



شركة التسهيلات التجارية ش.م.ك
COMMERCIAL FACILITIES CO. S.A.K.P.

**Commercial Facilities Company S.A.K.P.
and Subsidiaries
State of Kuwait**

**Interim Condensed Consolidated Financial Information
and Independent Auditors' Review Report
for the six-month period ended 30 June 2023
(Unaudited)**



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Commercial Facilities Company S.A.K.P.
State of Kuwait

INDEPENDENT AUDITORS' REVIEW REPORT TO THE BOARD OF DIRECTORS

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Commercial Facilities Company S.A.K.P. ("the Parent Company") and its subsidiaries (collectively referred to as "the Group") as at 30 June 2023, and the related interim condensed consolidated statements of profit or loss, profit or loss and other comprehensive income, for the three month and six month periods then ended, and changes in equity and cash flows for the six-month period then ended. The Parent Company's management is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with the basis of preparation as disclosed in Note (2). Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial information is not prepared, in all material respects, in accordance with the basis of preparation set out in Note (2).

Report on Other Legal and Regulatory Requirements

Further, based on our review, the interim condensed consolidated financial information is in agreement with the books of the Parent Company. We further report that, to the best of our knowledge and belief, we have not become aware of any violations of the Companies Law No. 1 of 2016, and its executive regulations, as amended, or of the Parent Company's Memorandum and Articles of Association, as amended, have occurred during the six-month period ended 30 June 2023 that might have had a material effect on the business of the Group or on its financial position.

We further report that, during the course of our review, to the best of our knowledge and belief, we have not become aware of any material violations of the provisions of Law No. 32 of 1968 as amended, concerning currency, the Central Bank of Kuwait and the organization of banking business and its related regulation or of the provisions of Law No. 7 of 2010, as amended, concerning the Capital Markets Authority and its related regulations during the six-month period ended 30 June 2023, that might have had a material effect on the business of the Group or on its consolidated financial position.

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Kuwait
2 August 2023

Interim Condensed Consolidated Statement of Financial Position as at 30 June 2023
(Unaudited)

(All amounts are in Kuwaiti Dinar Thousand)

	Notes	30 June 2023	31 December 2022 (Audited)	30 June 2022
Assets				
Cash and bank balances	3	18,031	32,668	37,580
Other receivables and prepayments		489	2,566	3,190
Finance receivables	4	169,930	171,259	168,484
Investments in securities	5	60,106	58,156	57,584
Investment in associates	6	16,489	14,549	14,533
Investment properties		3,996	3,996	4,001
Property and equipment		2,728	2,827	2,564
Total assets		271,769	286,021	287,936
Liabilities and equity				
Liabilities				
Trade creditors and other liabilities		4,753	5,056	4,661
Term loans	7	106,393	114,944	120,928
Provision for staff indemnity		5,028	4,972	4,383
Total liabilities		116,174	124,972	129,972
Equity				
Share capital		53,676	53,676	53,676
Share premium		1,433	1,433	1,433
Legal reserve		53,396	53,396	52,293
Voluntary reserve		48,093	48,093	48,093
Fair value reserve		(4,769)	(4,011)	(3,304)
Foreign currency translation reserve		582	652	726
Land revaluation reserve		1,215	1,215	898
Treasury shares	9	(11,357)	(11,296)	(11,271)
Gain on sale of treasury shares		14	14	14
Retained earnings		13,254	17,822	15,357
Equity attributable to the shareholders of the Parent Company		155,537	160,994	157,915
Non-controlling interests		58	55	49
Total equity		155,595	161,049	157,964
Total liabilities and equity		271,769	286,021	287,936

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



Ali Ibrahim Marafi
Chairman

Abdallah Saud Abdulaziz Al-Humaidhi
Vice Chairman and Chief Executive Officer

**Interim Condensed Consolidated Statement of Profit or Loss for the six-month period ended 30 June 2023
(Unaudited)**

(All amounts are in Kuwaiti Dinar Thousand)

