

Esterad Bank B.S.C. (c)
CONDENSED CONSOLIDATED INTERIM
FINANCIAL INFORMATION
30 June 2023 (Reviewed)

Commercial registration	:	58222-1 (registered with Central Bank of Bahrain as an Islamic wholesale Bank)
Registered Office	:	Office 302, Building 1411 Road 4626, Block 346 Manama, Kingdom of Bahrain Telephone: 17518888
Directors	:	Sheikh Mohamed Bin Duaij Al Khalifa Ahmed Abdulwahed Ahmed Abdulrahman Bashar Mohamed Ebrahim Almutawa Robert Coleman Wages Isa Abdulrasool Abdulhusain Merza Jawahery
Acting Chief Executive Officer	:	Ahmed Abdulwahed Ahmed Abdulrahman
Auditors	:	KPMG Fakhro

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

To the Board of Directors

Esterad Bank BSC (C)

P.O. Box 11755 Manama

Kingdom of Bahrain

Introduction

We were engaged to review the accompanying 30 June 2023 condensed consolidated interim financial information of Esterad Bank BSC (C) (the "Bank") and its subsidiaries (together the "Group"), which comprises:

- the condensed consolidated statement of financial position as at 30 June 2023;
- the condensed consolidated statement of income for the three-month and six-month periods ended 30 June 2023;
- the condensed consolidated statement of changes in owners' equity for the six-month period ended 30 June 2023;
- the condensed consolidated statement of cash flows for the six-month period ended 30 June 2023;
- the condensed consolidated statement of changes in restricted investment accounts for the six-month period ended 30 June 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. However, because of the significance of the matters described in the *Basis for Disclaimer of Conclusion* section of our report, we are unable to complete our review to form a conclusion on the accompanying condensed consolidated interim financial information.

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.

Basis for Disclaimer of Conclusion

- 1) We draw attention to note 2 to the accompanying condensed consolidated interim financial information, which describe that during the period ended 30 June 2023 the Group incurred a net loss of US\$ 6,445 thousand and, as of that date, the Group's had equity deficiency of US\$ 22,669 thousand, accumulated losses of US\$ 29,703 thousand and its total assets with maturities up to 12 months fell short of the Group's liabilities with similar maturity by US\$ 19,625 thousand. Furthermore, the Group has breached certain regulatory rules as explained in note 3 to the condensed consolidated interim financial information. These conditions, together with the potential effect of the matters described in paragraphs 2 and 3 below, indicate that the going concern assumption used in the preparation of the accompanying condensed consolidated interim financial information is not appropriate. The accompanying condensed consolidated interim financial information does not contain any adjustments that may be warranted if the Group was unable to continue as a going concern nor do they adequately describe the basis for the going concern assumption.



Independent auditors' report (continued)
Esterad Bank BSC (C)

- 2) As disclosed in note 6 to the condensed consolidated interim financial information, the Group manages certain investments in a fiduciary capacity. In the prior years, the Group was found to be non-compliant with certain regulatory requirements in relation to the admission of certain investors, as well as other fiduciary responsibilities. The Group is exposed to potential claims in relation to these matters for which a provision of US\$ 6,989 thousands has been recognised in the condensed consolidated interim financial information. We were not provided with sufficient appropriate audit evidence to assess the amount and the timing of the settlement of these potential claims. Consequently, we are unable to determine the adjustments that may be required to be made in the condensed consolidated interim financial information in relation to this matter.
- 3) As disclosed in note 16 to the condensed consolidated interim financial information, the Group has issued letters of guarantee to certain investment companies/projects. For one such letter of guarantee, the creditor to the investee has initiated legal action against the investee company and have demanded validation of the corporate guarantees provided by various shareholders of the investee company, including the Group, from which material liabilities could arise. The Group's share of the potential liability arising from this letter of guarantee is US\$ 16,957 thousand for which no provision has been recognised as at 30 June 2023. We are unable to determine the adjustments that may be required to be recorded in the condensed consolidated interim financial information in relation to this matter.
- 4) The Group has wakala contract receivables for which expected credit loss ("ECL") was not recognised in period before 30 June 2022. The Bank has made full provision for wakala contract receivable as 30 September 2022, however, has not restated the balances for prior period in line with requirements of Financial Accounting Standard (1) "General Presentation and Disclosure in the Financial Statements of Islamic Banks and Financial Institutions" and recorded the entire ECL in the period ended 30 September 2022. Accordingly, the expected credit loss for wakala receivable at 30 June 2022 should be increased by US\$ 6,670 thousands and opening retained earnings as at 1 January 2022 should be decreased by an equivalent amount.

Disclaimer of Conclusion

Because of the significance of the matters described in the *Basis for Disclaimer of Conclusion* paragraph, we do not express a conclusion on the accompanying 30 June 2023 condensed consolidated interim financial information.

Other Matter

At the extraordinary meeting of the shareholders' held on 23 January 2023, the shareholders resolved to change the Group's financial year end from 30 June to 31 December effective from 31 December 2022. The corresponding figures for the condensed consolidated statements of income, changes in owner's equity, cash flows, and changes in restricted investment accounts have been derived from the Group's annual consolidated financial statements for the year ended 30 June 2022, and condensed consolidated interim financial information for the periods ended 31 March 2022, 30 September 2021 and 31 December 2021 which were audited and reviewed, respectively, by another auditor who expressed a disclaimer opinion and conclusion on those respective statements and information.

