

**KUWAIT INVESTMENT COMPANY
K.S.C.P. AND ITS SUBSIDIARIES**

**INTERIM CONDENSED CONSOLIDATED
FINANCIAL INFORMATION
(UNAUDITED)**

30 JUNE 2019



INDEPENDENT AUDITOR'S REVIEW REPORT ON INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF KUWAIT INVESTMENT COMPANY K.S.C.P.

Report on the Interim Condensed Consolidated Financial Information

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Kuwait Investment Company K.S.C.P. ("the Parent Company") and its subsidiaries (collectively, the "Group") as at 30 June 2019, and the related interim condensed consolidated statement of profit or loss, interim condensed consolidated statement of comprehensive income for the three-month and six-month periods then ended, and the related interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of 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 set out 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 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, it 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

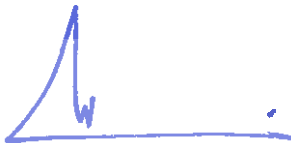
Furthermore, based on our review, the interim condensed consolidated financial information is in agreement with the books of account of the Parent Company. We further report that, to the best of our knowledge and belief, we have not become aware of any violations of the Companies Law No. 1 of 2016, as amended, and its executive regulations, as amended, or of the Parent Company's Memorandum of Incorporation and Articles of Association, as amended, during the six-month period ended 30 June 2019 that might have had a material effect on the business of the Parent Company or on its financial position.



INDEPENDENT AUDITOR'S REVIEW REPORT ON INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF KUWAIT INVESTMENT COMPANY K.S.C.P. (continued)

Report on Other Legal and Regulatory Requirements (continued)

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 violations of the provisions of Law No. 32 of 1968, as amended, concerning currency, the Central Bank of Kuwait and the organisation of banking business, and its related regulations, or of the provisions of Law No. 7 of 2010 concerning the Capital Markets Authority and its related regulations during the six-month period ended 30 June 2019 that might have had material effect on the business of the Parent Company or on its financial position.



BADER A. AL-ABDULJADER
LICENCE NO. 207-A
EY
AL AIBAN, AL OSAIMI & PARTNERS

30 July 2019
Kuwait



Kuwait Investment Company K.S.C.P. and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

As at 30 June 2019

		(Audited)	
	Notes	30 June 2019 KD	31 December 2018 KD
		30 June 2018 KD	
ASSETS			
Cash and cash equivalents	4	17,227,203	13,332,508
Term deposits		13,349,178	15,028,150
Accounts receivable and other assets		16,412,733	15,869,232
Wakala receivables		2,230,086	2,186,779
Loans and advances		2,851,125	2,852,537
Investment securities	5	128,906,867	124,252,600
Investment in associates		15,660,360	15,471,798
Investment properties		37,373,576	24,567,437
Intangible assets		11,042,602	11,042,602
Property and equipment		29,544,709	28,508,969
Right-of-use assets		9,977,744	-
Total assets		284,576,183	253,112,612
LIABILITIES AND EQUITY			
Liabilities			
Deposits from banks and customers		83,653,767	73,308,285
Islamic finance payables		8,794,694	9,272,828
Accounts payable and other liabilities		14,537,513	15,884,078
Term loans		12,063,856	3,813,724
Lease liabilities		10,612,247	-
Total liabilities		129,662,077	102,278,915
Equity			
Share capital		55,125,000	55,125,000
Treasury shares	6	(734,629)	(734,629)
Statutory reserve		29,960,206	29,960,206
Voluntary reserve		19,994,320	19,994,320
Asset revaluation surplus		4,742,731	4,742,731
Fair value reserve		(8,388,057)	(6,511,141)
Foreign currency translation reserve		1,691,073	1,856,027
Retained earnings		17,838,110	12,275,168
Equity attributable to equity holders of the Parent Company		120,228,754	116,707,682
Non-controlling interests		34,685,352	34,126,015
Total equity		154,914,106	150,833,697
Total liabilities and equity		284,576,183	253,112,612


Meshari Zaid Al Khaled
 Deputy Chairman


Fawaz Sulaiman Al-Ahmad
 General Manager

The attached notes 1 to 16 form a part of this interim condensed consolidated financial information.