	Notes	Three-month period ended		Six-month period ended	
		30 June		30 June	
		2023	2022	2023	2022
Financing income		3,174	3,098	6,298	6,183
Share of results of associates	6	313	398	567	608
Other income		9	5	21	24
Interest income		55	99	452	179
Net (loss)/ gain from investments	10	(30)	(265)	222	2,738
Rental income from investment property		48	69	96	113
Net foreign exchange gains		33	138	-	181
Total other income		428	444	1,358	3,843
Finance costs		(1,266)	(822)	(2,521)	(1,470)
Staff costs and related expenses		(654)	(562)	(1,308)	(1,123)
General and administrative expenses		(359)	(362)	(720)	(725)
Net foreign exchange loss		-	-	(1)	-
Total expenses		(2,279)	(1,746)	(4,550)	(3,318)
Profit before provision for credit losses and impairment losses		1,323	1,796	3,106	6,708
(Provision) / reversal of provision on expected credit loss		(1,125)	878	98	455
Profit before taxation and Directors' remuneration		198	2,674	3,204	7,163
Provision for KFAS		(2)	(27)	(32)	(72)
Provision for NLST and Zakat		(5)	(77)	(97)	(233)
Provision for Directors' remuneration		(31)	(36)	(63)	(72)
Profit for the period		160	2,534	3,012	6,786
Attributable to:					
Shareholders of the Parent Company		159	2,534	3,009	6,784
Non-controlling interests		1	-	3	2
		160	2,534	3,012	6,786
Earnings per share – Fils	11	0.3	5	6	13

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

Interim Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
for the six-month period ended 30 June 2023
(Unaudited)

(All amounts are in Kuwaiti Dinar Thousand)

	Three-month period ended 30 June		Six-month period ended 30 June	
	2023	2022	2023	2022
Profit for the period	160	2,534	3,012	6,786
Other comprehensive income				
<i>Items that may not be reclassified subsequently to consolidated statement of profit or loss</i>				
Foreign exchange translation	212	(139)	357	(146)
Change in fair value of investments at FVOTCI	(242)	(5)	(639)	907
Other comprehensive (loss)/ income for the period	(30)	(144)	(282)	761
Total comprehensive income for the period	130	2,390	2,730	7,547
Attributable to:				
Shareholders of the Parent Company	129	2,390	2,727	7,545
Non-controlling interests	1	-	3	2
	130	2,390	2,730	7,547

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

Interim Condensed Consolidated Statement of Changes in Equity for the six-month period ended 30 June 2023
(Unaudited)

(All amounts are in Kuwaiti Dinar Thousand)

	Equity attributable to shareholders of the Parent Company										Non-Controlling Interest	Total
	Share capital	Share premium	Legal reserve	Voluntary reserve	Fair value reserve	Foreign currency translation reserve	Land revaluation reserve	Treasury shares	Gain on sale of treasury shares	Retained earnings		
Balance at 1 January 2023	53,676	1,433	53,396	48,093	(4,011)	652	1,215	(11,296)	14	17,822	55	161,049
Profit for the period	-	-	-	-	-	-	-	-	-	3,009	3	3,012
Foreign exchange translation adjustments	-	-	-	-	-	(70)	-	-	-	427	-	357
Change in fair value of financial assets at FVTOCI	-	-	-	-	(639)	-	-	-	-	-	-	-
Profit on sale of investments at FVTOCI	-	-	-	-	(119)	-	-	-	-	119	-	(639)
Total comprehensive income for the period	-	-	-	-	(758)	(70)	-	-	-	3,555	3	2,730
Dividends (Note 13)	-	-	-	-	-	-	-	-	-	(8,123)	-	(8,123)
Purchase of treasury shares	-	-	-	-	-	-	-	(61)	-	-	-	(61)
Balance at 30 June 2023	53,676	1,433	53,396	48,093	(4,769)	582	1,215	(11,357)	14	13,254	58	155,595
Balance at 1 January 2022	53,676	1,433	52,293	48,093	(3,434)	872	898	(11,271)	14	15,413	47	158,034
Profit for the period	-	-	-	-	-	-	-	-	-	6,784	2	6,786
Foreign exchange translation adjustments	-	-	-	-	-	(146)	-	-	-	-	-	(146)
Change in fair value of financial assets at FVTOCI	-	-	-	-	907	-	-	-	-	-	-	907
Loss on sale of investments at FVTOCI	-	-	-	-	(777)	-	-	-	-	777	-	-
Total comprehensive income for the period	-	-	-	-	130	(146)	-	-	-	7,561	2	7,547
Dividends (Note 13)	-	-	-	-	-	-	-	-	-	(7,617)	-	(7,617)
Balance at 30 June 2022	53,676	1,433	52,293	48,093	(3,304)	726	898	(11,271)	14	15,357	49	157,964