25 June 2024

Esterad Bank B.S.C. (c)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2023

		30 June 2023	31 December 2022
	<i>Note</i>	USD '000 (Reviewed)	USD '000 (Audited)
ASSETS			
Balances with banks	8	2,366	2,633
Wakala placements with financial institutions	8	186	228
Investments	9	12,200	19,250
Receivables		14	781
Funding to project companies		2,242	2,283
Other assets	11	1,388	1,330
Right-of-use asset		3,401	3,477
Property and equipment		4,107	4,466
TOTAL ASSETS		25,904	34,448
LIABILITIES			
Islamic finance	12	10,841	13,267
Employee accruals		565	493
Ijarah liability		3,657	3,702
Other liabilities	13	33,510	33,261
Total liabilities		48,573	50,723
EQUITY			
Share capital		1,005	1,005
Statutory reserve		5,441	5,441
Investment fair value reserve		588	537
Accumulated losses		(29,703)	(23,258)
Total equity		(22,669)	(16,275)
TOTAL LIABILITIES AND EQUITY		25,904	34,448
OFF-BALANCE SHEET ITEMS			
Equity of investment account holders		117	116



Sheikh Mohamed Bin Duajj Al Khalifa
Chairman



Ahmed Abdulwahed Ahmed Abdulrahman
Board Member & Acting CEO

The attached notes 1 to 18 form part of this condensed consolidated interim financial information.

CONDENSED CONSOLIDATED STATEMENT OF INCOME

Six-months period ended 30 June 2023

	Note	Three-months ended 30 June		Six-months ended 30 June	
		2023	2022	2023	2022
		USD '000 (reviewed)	USD '000 (reviewed)	USD '000 (reviewed)	USD '000 (reviewed)
REVENUE					
Management fee		-	2,862	5,693	3,483
Other investment income		19	466	32	669
Net change in fair value of investments carried at fair value through income		(6,987)	(1,489)	(4,567)	(1,385)
Rental and other income	14	614	1,892	1,105	2,250
Total revenue		(6,354)	3,731	2,263	5,017
EXPENSES					
Staff cost		882	669	1,673	1,456
Legal and professional fees		448	208	861	670
Finance expense		58	45	139	91
Depreciation		97	114	194	230
Other expenses	15	1,129	686	1,709	1,614
Total expenses		2,614	1,722	4,576	4,061
(LOSS) / PROFIT BEFORE IMPAIRMENT PROVISIONS AND SHARE OF LOSS OF AN ASSOCIATE		(8,968)	2,009	(2,313)	956
Impairment of investments		(191)	(179)	(3,794)	(222)
Provision for credit losses		651	(432)	(28)	(489)
Impairment of property and equipment		(310)	(202)	(310)	(202)
Share of loss of an associate		-	(108)	-	(108)
NET LOSS FOR THE PERIOD		(8,818)	1,088	(6,445)	(65)



Sheikh Mohamed Bin Duaij Al Khalifa
Chairman



Ahmed Abdulwahed Ahmed Abdulrahman
Board Member & Acting CEO

Esterad Bank B.S.C. (c)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN OWNERS EQUITY

Six-months period ended 30 June 2023

Reviewed	<i>Share capital USD '000</i>	<i>Statutory reserve USD '000</i>	<i>Investment fair value reserve USD '000</i>	<i>Accumulated losses USD '000</i>	<i>Total</i>
Balance at 1 January 2023	1,005	5,441	537	(23,258)	(16,275)
Movement in equity-type investments at fair value through equity	-	-	51	-	51
Net loss for the period	-	-	-	(6,445)	(6,445)
Balance at 30 June 2023	1,005	5,441	588	(29,703)	(22,669)
Reviewed					
Balance at 1 January 2022	190,000	5,859	1,008	(193,548)	3,319
Net loss for the period	-	-	-	(65)	(65)
Movement in equity-type investments at fair value through equity	-	-	(746)	-	(746)
Balance at 30 June 2022	190,000	5,859	262	(193,613)	2,508

The attached notes 1 to 18 form part of this condensed consolidated interim financial information.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

Six-months period ended 30 June 2023

	2023	2022
Note	USD '000 (reviewed)	USD '000 (reviewed)
OPERATING ACTIVITIES		
Net loss for the period	(6,445)	(65)
Adjustments for:		
Impairment of investments	3,794	222
Provision for credit losses	28	489
Impairment of property and equipment	310	202
Share of loss of an associate	-	108
Fair value losses on investments carried at fair value through profit or loss - net	4,567	1,385
Depreciation	194	230
Finance cost on right-of-use asset	89	91
Dividend income	(3)	(669)
Operating profit before changes in operating assets and liabilities	2,534	1,993
Changes in operating assets and liabilities:		
Investments	(1,308)	470
Receivables	851	(3,606)
Funding to project companies	60	6
Right-of-use asset	-	(538)
Property and equipment	(69)	(63)
Other assets	(80)	579
Employee accruals	71	(227)
Islamic finance	(2,426)	-
Other liabilities	249	(1,807)
Ijarah liability	-	538
Proceeds from sale of investment	-	3,134
Wakala placements with financial institutions (original maturity more than 3 months)	(186)	-
Net cash (used in) / from operating activities	(304)	479
FINANCING ACTIVITIES		
Murabaha financing to investee company	(110)	(747)
Rent paid towards right-of-use asset	(133)	(133)
Net cash used in financing activities	(243)	(880)
Investment fair value reserve	51	(746)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(496)	(1,147)
Cash and cash equivalents at beginning of the period	2,861	2,863
ECL charged on balances with banks	1	3
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	8 2,366	1,719

