customers. Based on the advice of the Bank's external legal counsel, the management is of the opinion that the Bank has strong grounds to successfully defend itself against these claims. Where applicable, appropriate provision has been made in the books of accounts. No further disclosures regarding contingent liabilities arising from any such claims are being made by the Bank as the directors of the Bank believe that such disclosures may be prejudicial to the Bank's legal position.

20. FINANCIAL INSTRUMENTS**Fair values**

Fair value is an amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. This represents the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Underlying the definition of fair value is a presumption that an enterprise is a going concern without any intention or need to liquidate, curtail materially the scale of its operations or undertake a transaction on adverse terms.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
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20 *Financial instruments (continued)***Fair value hierarchy**

The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table shows the valuation techniques used in measuring Level 3 fair values, as well as the significant unobservable inputs used:

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Structured note	Fair value of underlying reference portfolio adjusted for embedded derivatives that protect downside risk and cap upside potential over the period of the contract.	Credit risk of counterparty and volatility assumptions for time to maturity	Ability of the Group to hold the structure note to maturity and impact of the value of embedded derivatives (strike prices and barriers for coupon and principal).
Equity investments	Discounted cash flow	Marketability factor and Discount rate	Ability of Group to exit these investments and their impact on the overall value as these are unquoted investments.

The potential effect of change in assumptions used above would have the following effects.

	31 March 2023 (reviewed)		31 March 2022 (reviewed)	
	Profit or loss	FVTE	Profit or Loss	FVTE
Equity instruments- marketability factor ($\pm 10\%$)	± 734	$\pm 20,829$	$\pm 1,050$	$\pm 18,745$
Structure notes- impact in underlying index ($\pm 5\%$)	$\pm 20,361$	-	$\pm 19,073$	-
Quoted Fund- impact in underlying index ($\pm 5\%$)	$\pm 1,250$	-	-	-

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

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20 Financial instruments (continued)

The table below analyses the financial instruments carried at fair value, by valuation method.

31 March 2023 (reviewed)	Level 1	Level 2	Level 3	Total
<i>i) Proprietary investments</i>				
Investment securities carried at fair value through:				
- income statement	21,308	-	-	21,308
- equity	833,507	-	57,783	891,290
	854,815	-	57,783	912,598
<i>ii) Treasury portfolio</i>				
Investment securities carried at fair value through:				
- income statement	-	389,940	-	389,940
- equity	860,882	-	-	860,882
	860,882	389,940	-	1,250,822
<i>iii) Co-investments</i>				
Investment securities carried at fair value through				
- equity	-	-	150,505	150,505
- income statement	-	-	7,342	7,342
	-	-	157,847	157,847
	1,715,697	389,940	215,630	2,321,267
31 December 2022	Level 1	Level 2	Level 3	Total
	US\$ 000's	US\$ 000's	US\$ 000's	US\$ 000's
<i>(i) Proprietary investments</i>				
Investment securities carried at fair value through:				
- income statement	9,480	-	-	9,480
- equity	836,251	-	55,893	892,144
	845,731	-	55,893	901,624
<i>(ii) Treasury portfolio</i>				
Investment securities carried at fair value through:				
- income statement	-	374,653	-	374,653
- equity	879,171	-	-	879,171
	879,171	374,653	-	1,253,824
<i>iii) Co-investments</i>				
Investment securities carried at fair value through equity			131,553	131,553
Investment securities carried at fair value through income statement			10,498	10,498
			142,051	142,051
	1,724,902	374,653	197,944	2,297,499

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
for the three months ended 31 March 2023

US\$ 000's

20 *Financial instruments (continued)*

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

	31 March 2023 (reviewed)	31 December 2022 (audited)
At beginning of the period	197,944	263,302
Disposals at carrying value	(10,919)	(54,521)
Purchases	15,799	37,561
Fair value changes during the period	12,806	(48,398)
At end of the period	215,630	197,944

21. ASSETS UNDER MANAGEMENT AND CUSTODIAL ASSETS

1. The Group provides corporate administration, investment management and advisory services to its project companies, which involve the Group making decisions on behalf of such entities. Assets that are held in such capacity are not included in these consolidated financial statements. At the reporting date, the Group had assets under management of US\$ 7,921 million (31 December 2022: US\$ 7,845 million). During the period, the Group had charged management fees amounting to US\$ 2,923 thousands (31 March 2022: US\$ 989 thousands) to its assets under management.
2. Custodial assets comprise of discretionary portfolio management ('DPM') accepted from investors amounting to US\$ 1,214,624 thousands out of which US\$ 664,184 thousands has been invested to the Bank's own investment products.