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

Interim Condensed Consolidated Statement of Cash Flows for the six-month period ended 30 June 2023
(Unaudited)

(All amounts are in Kuwaiti Dinar Thousand)

	Note	Six-month period ended 30 June	
		2023	2022
Operating activities			
Profit before provisions for contribution to KFAS, NLST, Zakat and Directors' remuneration		3,204	7,163
Adjustments for:			
Depreciation		92	106
Unrealised loss/(gain) on financial assets at FVTPL		1,183	(579)
Realised gain on financial assets at FVTPL		-	(750)
Interest income		(452)	(179)
Dividend income		(1,406)	(1,408)
Share of results of associates		(567)	(608)
Finance cost		2,521	1,471
Provision for staff indemnity		62	46
Reversal of provision for credit loss expense		(98)	(455)
		4,539	4,807
Finance receivables		2,022	4,525
Other receivables and prepayments		2,136	827
Trade creditors and other liabilities		(481)	(578)
Cash from operations		8,216	9,581
Staff indemnity paid		(6)	(51)
Interest received		452	179
Dividends received		1,347	1,424
Net cash from operating activities		10,009	11,133
Investing activities			
Term deposits		(10,103)	(9,839)
Purchase of financial assets at FVTPL		(780)	(3,514)
Purchase of financial assets at FVTOCI		(3,800)	(2,352)
Proceeds from sale of financial assets at FVTPL		-	1,679
Proceeds from sale of financial assets at FVTOCI		1,152	3,228
Purchase of investment in associate		(1,473)	-
Dividend received from associate		100	291
Purchase of property and equipment		(3)	(17)
Proceeds from sale of property and equipment		10	-
Net cash used in investing activities		(14,897)	(10,524)
Financing activities			
Proceeds from term loans		18,000	35,577
Repayment of term loans		(26,551)	(20,531)
Dividends paid		(8,109)	(7,423)
Finance cost – paid		(2,549)	(1,357)
Purchase of treasury shares		(61)	-
Net cash (used in)/from financing activities		(19,270)	6,266
Net (decrease)/increase in cash and cash equivalents		(24,158)	6,875
Net increase in cash held by third parties		444	1,336
Cash and cash equivalents at beginning of the period		29,985	10,871
Cash and cash equivalents at end of the period	3	6,271	19,082

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

**Notes to the Interim Condensed Consolidated Financial Information for the six-month period ended 30 June 2023
(Unaudited)**

(All amounts are in Kuwaiti Dinar Thousand unless otherwise stated)

1. Incorporation and principal activities

Commercial Facilities Company S.A.K.P. ("the Parent Company") was incorporated on 16 January 1977 in accordance with the Commercial Companies Law in the State of Kuwait. The Parent Company's shares were listed on the Kuwait Stock Exchange on 29 September 1984.

The main activities of the Group represent in financing activities, investments and brokerage.

The address of the Parent Company's registered office is P.O. Box 24284, Safat 13103, State of Kuwait.

This interim condensed consolidated financial information was approved for issue by the Board of Directors on 2 August 2023.

2. Basis of preparation and significant accounting policies

The interim condensed consolidated financial information of the Group has been prepared in accordance with International Accounting Standard (IAS) 34, 'Interim Financial Reporting' except as noted below. The accounting policies used in the preparation of this interim condensed consolidated financial information are consistent with those used in the preparation of the annual consolidated financial statements for the year ended 31 December 2022.