Esterad Bank B.S.C. (c)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN RESTRICTED INVESTMENT ACCOUNTS

Six-months period ended 30 June 2023

30 June 2023 (reviewed)

	<u>Movements during the period</u>			<i>Balance at 30 June 2023 USD '000</i>
	<i>Balance at 1 January 2023 USD '000</i>	<i>Fair value movement USD '000</i>	<i>Net income USD '000</i>	
GCC Pre IPO Fund	120	(7)	4	117
Investment in equities				69
Other receivables				48
Total				117

30 June 2022 (reviewed)

	<u>Movements during the period</u>			<i>Balance at 30 June 2022 USD '000</i>
	<i>Balance at 1 January 2022 USD '000</i>	<i>Fair value movement USD '000</i>	<i>Net Income USD '000</i>	
GCC Pre IPO Fund	135	(19)	-	116
Investment in equities				72
Other receivables				44
Total				116

The GCC Pre-IPO Fund targets investments in selected GCC equities in the pre-IPO stage with the primary objective of benefiting from the potential market gains expected to arise from their IPOs. The investments are legally owned by the Group for the beneficial interest of RIA. Investors nominate the specific equities they wish to participate in from a pool of GCC Pre-IPO equities, specifying the amounts in each, and receive all returns less the Bank's fee of 20% over a 10% simple return.

The attached notes 1 to 18 form part of this condensed consolidated interim financial information.

As at 30 June 2023

1 REPORTING ENTITY**Incorporation**

Esterad Bank B.S.C (c) (formerly known as Venture Capital Bank B.S.C. (c)) (hereafter referred to as “the Bank”) was incorporated in the Kingdom of Bahrain on 26 September 2005 as a closed shareholding company under commercial registration (CR) number 58222 issued by the Ministry of Industry and Commerce (“MOIC”). The Bank is licensed as a wholesale Islamic bank by the Central Bank of Bahrain (“CBB”) and is subject to the regulations and supervision of the CBB. The Bank’s registered office is Building 247, Road 1704, Block 317, Diplomatic Area, Manama, Kingdom of Bahrain.

This condensed consolidated interim financial information was approved by the Bank’s Board of Directors on 25 June 2024.

Activities

The principal activities of the Bank comprise venture capital, real estate and private equity investment transactions and related investment advisory services. The Bank conducts all its activities in compliance with Islamic Shari’ah under the guidance and supervision of the Bank’s Shari’ah Supervisory Board, and in compliance with applicable laws and regulations.

The condensed consolidated interim financial information comprise the financial information of the Bank and its subsidiary companies (collectively, “the Group”). The financial information of the subsidiaries are prepared using the same annual reporting period, using consistent accounting policies.

Name of subsidiary	Year of incorporation	% holding	Country of incorporation	Principal activities
Gulf Projects Company W.L.L.	1998	100%	Kingdom of Bahrain	To own an interest in and operate the Venture Capital Bank car park building.
The Lounge Serviced Offices Company W.L.L.	2007	100%	Kingdom of Bahrain	To own, operate and manage serviced offices in Bahrain and regionally.
GMCB Co. W.L.L. *	2008	54.06%	Kingdom of Bahrain	To invest in a medical facility in the Kingdom of Bahrain. The Group acquired control of the entity in June 2018.
VCB Investment Advisors LTD	2006	100%	Cayman Island	A special purpose vehicle incorporated in Cayman Island for collection of management fees - Dormant entity.

* The Group’s investment in GMCB Co. W.L.L. is not consolidated on a line by line basis as control is deemed to be temporary in nature since GMCB Co. W.L.L. is in the process of liquidation. The carrying value of the unconsolidated subsidiary classified under Investments held for sale has been reduced to nil.

On 23 January 2023, an EGM of the shareholders was held, where the shareholders resolved to change the financial year end from 30 June to 31 December effective from 31 December 2022.

On 15 February 2024, an EGM of the shareholders was held, where the shareholders resolved to change the name of the Bank from Venture Capital Bank B.S.C (c) to Esterad Bank B.S.C (c).

2 FUNDAMENTAL ACCOUNTING ASSUMPTION**Going concern assessment**

The Group made a net loss of USD 6,445 thousand, during the period ended 30 June 2023, and as of that date, the Group had equity deficiency of USD 22,669 thousand, accumulated losses of USD 29,703 thousand, and its total liabilities with maturity up to 12 months exceeded its total assets with the same maturity representing a net liquidity gap of USD 19,625 thousand.

During the period, the Bank also breached a number of regulatory requirements including minimum capital adequacy ratios. In our opinion, these conditions indicate the Group is not a going concern.

As at 30 June 2023

2 FUNDAMENTAL ACCOUNTING ASSUMPTION

Going concern assessment (continued)

However, the management has prepared the condensed consolidated interim financial information on a going concern basis for the following reasons:

(i) With the improved performance of certain investments, the Bank has resumed collecting management fees. The Bank has also successfully listed 2 of its investments, which will generate additional liquidity at the time of exit. Management expects to generate sufficient liquidity in the short term to cover ongoing operating costs and provide funding to support its restructuring plan and meet its near-term obligations.