Kuwait Investment Company K.S.C.P. and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
(UNAUDITED)

For the period ended 30 June 2019

	Notes	Three months ended		Six months ended	
		30 June		30 June	
		2019	2018	2019	2018
		KD	KD	KD	KD
Net fee and commission income		1,971,166	1,649,918	3,815,619	3,445,790
Rental income		2,175,924	2,069,594	4,736,340	4,497,746
Net investment income on financial assets	7	3,293,565	2,522,570	11,176,201	5,072,005
Gain on liquidation of subsidiaries		-	206,230	-	556,230
Share of results of associates		101,015	(41,363)	153,096	(14,391)
Gain on sale of investment property		469,000	-	548,359	-
Net foreign exchange differences		183,000	45,702	(31,658)	145,808
Release of allowance for credit losses		44,494	57,418	66,041	151,247
Other income	8	311,797	(5,512)	349,031	1,318,073
Net operating income		8,549,961	6,504,557	20,813,029	15,172,508
General and administrative expenses		(3,555,679)	(3,042,460)	(6,704,127)	(6,353,209)
Total operating expenses		(3,555,679)	(3,042,460)	(6,704,127)	(6,353,209)
Operating profit		4,994,282	3,462,097	14,108,902	8,819,299
Finance costs		(814,446)	(553,322)	(1,521,555)	(972,477)
Finance income		282,795	250,208	530,181	472,310
Profit before tax		4,462,631	3,158,983	13,117,528	8,319,132
Contribution to Kuwait Foundation for Advancement of Sciences (KFAS)		(30,437)	(12,435)	(95,327)	(37,688)
National Labour Support Tax (NLST)		(92,839)	(45,936)	(289,729)	(164,116)
Zakat		(28,139)	(15,074)	(100,514)	(47,772)
Profit for the period		4,311,216	3,085,538	12,631,958	8,069,556
Attributable to:					
Equity holders of the Parent Company		3,487,262	2,719,747	11,042,826	6,533,022
Non-controlling interests		823,954	365,791	1,589,132	1,536,534
		4,311,216	3,085,538	12,631,958	8,069,556
Earnings per share attributable to equity holders of the Parent Company (basic and diluted)	9	6.36 Fils	4.96 Fils	20.15 Fils	11.92 Fils

The attached notes 1 to 16 form a part of this interim condensed consolidated financial information.

Kuwait Investment Company K.S.C.P and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

For the period ended 30 June 2019

	<i>Three months ended 30 June</i>		<i>Six months ended 30 June</i>	
	<i>2019 KD</i>	<i>2018 KD</i>	<i>2019 KD</i>	<i>2018 KD</i>
Profit for the period	4,311,216	3,085,538	12,631,958	8,069,556
Other comprehensive income (loss)				
<i>Other comprehensive (loss) income that may be reclassified to profit or loss in subsequent periods:</i>				
Exchange differences on translation of foreign operations	(238,129)	(288,355)	(164,954)	(219,634)
Share of associates other comprehensive (loss) income	(1,687)	(2,375)	35,465	(44,267)
Net other comprehensive loss that may be reclassified to profit or loss in subsequent periods	(239,816)	(290,730)	(129,489)	(263,901)
<i>Other comprehensive income (loss) that will not be reclassified to profit or loss in subsequent periods:</i>				
Changes in the fair value of equity instruments at fair value through other comprehensive income	345,631	(853,479)	(1,897,152)	(4,040,545)
Net other comprehensive income (loss) that will not be reclassified to profit or loss in subsequent periods	345,631	(853,479)	(1,897,152)	(4,040,545)
Other comprehensive income (loss)	105,815	(1,144,209)	(2,026,641)	(4,304,446)
Total comprehensive income for the period	4,417,031	1,941,329	10,605,317	3,765,110
Attributable to:				
Equity holders of the Parent Company	3,671,420	1,555,293	9,000,956	2,189,299
Non-controlling interests	745,611	386,036	1,604,361	1,575,811
	4,417,031	1,941,329	10,605,317	3,765,110

The attached notes 1 to 16 form a part of this interim condensed consolidated financial information.

Kuwait Investment Company K.S.C.P and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the period ended 30 June 2019