The annual consolidated financial statements for the year ended 31 December 2022 have been prepared in accordance with the regulations for financial services institutions as issued by the Central Bank of Kuwait (CBK) in the State of Kuwait. These regulations require financial institutions regulated by CBK to adopt the International Financial Reporting Standards ("IFRS") with an amendment for measuring the expected credit loss ("ECL") on credit facilities at the higher of ECL computed under IFRS 9 – 'Financial Instruments' in accordance to the CBK guidelines or the provisions as required by CBK instructions along with its consequent impact on related disclosures.

The above framework is hereinafter referred to as 'IFRS as adopted by CBK for use by the State of Kuwait'.

The interim condensed consolidated financial information does not contain all information and disclosures required for the annual consolidated financial statements prepared in accordance with IFRS, and should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2022.

In the management's opinion, all necessary adjustments, including recurring accruals have been included in the interim condensed consolidated financial information for fair presentation. The operating results for the period ended 30 June 2023 are not necessarily indicative of results that may be expected for the year ending 31 December 2023.

Amendments to IFRSs which are effective for annual periods beginning on or after 1 January 2023 did not have any material impact on the accounting policies, financial position or performance of the Group.

3. Cash and bank balances

	30 June 2023	31 December 2022 (Audited)	30 June 2022
Cash on hand	19	11	20
Bank balances	4,795	4,652	14,304
Deposits	13,217	28,005	23,256
	18,031	32,668	37,580
Less: Deposits with original maturity over three months	(11,217)	(1,696)	(18,257)
Less: Cash balance with third parties	(543)	(987)	(241)
Cash and cash equivalents for the purpose of consolidated statement of cash flows	6,271	29,985	19,082

The Group's term deposits denominated in USD and Lebanese Pound amounting to KD 11,334 thousand (KD 11,306 thousand – 31 December 2022 and KD 11,305 thousand – 30 June 2022) are with banks in Lebanon. The Expected credit losses related to bank balances and term deposits is KD 11,051 thousand (KD 10,468 thousand - 31 December 2022 and KD 9,867 thousand - 30 June 2022).

**Notes to the Interim Condensed Consolidated Financial Information for the six-month period ended 30 June 2023
(Unaudited)**

(All amounts are in Kuwaiti Dinar Thousand unless otherwise stated)

4. Finance receivables

	30 June 2023	31 December 2022 (Audited)	30 June 2022
Commercial loans	37,466	33,956	30,580
Personal loans	184,512	188,865	189,473
	221,978	222,821	220,053
Less: deferred income	(19,291)	(17,902)	(16,836)
	202,687	204,919	203,217
Less: provision for expected credit losses	(32,757)	(33,660)	(34,733)
	169,930	171,259	168,484

As at 30 June 2023, provisions for credit losses in accordance with the requirements of the Central Bank of Kuwait amounted to KD 22,349 thousand (KD 26,742 thousand - 31 December 2022 and KD 27,377 thousand - 30 June 2022), less than the expected credit losses for credit facilities which were calculated in accordance with the requirements of IFRS 9 in accordance with the Central Bank of Kuwait guidelines.

The average interest rate earned from instalment credit for the six-month period ended 30 June 2023 was 4.45% (4.25% - 31 December 2022 and 4.26% - 30 June 2022) per annum.

5. Investment securities

	30 June 2023	31 December 2022 (Audited)	30 June 2022
Financial investments at FVTPL	23,199	23,602	23,164
Investments at FVTOCI	36,907	34,554	34,420
	60,106	58,156	57,584

6. Investments in associates

	Place of incorporation and operation	Proportion of ownership interest	Principal activity
Real Estate Facilities and Investment Company K.S.C.C.	Kuwait	34.91%	Investment in real estate
Priority Automobile Company K.S.C.C.	Kuwait	44.56%	Renting and leasing of luxury cars

Group's share from associates' results amount to KD 567 thousand for the period ended 30 June 2023 (KD 608 thousand - 30 June 2022). This financial information has been prepared based on the financial information prepared by the associates' managements.

7. Term loans

	30 June 2023	31 December 2022 (Audited)	30 June 2022
Loans denominated in KD	106,393	107,287	113,260
Loans denominated in USD	-	7,657	7,668
	106,393	114,944	120,928

During the period, the Group signed new financing KD loan agreements amounting to KD 30 million (KD 60 - 31 December 2022 and KD 50 million - 30 June 2022) and USD Nil (USD 50 million - 31 December 2022 and USD 50 million - 30 June 2022).