(ii) The management is in advanced stages of discussions with the regulator on a restructuring plan for the Bank in order to address existing regulatory concerns and better position itself for recovery and stability. As part of its restructuring efforts, management is in the process of formulating a strategic business plan which will provide a clear path for the business' long term growth and sustainability.

(iii) The acquisition by a strategic investor in 2023 will enable the Group to continue as a going concern and to negotiate settlement of its obligations to third parties as and when they fall due. Additionally, the shareholders or the regulators did not have any intention to liquidate the Bank, and these condensed consolidated interim financial information have been prepared on a going concern basis. In the event of a distress sale of the Group's assets, their net realisable value might not approximate their fair value as at 30 June 2023.

The Board of Directors has reviewed the above assumptions and events, along with mitigating factors and concluded that there are no material uncertainties related to these events and conditions that may cast significant doubt on the Group's ability to continue as a going concern.

(iv) Subsequent to the period, the Bank

a) commenced discussions with the Central Bank of Bahrain and other stakeholders regarding capital restructuring and execution of a planned merger with Esterad Investment Company B.S.C. Upto date of the issuance of this condensed consolidated interim financial information, the Bank issued AT1 Sukuks at a face value of USD 23 million to its existing AUM investors and creditors.

b) entered into an Investment Management and Revenue Sharing Agreement with the major shareholder in order to improve the quality of the assets under management and maximise the the generation of revenue.

Accordingly, the Board of Directors is satisfied that the Group has the resources to continue in business for the foreseeable future and, therefore, the condensed consolidated interim financial information have been prepared on a going concern basis.

3 REGULATORY NON-COMPLIANCE

The Bank did not comply with the CBB's capital requirements for minimum shareholders' equity, total CAR, Tier 1 and CET 1 CAR, NSFR, LCR, and other associated regulated requirements which are required for Bahraini Islamic wholesale bank during the period ended 30 June 2023.

Due to breach in CBB's capital adequacy requirements, the CBB has imposed certain restrictions on the Bank's investment banking activities whereby the Bank is prohibited from undertaking any new investment exposure without CBB's prior approval. The Bank has initiated various action plans, including increasing capital, exit from existing investments and re-licensing the Bank in order to regain compliance and restart new business activity.

During the period, the Bank received an exemption from the CBB for the breach in the Capital Adequacy Ratio in relation to paragraphs LM-11.1.4, LM-12.3.3 and CM-2.5.3 of the CBB Rulebook and also obtained the approval to increase the Regulatory Capital by issuing AT1 Sukuk (refer note 18).

As at 30 June 2023

4 BASIS OF PREPARATION AND ACCOUNTING POLICIES

4.1 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 IFRS Accounting Standard issued by the International Accounting Standards Board.

The condensed consolidated interim financial information is 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.

4 BASIS OF PREPARATION AND ACCOUNTING POLICIES (continued)

4.2 Basis of measurement

This condensed consolidated interim financial information have been prepared under the historical cost convention as modified for the remeasurement at fair value of investment securities, and are presented in United States Dollars (USD) which is also the functional currency of the Group. All values are rounded off to the nearest thousand (USD '000) unless otherwise indicated.

4.3 Significant accounting policies

The accounting policies and methods of computation applied by the Group in the preparation of the condensed consolidated interim financial information is the same as those used in the preparation of the Group's last audited consolidated financial information, except those arising from 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.

There was no material impact on the Bank upon adoption of this standard.

As at 30 June 2023

4 BASIS OF PREPARATION AND ACCOUNTING POLICIES (continued)

4.3 Significant accounting policies (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 Bank'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 an amendments to other AAOIFI FAS's; and
- l) The illustrative financial statements are not part of this standard and will be issued separately.

The Bank's management is currently assessing the impact of the above new accounting standards on the Bank's condensed consolidated interim financial information.

4.4 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.

As at 30 June 2023

4 BASIS OF PREPARATION AND ACCOUNTING POLICIES (continued)**4.5 Financial risk management**

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

4.6 Seasonality

Due to the inherent nature of the Group's business, the six-month results reported in this condensed consolidated interim financial information may not represent a proportionate share of the overall annual results.

4.7 Comparatives

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.

5 IMPAIRMENT OF FINANCIAL ASSETS

Financial contracts consist of balances with banks, Murabaha financing to investee companies, wakala contract receivable, receivables, funding to project companies, certain other assets and contingencies and commitments. Balances relating to these contracts are stated net of allowance for credit losses. The Group applies three-stage approach to measure ECL on financial assets carried at amortised cost. Assets migrate through the following three stages based on the change in credit quality since initial recognition:

Stage 1: Twelve months ECL

For exposures where there has not been a Significant Increase in Credit Risk ("SICR"), since initial recognition, a portion of the lifetime ECL's that represent the ECL that results from default events on a financial contract that is possible within 12 months after the reporting date (or a shorter period if the expected life of the financial instrument is less than 12 months).

Stage 2: Lifetime ECL – not credit impaired

For credit exposures where there has been a SICR since initial recognition but that are not credit impaired, a lifetime ECL is recognised. Lifetime ECL is the loss that results from all possible default events over the expected life of the financial contract. The parameters in the loss ratios matrix are generally derived from internally developed models and other historical data and range from 0.25% for balances with banks of good standing to 15% for funding to investees which are assessed to fall under stage 2.