	Attributable to equity holders of the Parent Company										
	Share capital KD	Treasury shares KD	Statutory reserve KD	Voluntary reserve KD	Assets revaluation surplus KD	Fair value reserve KD	Foreign currency translation reserve KD	Retained earnings KD	Total KD	Non-controlling interests KD	Total equity KD
As at 1 January 2019	55,125,000	(734,629)	29,960,206	19,994,320	4,742,731	(6,511,141)	1,856,027	12,275,168	116,707,682	34,126,015	150,833,697
Profit for the period	-	-	-	-	-	-	-	11,042,826	11,042,826	1,589,132	12,631,958
Other comprehensive (loss) income for the period	-	-	-	-	-	(1,876,916)	(164,954)	-	(2,041,870)	15,229	(2,026,641)
Total comprehensive (loss) income for the period	-	-	-	-	-	(1,876,916)	(164,954)	11,042,826	9,000,956	1,604,361	10,605,317
Movement in non-controlling interests	-	-	-	-	-	-	-	-	-	(161,078)	(161,078)
Dividends to equity holders of the Parent Company (Note 15)	-	-	-	-	-	-	-	(5,479,884)	(5,479,884)	(883,946)	(5,479,884)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(883,946)	(883,946)
At 30 June 2019	55,125,000	(734,629)	29,960,206	19,994,320	4,742,731	(8,388,057)	1,691,073	17,838,110	120,228,754	34,685,352	154,914,106
As at 1 January 2018 before the adoption of IFRS 9 (Audited)	55,125,000	(734,629)	28,923,624	18,957,738	4,742,731	2,268,098	2,587,343	15,351,836	127,221,741	33,906,074	161,127,815
Transition adjustment on initial application of IFRS 9 at 1 January 2018	-	-	-	-	-	(1,727,011)	-	643,361	(1,083,650)	(263,067)	(1,346,717)
Adjusted balance as at 1 January 2018	55,125,000	(734,629)	28,923,624	18,957,738	4,742,731	541,087	2,587,343	15,995,197	126,138,091	33,643,007	159,781,098
Profit for the period	-	-	-	-	-	-	-	6,533,022	6,533,022	1,536,534	8,069,556
Other comprehensive (loss) income for the period	-	-	-	-	-	(4,124,089)	(219,634)	-	(4,343,723)	39,277	(4,304,446)
Total comprehensive (loss) income for the period	-	-	-	-	-	(4,124,089)	(219,634)	6,533,022	2,189,299	1,575,811	3,765,110
Non-controlling interests arising on business combination	-	-	-	-	-	-	-	-	-	411,838	411,838
Transfer of gain on disposal of equity investments at FVOCI to retained earnings	-	-	-	-	-	(23,728)	(556,230)	23,728	(556,230)	(73,801)	(630,031)
Liquidation of subsidiaries	-	-	-	-	-	-	-	-	-	-	-
Dividends paid to equity holders of the Parent Company (Note 15)	-	-	-	-	-	-	-	(10,959,768)	(10,959,768)	-	(10,959,768)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(1,237,510)	(1,237,510)
At 30 June 2018	55,125,000	(734,629)	28,923,624	18,957,738	4,742,731	(3,606,730)	1,811,479	11,592,179	116,811,392	34,319,345	151,130,737

The attached notes 1 to 16 form a part of this interim condensed consolidated financial information.

Kuwait Investment Company K.S.C.P and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(UNAUDITED)

For the period ended 30 June 2019

	Notes	Six months ended 30 June	
		2019 KD	2018 KD
OPERATING ACTIVITIES			
Profit for the period		12,631,958	8,069,556
<i>Adjustments to reconcile profit to net cash flows:</i>			
Depreciation of property and equipment and right-of-use assets		4,178,116	2,708,994
Release of allowance for credit losses		(66,041)	(151,247)
Dividend income	7	(3,021,830)	(2,843,652)
Finance income		(530,181)	(472,310)
Change in fair value of financial assets at fair value through profit or loss (net)	7	(7,095,998)	(1,740,556)
Gain on sale of financial assets at fair value through profit or loss	7	(1,058,373)	(487,797)
Gain on liquidation of subsidiaries		-	(556,230)
Gain on sale of investment property		(548,359)	-
Share of results of associates		(153,096)	14,391
Net foreign exchange differences		31,658	(145,808)
Finance costs		1,521,555	972,477
		5,889,409	5,367,818
<i>Changes in operating assets and liabilities:</i>			
Term deposits		1,678,972	915,268
Financial assets at fair value through profit or loss		1,513,456	3,937,976
Financial assets at amortised cost		-	446,684
Accounts receivable and other assets		(352,860)	2,528,747
Loans and advances		24,146	94,725
Accruals and other liabilities		(484,835)	(4,637,274)
Net cash flows from operating activities		8,268,288	8,653,944
INVESTING ACTIVITIES			
Acquisition of a subsidiary, net of cash acquired	3	(5,596,060)	(2,219,414)
Additions to property and equipment		(4,059,343)	(4,012,661)
Purchase of investment properties		(1,392,457)	-
Proceeds from disposal of investment properties		3,028,433	270,000
Proceeds from disposal of property and equipment		-	2,152,215
Purchase of financial assets at FVOCI		(163,690)	(120,700)
Proceeds from sale of financial assets at FVOCI		-	113,663
Dividend income received		3,021,830	3,029,603
Finance income received		584,124	662,401
Net cash flows used in investing activities		(4,577,163)	(124,893)
FINANCING ACTIVITIES			
Net movement in banks and customers' deposits		10,339,454	12,355,077
Finance costs paid		(1,553,612)	(963,329)
Payment of lease liabilities		(1,677,839)	-
Net movement in Islamic finance payables		(478,134)	(809,139)
Dividends paid to equity holders of the Parent Company		(5,380,468)	(10,737,837)
Dividends paid to non-controlling interests		(883,946)	(1,237,510)
Net movement in non-controlling interests		(161,078)	-
Net cash flows from (used in) financing activities		204,377	(1,392,738)
Effect of foreign currency translation adjustments		(807)	15,027
Net increase in cash and cash equivalents		3,894,695	7,151,340
Cash and cash equivalents at 1 January		13,332,508	18,830,206
CASH AND CASH EQUIVALENTS AT 30 JUNE	4	17,227,203	25,981,546
Non-cash items excluded from the interim condensed consolidated statement of cash flows:			
Transitional adjustment to lease liabilities on adoption of IFRS 16		12,140,782	-
Transitional adjustment to property and equipment on adoption of IFRS 16		(12,140,782)	-
Transitional adjustment to retained earnings on adoption of IFRS 9		-	1,346,717
Transitional adjustment to accounts receivable and other assets on adoption of IFRS 9		-	(1,346,717)