The weighted average interest rate on KD loans outstanding at 30 June 2023 was 4.83% per annum and on USD loans was 0.5% per annum (3.27% per annum and 3.02% per annum respectively - 31 December 2022 and 2.69% per annum and 3.04% per annum respectively - 30 June 2022).

Notes to the Interim Condensed Consolidated Financial Information for the six-month period ended 30 June 2023 (Unaudited)

(All amounts are in Kuwaiti Dinar Thousand unless otherwise stated)

The Group's outstanding term loans at 30 June 2022 are borrowed under floating rate agreements. The interest rates were determined at normal commercial rates available from the debt market on an arm's length basis. The Group has assigned customer contracts amounting to KD 88,331 thousand (KD 98,824 thousand - 31 December 2022 and KD 103,387 thousand - 30 June 2022) as security over 9 term loans (10 term loans - 31 December 2022 and 11 term loans - 30 June 2022) with balances outstanding of KD 106,393 thousand (KD 114,944 thousand - 31 December 2022 and KD 120,928 thousand - 30 June 2022).

8. Related party transactions

Related parties comprise associated companies, major shareholders, directors and key management personnel of the Group, their families, and companies of which they are the principal owners. The Group enters into transactions with related parties. Pricing policies and terms are approved by the Group's management.

The related party transactions and balances included in this interim condensed consolidated financial information are as follows:

a) Compensation of key management personnel of the Parent Company:

	Three-month period ended 30 June		Six-month period ended 30 June	
	2023	2022	2023	2022
Salaries and other short-term benefits	130	136	259	260
Post-employment benefits	23	162	88	329
	<u>153</u>	<u>298</u>	<u>347</u>	<u>589</u>
b) Finance receivables:				
Balance at 1 January	22	76	22	76
Instalment repayment received	(3)	(4)	(7)	(9)
Balance at 30 June	<u>19</u>	<u>72</u>	<u>15</u>	<u>67</u>

9. Treasury shares

	30 June 2023	31 December 2022 (Audited)	30 June 2022
Number of shares purchased (000's)	349	142	-
Cost of shares purchased (KD'000)	61	25	-
Market value of total treasury shares (KD'000)	4,974	5,206	5,731
Percentage of issued shares	5.48%	5.42%	5.39%
Total number of shares (000's)	29,433	29,084	28,942

The Parent Company is required to retain reserves and retained earnings equivalent to the cost of treasury shares throughout the period, in which they are held by the Parent Company, in accordance with the instructions of the relevant regulatory authorities.

10. Net gains from investments

	Three-month period ended 30 June		Six-month period ended 30 June	
	2023	2022	2023	2022
Unrealised (loss)/ gain on financial assets at FVTPL	(635)	(1,237)	(1,183)	579
Realised gain on sale of financial assets at FVTPL	-	205	-	750
Dividend income	<u>605</u>	<u>767</u>	<u>1,405</u>	<u>1,409</u>
	<u>(30)</u>	<u>(265)</u>	<u>222</u>	<u>2,738</u>

Notes to the Interim Condensed Consolidated Financial Information for the six-month period ended 30 June 2023 (Unaudited)

(All amounts are in Kuwaiti Dinar Thousand unless otherwise stated)

11. Earnings per share

Earnings per share is computed by dividing profit for the period by the weighted average number of shares outstanding during the period as follows:

	Three-month period ended 30 June		Six-month period ended 30 June	
	2023	2022	2023	2022
Profit for the period	159	2,534	3,009	6,784
	Shares			
Weighted average number of the Parent Company's issued and paid-up shares (000's)	536,764	536,764	536,764	536,764
Weighted average number of the Parent Company's treasury shares (000's)	(29,275)	(28,942)	(29,180)	(28,942)
Weighted average number of the Parent Company's outstanding shares (000's)	507,489	507,822	507,584	507,822
Earnings per share – Fils	0.3	5	6	13

12. Revenue and segmental analysis

The Group operates in one principal area of activity, the granting of consumer instalment credit facilities. Its consumer credit operations are carried out entirely in the domestic market in Kuwait. The Group has investments both inside and outside Kuwait.