Stage 3: Lifetime ECL – credit impaired

Financial contracts are assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred. For Stage 3 financial contracts, the provisions for credit-impairment are determined based on the difference between the net carrying amount and the recoverable amount of the financial contract.

In cases where there is no collateral or guarantees which the Group can use to recover its exposure, the past due rules as per Group's policy or local requirements, whichever is more strict, are applied for allowance for credit losses calculation.

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's internal credit rating system and stage classification and are gross of credit losses allowances:

	30 June 2023 (reviewed)			
	Stage 1	Stage 2	Stage 3	Total
	USD '000	USD '000	USD '000	USD '000
Gross exposures subject to ECL				
Balances and placements with banks	2,556	-	-	2,556
Murabaha financing to investee companies	-	-	3,609	3,609
Wakala contract receivable	-	-	13,341	13,341
Receivables	-	16	5,933	5,949
Funding to project companies	-	3,202	1,131	4,333
Other assets	191	1,264	10,596	12,051
Guarantees and commitments	3,009	415	16,956	20,380
	5,756	4,897	51,566	62,219
Impairment provision	(13)	(1,948)	(33,691)	(35,652)
Net exposures	5,743	2,949	17,875	26,567

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

As at 30 June 2023

5 IMPAIRMENT OF FINANCIAL ASSETS (continued)

	31 December 2022 (audited)			
	Stage 1 USD '000	Stage 2 USD '000	Stage 3 USD '000	Total USD '000
<i>Gross exposures subject to ECL</i>				
Balances and placements with banks	2,484	154	-	2,638
Wakala Placements with financial institutions	228	-	-	228
Murabaha financing to investee companies	-	-	3,499	3,499
Wakala contract receivable	-	-	13,341	13,341
Receivables	-	30	6,770	6,800
Funding to project companies	-	3,262	1,131	4,393
Other assets	188	1,219	10,537	11,944
Guarantees and commitments	3,009	415	16,524	19,948
	<u>5,909</u>	<u>5,080</u>	<u>51,802</u>	<u>62,791</u>
Impairment provision	(13)	(1,901)	(33,683)	(35,597)
Net exposures	<u>5,896</u>	<u>3,179</u>	<u>18,119</u>	<u>27,194</u>

6 FIDUCIARY ASSETS UNDER MANAGEMENT

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 condensed consolidated interim financial information. The Bank has assessed the need for creating a liability in the books for any potential claim that may arise and has made adequate provisions as the Bank believes is required.

At the reporting date, the Group had assets under management of US\$ 296 million (31 December 2022: US\$ 330 million). During the period, the Group had charged management fees amounting to US\$ 7,301 thousands (30 June 2022: US\$ 3,483 thousands) to its assets under management.

7 RELATED PARTY TRANSACTIONS AND BALANCES

Related parties represent associated companies, shareholders, directors and key management personnel of the Group, and entities controlled, jointly controlled or significantly influenced by such parties, the Shari'a supervisory board and external auditors. Pricing policies and terms of these transactions are approved by the Group's management.

Balances with related parties are as follows:

	30 June 2023 USD '000 Reviewed	31 December 2022 USD '000 Audited
Assets:		
Investments	<u>562</u>	<u>710</u>
Liabilities:		
Employee accruals	<u>249</u>	<u>280</u>
Other liabilities	<u>4,091</u>	<u>4,107</u>

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7 RELATED PARTY TRANSACTIONS AND BALANCES (continued)

Transactions with related parties during the period were as follows:

	<i>Six-months ended</i>	
	30 June	30 June
	2023	2022
	USD '000	USD '000
	Reviewed	(Reviewed)
Other losses		
Fair value losses on investments carried at fair value through profit or loss - net	(148)	(132)
Expenses		
Legal and professional fees	146	151
Other expenses	332	529
Provision for credit losses	(1)	(169)
Share of loss of an associate	-	(108)

Compensation for key management, including executive officers, comprises the following:

	<i>Six-months ended</i>	
	30 June	30 June
	2023	2022
	USD '000	USD '000
	Reviewed	(Reviewed)
Salaries and other short term benefits	207	310
Post-employment benefits	28	83
	235	393

8 BALANCES WITH BANKS & WAKALA PLACEMENTS WITH FINANCIAL INSTITUTIONS

	30 June	31 December
	2023	2022
	USD '000	USD '000
	Reviewed	Audited
Balances with banks	2,370	2,638
Less: ECL provision	(4)	(5)
Net cash and cash equivalents	2,366	2,633
Wakala Placements with financial institutions		
- Original maturity more than three Months	186	228
	2,552	2,861

As at 30 June 2023

9 INVESTMENTS

	30 June 2023 USD '000 Reviewed	31 December 2022 USD '000 Audited
Equity-type investments at fair value through income		
Quoted equities held for trading (note 9.1)	6,203	34
Unquoted equities	859	11,446
	7,062	11,480
Equity-type investments at fair value through equity		
Unquoted equities	3,268	3,219
Subordinated mudaraba (note 9.2)	-	3,491
Short term liquidity certificates (note 9.3)	1,870	1,060
	5,138	7,770
	12,200	19,250

9.1 During the period, an investment with carrying value of USD 6,170 thousand was listed and hence transferred from unquoted equities to quoted equities held for trading. The unrealized loss recognised during the period was USD 1,127.

9.2 The Subordinated mudaraba represents the Group's USD 10,000 thousand interest in the assets of a trust established as part of the restructuring agreement signed on 30 June 2021. Accordingly the Group transferred USD 10,000 thousand in additional assets to the trust to provide first-loss protection against any devaluation in other investments transferred to the trust as part of the settlement. The group recognised a drop in the valuation of the assets immediately at the time of the investment, where the value of the mudaraba reduced by USD 644 thousand. As part of the restructuring agreement the trust has a put option to oblige the Group to purchase the investments at fair value on settlement date. The Group recognised additional impairment provision of USD 5,865 thousand (31 December 2022: USD 5,865 thousand) on the subordinated mudaraba.

9.3 Short term liquidity certificates comprise Shari'a compliant asset backed certificates for which the carrying value approximates fair value.

The table below illustrates the movement in impairment provision during the year:

	30 June 2023 USD '000 Reviewed	31 December 2022 USD '000 Audited
Balance at the beginning of the period	23,979	16,723
Impairment charge for the period	5,325	7,256
Balance at the end of the period	29,304	23,979

The following market segments for investment:

	30 June 2023 USD '000 Reviewed	31 December 2022 USD '000 Audited
Real estate projects	4,994	4,136
Private equity	7,206	15,114
	12,200	19,250

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10 WAKALA CONTRACT RECEIVABLE

Wakala contract receivable represents USD 13,341 thousand of short-term trade finance deals placed with Trade Finance Corporation ("TFC") through a locally incorporated bank ("Wakil") at an expected profit rate of 6.5% per annum with maturities ranging between 90 to 150 days. The Group has recognised an ECL of 100% on the wakala (31 December 2022: 100%) under stage 3.

The Group suspended accruing profit on its wakala contract receivable as the Wakil has failed to redeem the Group's wakala upon their request. The Group has a corresponding short-term borrowing from the Wakil under an unrestricted wakala agreement amounting USD 13,241 thousand (refer note 12).

11 OTHER ASSETS

	30 June 2023	<i>31 December 2022</i>
	USD '000	<i>USD '000</i>
	Reviewed	<i>Reviewed</i>
Advances to acquire investments	6,295	6,295
Project costs recoverable	3,590	3,484
Dividend receivable	444	444
Prepayments	145	61
Other receivables	1,577	1,660
	12,051	11,944
Less: ECL provision	(10,663)	(10,614)
	1,388	1,330

12 ISLAMIC FINANCE

		30 June 2023	<i>31 December 2022</i>
		Reviewed	<i>Audited</i>
		USD '000	<i>USD '000</i>
Short-term Islamic payables:	Note		
Wakala payable to financial institution	12.1	10,841	13,267
		10,841	13,267

12.1 The Bank underwent a legal case to net off the payable amount to a local bank against the Wakala contract receivable (note 10). On 20 May 2021, the BCDR issued a judgement based on which the Bank has been ordered to pay USD 13,391 thousand principal, late payment charges of USD 1,600 thousand, and arbitration costs of USD 789 thousand and a daily penalty of USD 1,375 from the date of the judgement.

On 19 September 2022, the Bank entered into a settlement agreement with the creditor to restructure its obligations. A portion of the outstanding amount was settled during the period and from the remaining balance, an amount of USD 9.6 million was converted to AT1 capital in the subsequent period after obtaining the necessary regulatory approvals.

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13 OTHER LIABILITIES

	30 June 2023	<i>31 December 2022</i>
	USD '000	<i>USD '000</i>
	Reviewed	<i>Audited</i>
Accounts payable	5,433	5,670
Provisions and accruals*	7,633	9,204
Deferred income	83	33
Provision against guarantees **	9,967	10,077
Payable under settlement agreement ***	8,274	8,274
Settlements with a Related party ****	2,112	-
Other	8	3
	33,510	<i>33,261</i>

* This mainly includes provision for potential claims from investors of some project companies where the Bank was found to be non-compliant with certain regulatory requirements in relation to the admission certain investors.

** Guarantees relate to corporate guarantees provided by the Group to various creditors to support financing to one of its project companies. The Group received certain legal claims from creditors which the Group is currently in the process of assessing its legal position and a defense strategy. Management has found it prudent to recognise provisions against such claims on its condensed consolidated statement of financial position along with appropriate provisions.

The amount reported in the Group's condensed consolidated interim statement of financial position related to such claims under other liabilities was USD 9,967 thousand (31 December 2022: USD 10,077 thousand).

*** Amount payable under settlement agreement represents past due profits on Islamic financing payable settled as of 30 June 2021. The amount is due on 30 June 2025.

**** The Group entered into an Investment Management and Revenue Sharing Agreement with the major shareholder in order to improve the quality of the assets under management and maximise the the generation of revenue.

14 RENTAL AND OTHER INCOME

	Reviewed	<i>(Reviewed)</i>
	30 June 2023	<i>30 June 2022</i>
	USD '000	<i>USD '000</i>
Rental income	654	649
Other	451	1,601
	1,105	<i>2,250</i>

15 OTHER EXPENSES

	Reviewed	<i>(Reviewed)</i>
	30 June 2023	<i>30 June 2022</i>
	USD '000	<i>USD '000</i>
Office expenses	576	540
Publicity, conferences and promotion	36	43
Board of directors and Shari'ah supervisory board fees and expenses	115	154
Exchange loss	2	86
Project management costs*	474	732
Settlements with a Related party **	402	-
Other	104	59
	1,709	<i>1,614</i>

* This mainly pertains to unrecoverable expenses incurred on behalf of project companies to support their operations.