A segmental analysis of profit from ordinary activities, total assets, total liabilities and net assets employed by geographical location is as follows:

	Consumer	Investment	Total
At 30 June 2023			
Profit before provisions for contribution to KFAS, NLST, Zakat and Directors' remuneration	6,991	(3,787)	3,204
Total assets	169,930	101,839	271,769
Total liabilities	(106,393)	(9,781)	(116,174)
Net assets employed	63,537	92,058	155,595
At 30 June 2022			
Profit before provisions for contribution to KFAS, NLST, Zakat and Directors' remuneration	8,061	(898)	7,163
Total assets	168,484	119,452	287,936
Total liabilities	(120,928)	(9,044)	(129,972)
Net assets employed	47,556	110,408	157,964

13. Annual general assembly

The shareholder's annual general assembly meeting held on 21 March 2023 approved the audited consolidated financial statements of the Group for the year ended 31 December 2022 and they approved to distribute a cash dividend of 16 fils per share (15 fils per share – 2021) amounting to KD 8,123 thousand (KD 7,617 thousand – 2021).

14. Fair value of financial instruments

Fair value is 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. The Group's financial assets are measured at fair value at the end of each reporting period. The following tables gives information about how the fair values of these financial assets are determined.

Fair value hierarchy

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

**Notes to the Interim Condensed Consolidated Financial Information for the six-month period ended 30 June 2023
(Unaudited)**

(All amounts are in Kuwaiti Dinar Thousand unless otherwise stated)

- Level 1: quoted prices (unadjusted) in active markets for identical assets or 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); and
- Level 3: valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Financial assets	Fair value as at			Fair value Hierarchy	Sector
	30 June 2023	31 December 2022 (Audited)	30 June 2022		
Financial assets at FVTPL - Quoted securities	15,607	15,989	15,377	Level 1	Financial Institutions Services
	204	210	203	Level 1	
	<u>15,811</u>	<u>16,199</u>	<u>15,580</u>		
Financial assets at FVTPL - Debt securities	4,355	4,367	4,556	Level 2	Financial Institutions
Financial assets at FVTPL - Unquoted fund	3,033	3,036	3,028	Level 2	Conglomerate
Financial assets at FVOCI - Unquoted funds	25	252	513	Level 2	Financial Institutions
Financial assets at FVOCI - Unquoted debt	6,071	4,549	3,772	Level 2	Financial Institutions
	1,250	1,250	1,250	Level 2	Conglomerate
	2,500	2,500	2,500	Level 2	Real estate
	<u>17,234</u>	<u>15,954</u>	<u>15,619</u>		
Financial assets at FVOCI - Unquoted securities	21,286	20,420	20,431	Level 3	Real Estate
	1,483	1,367	1,666	Level 3	Financial Institutions
	545	480	560	Level 3	Services
Financial assets at FVOCI - Unquoted fund	3,286	3,276	3,268	Level 3	Conglomerate
Financial assets at FVOCI - Unquoted debt	461	460	460	Level 3	Financial Institutions
	<u>27,061</u>	<u>26,003</u>	<u>26,385</u>		
	<u>60,106</u>	<u>58,156</u>	<u>57,584</u>		

Movement in level 3 is as follows:

	30 June 2023	31 December 2022 (Audited)	30 June 2022
Opening balance	26,003	27,013	27,013
Change in fair value	(53)	225	755
Purchases/ transfers	2,263	2,710	1,845
Sales	(1,152)	(3,945)	(3,228)
Closing balance	<u>27,061</u>	<u>26,003</u>	<u>26,385</u>

The fair values of equity investments are obtained from quoted market prices and other models.

Valuation techniques include observable market information of comparable companies and net asset values. Significant unobservable inputs used in valuation techniques mainly include market multiples such as price to book and price to earnings. The most significant unobservable inputs used is the illiquidity discount in the level 3 hierarchy.

A sensitivity analysis on fair value estimations, by varying input assumptions by a reasonable margin, did not indicate any material impact on the interim condensed consolidated statement of financial position or consolidated statement of profit or loss.