** The Group entered into an Investment Management and Revenue Sharing Agreement with the major shareholder in order to improve the quality of the assets under management and maximise the generation of revenue.

As at 30 June 2023

16 COMMITMENTS AND CONTINGENCIES

The Group has outstanding letters of guarantee in respect of projects, and commitments to finance and invest as follows:

	30 June 2023	<i>31 December 2022</i>
	USD '000	<i>USD '000</i>
	Reviewed	<i>Audited</i>
Letters of guarantee *	20,380	19,948
	20,380	19,948

During the year ended 2022, certain letters of guarantee, which were provided for in the books have now been recognised in the books as a liability. Accordingly, the off-balance sheet exposure were removed from the books.

* As at 30 June 2023, the Group has a provision amounting to USD 9,967 thousand (31 December 2022: 10,077 thousand) on the outstanding letters of guarantee. The above amount are net of provision which already recognized.

Litigations and claims

On 20 May 2021, the Bank received a final judgment issued by the arbitral tribunal related to an arbitration case with a local bank related to short-term Wakala Islamic financing which required the Bank to pay the maturity proceeds of USD 13,391 thousand along with late payment charges of USD 916 thousand, arbitration costs of USD 789 thousand and a daily penalty of USD 1,375 from the date of the judgement (note 12).

On 19 September 2022, the Bank entered into a settlement agreement with the above creditor to restructure its obligations. The agreement was however subject to certain conditions precedent which was fulfilled during the subsequent periods. Out of the outstanding balance, an amount of USD 9.6 million was converted to AT1 capital in the subsequent period after obtaining the necessary regulatory approvals.

The Bank had issued a letter of guarantee to a certain investment company/project valued at 130% of the Bank's share in the company's outstanding obligation (including principal and accrued profits) of USD 16,957 thousand (31 December 2022: USD 16,524 thousand). In addition to the corporate guarantees, the investee company has also pledged its primary asset to the lender against these obligations. While the depreciated cost of the asset exceeds the outstanding obligation of the investee company, the fair value of the asset is difficult to ascertain due to the operations of the investee company being on halt due to current economic conditions.

17 FINANCIAL INSTRUMENTS

Set out below is a classification of financial instruments held by the Group as at 30 June 2023 and 31 December 2022:

	30 June 2023 (Reviewed)			
	Equity-type at fair value through profit or USD '000	Equity-type at fair value through equity USD '000	Amortised cost USD '000	Total USD '000
ASSETS				
Balances with banks	-	-	2,366	2,366
Wakala placements with financial institutions	-	-	186	186
Investments	7,062	5,138	-	12,200
Receivables	-	-	14	14
Funding to project companies	-	-	2,242	2,242
Other assets	-	-	1,243	1,243
TOTAL FINANCIAL ASSETS	7,062	5,138	6,051	18,251
LIABILITIES				
Islamic financing payables	-	-	10,841	10,841
Other liabilities	-	-	13,707	13,707
TOTAL FINANCIAL LIABILITIES	-	-	24,548	24,548
Off-balance sheet				
Equity of investment account holders	-	69	48	117

As at 30 June 2023

17 FINANCIAL INSTRUMENTS (continued)

	31 December 2022 (Audited)			
	<i>Equity-type at fair value through profit or loss USD '000</i>	<i>Equity-type at fair value through equity USD '000</i>	<i>Amortised cost USD '000</i>	<i>Total USD '000</i>
ASSETS				
Balances with banks	-	-	2,633	2,633
Wakala placements with financial institutions	-	-	228	228
Investments	11,480	7,770	-	19,250
Receivables	-	-	781	781
Funding to project companies	-	-	2,283	2,283
Other assets	-	-	1,269	1,269
TOTAL FINANCIAL ASSETS	11,480	7,770	7,194	26,444
LIABILITIES				
Islamic financing payables	-	-	13,267	13,267
Other liabilities	-	-	13,944	13,944
TOTAL FINANCIAL LIABILITIES	-	-	27,211	27,211
Off-balance sheet				
Equity of investment account holders	-	76	44	120

Fair value

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.

As at 30 June 2023 and 31 December 2022, the fair value of bank balances, placements with financial institutions, other financial assets, placements from financial and other institutions and other financial liabilities are not expected to be materially different from their carrying values as these are short term in nature and are re-priced frequently to market rates, where applicable. Investment securities carried at fair value through income statement are carried at their fair values determined using quoted market prices and internal valuation models.

The table below analyses the financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

Level 1: Quoted (unadjusted) prices 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. as 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 active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data; and

Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted market prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

Valuation techniques include net present value and discounted cash flow models, comparison with similar instruments for which observable market prices exist and other valuation models. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads and other premiums used in estimating discount rates, bond and equity prices, foreign currency exchange rates, equity indices, EBITDA multiples and revenue multiples and expected price volatilities and correlations.

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17 FINANCIAL INSTRUMENTS (continued)

The Group uses proprietary valuation models, which are usually developed from recognized valuation models. Some or all of the significant inputs into these models may not be observable in the market, and are derived from market prices or rates or are estimated based on assumptions. Valuation models that employ significant unobservable inputs require a higher degree of management judgement and estimation in the determination of fair value. Management judgement and estimation are usually required for the selection of the appropriate valuation model to be used, determination of expected future cash flows on the financial instrument being valued and selection of appropriate discount rates.

Fair value estimates obtained from models are adjusted for any other factors, such as liquidity risk or model uncertainties, to the extent that the Company believes that a third-party market participant would take them into account in pricing a transaction. Fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the Company and the counterparty where appropriate.

Model inputs and values are calibrated against historical data and published forecasts and, when possible, against current or recent observed transactions and broker quotes. This calibration process is inherently subjective, and it yields ranges of possible inputs and estimates of fair value, and management judgement is required to select the most appropriate point in the range.

The table below analyses financial instruments, measured at fair value as at the end of the period, by level in the fair value hierarchy into which the fair value measurement is categorized:

Fair value of investments

	Level 1	Level 2	Level 3	Total
30 June 2023 (Reviewed)	USD '000	USD '000	USD '000	USD '000
Proprietary investments				
Investment securities carried at fair value				
- income statement	-	-	859	859
- equity	-	-	5,138	5,138
	-	-	5,997	5,997
Treasury portfolio				
Investments carried at fair value through:				
- income statement	6,170	33	-	6,203
	6,170	33	5,997	12,200
	Level 1	Level 2	Level 3	Total
31 December 2022 (Audited)	USD '000	USD '000	USD '000	USD '000
Proprietary investments				
- income statement	-	-	11,446	11,446
- equity	-	-	7,770	7,770
	-	-	19,216	19,216
Treasury portfolio				
Investments carried at fair value through:				
- income statement	-	34	-	34
	-	34	19,216	19,250

The following table shows a reconciliation of the opening and closing amount of Level 3 financial assets which are recorded at fair value through income:

	30 June	31 December
	2023	2022
	USD '000	USD '000
	Reviewed	Audited
At the beginning of the period / year	11,446	14,515
Fair value (losses) / gains recognised in the consolidated statement of income - net	(4,567)	(1,610)
Sale of investments during the period / year	-	(2,406)
Transfers from level 3 to level 1 *	(6,170)	-
Addition of investments during the period / year	150	947
At the end of the period / year	859	11,446

* During the six-months ended 30 June 2023, one of the level 3 investments got listed in the stock exchange and was accordingly transferred from level 3 to level 1.

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17 FINANCIAL INSTRUMENTS (continued)**Fair value of investments (continued)**

The following table shows a reconciliation of the opening and closing amount of Level 3 financial assets which are recorded at fair value through equity:

	30 June 2023	31 December 2022
	USD '000	USD '000
	Reviewed	Audited
At the beginning of the period / year	7,770	13,158
Additions during the period / year	2,641	2,278
Impairment recognised during the period / year	(5,324)	(7,195)
Fair value reserve	51	(471)
At the end of the period / year	<u>5,138</u>	<u>7,770</u>

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Investment securities at FVTPL and FVTE	Discounted cash flows: The valuation model considers the present value of the expected cash flows, discounted using a risk-adjusted discount rate.	Expected cash flows Risk adjusted discount	The estimated fair value would increase (decrease) if: - the expected cash flows were higher (lower); or - the risk-adjusted discount rate were lower (higher).
	Market comparison technique: The valuation model is based on market multiples derived from quoted prices of companies comparable to the investee, adjusted for the effect of non-marketability of the equity securities, and revenue and EBITDA of the investee.	EBITDA multiple Discount for lack of marketability	The estimated fair value would increase (decrease) if: - the EBITDA multiple were higher (lower); or - the discount for lack of marketability were lower (higher).
	Adjusted net assets values of investee where major assets valued at fair value	Adjusted net assets	The estimated fair value would increase (decrease) if: - the adjusted net assets were higher (lower).
	Comparable transaction prices	Not applicable	The estimated fair value would increase (decrease) if: the Comparable transaction prices were higher (lower).

Although the Company believes that its estimates of fair value are appropriate, the use of different methodologies or assumptions could lead to different measurements of fair value. For fair value measurements in level 3, changing one or more of the assumptions used to reasonably possible alternative assumptions would have the following effect:

	30 June 2023	31 December 2022
	USD '000	USD '000
	Reviewed	Audited
Profit or loss		
WACC (1% increase)	(162)	(387)
Discount for lack of marketability (10% increase)	(42)	-
Non-marketability factor (10% increase)	-	14,490
Comparable transaction price (10% increase)	179	(84)
Net asset value (10% increase)	71	728
	<u>46</u>	<u>14,747</u>
WACC (1% decrease)	194	408
Discount for lack of marketability (10% decrease)	48	-
Non-marketability factor (10% decrease)	-	18,144
Comparable transaction price (10% decrease)	(179)	126
Net asset value (10% decrease)	(71)	(728)
	<u>(8)</u>	<u>17,950</u>

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18 SUBSEQUENT EVENT

Subsequent to the period, the Group

- a. commenced discussions with the Central Bank of Bahrain and other stakeholders regarding capital restructuring and execution of a planned merger with Esterad Investment Company B.S.C. Upto date of the issuance of this condensed consolidated interim financial information, the Bank issued AT1 Sukuks at a face value of USD 23 million to its existing AUM investors and creditors.
- b. The Group also entered into an Investment Management and Revenue Sharing Agreement with the major shareholder in order to improve the quality of the assets under management and maximise the the generation of revenue.
- c. Held an EGM of its shareholders on 15 February 2024, where the shareholders resolved to change the name of the Bank from Venture Capital Bank B.S.C (c) to Esterad Bank B.S.C (c).