The attached notes 1 to 16 form a part of this interim condensed consolidated financial information.

Kuwait Investment Company K.S.C.P and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 June 2019

1. CORPORATE INFORMATION

The interim condensed consolidated financial information of Kuwait Investment Company K.S.C.P. (the "Parent Company") and its subsidiaries (collectively, the "Group") for the six months ended 30 June 2019 was authorised for issue in accordance with a resolution of the Board of Directors on 30 July 2019.

The Parent Company is a public shareholding company, incorporated and domiciled in the State of Kuwait, and whose shares are publicly traded in Boursa Kuwait. The Parent Company is regulated by the Central Bank of Kuwait (CBK) and Capital Markets Authority ("CMA") as an investment and finance company.

The registered office of the Parent Company is located at Souk Al Manakh Building, 5th Floor, Mubarak Al Kabeer Street, Sharq, Kuwait.

Kuwait Investment Authority ("KIA") is the ultimate parent of the Group. The Parent Company is principally engaged in investment and financial services. The principal activities of the Group are described in Note 13.

The shareholders of the Parent Company at the annual general assembly meeting ("AGM") held on 25 March 2019 approved the consolidated financial statements for the year ended 31 December 2018.

2. BASIS OF PREPARATION AND AND CHANGES TO THE GROUP'S ACCOUNTING POLICIES

2.1 Basis of preparation

The interim condensed consolidated financial information for the six months ended 30 June 2019 has been prepared in accordance with IAS 34 *Interim Financial Reporting*, except as noted below.

The interim condensed consolidated financial information for the six months ended 30 June 2019 is prepared in accordance with the regulations issued by the Central Bank of Kuwait ("CBK") for financial services institutions in the State of Kuwait. These regulations require the expected credit loss ("ECL") on credit facilities to be measured at the higher of the amount computed under IFRS 9 in accordance to the CBK guidelines or the provisions as required by CBK instructions; the consequent impact on related disclosures; and the adoption of all other requirements of International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board ("IASB") (collectively referred to as IFRS, as adopted for use by the State of Kuwait). The ECL on loans and advances computed under IFRS 9 in accordance with the CBK guidelines amounted to KD 19,028,214 as at 30 June 2019 (31 December 2018: KD 19,026,671), which is lower than the provision required by CBK instructions.

The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2018.

2.2. New standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2018, except for the adoption of new standards effective as of 1 January 2019. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The Group applies, for the first time, IFRS 16 *Leases* that requires restatement of previous financial statements. As required by IAS 34, the nature and effect of these changes are disclosed below.

Several other amendments and interpretations apply for the first time in 2019, but do not have an impact on the interim condensed consolidated financial information of the Group.

Kuwait Investment Company K.S.C.P and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 June 2019

2. BASIS OF PREPARATION AND AND CHANGES TO THE GROUP'S ACCOUNTING POLICIES (continued)

2.2.1. New standards, interpretations and amendments adopted by the Group (continued)

IFRS 16 Leases

IFRS 16 supersedes IAS 17 Leases, IFRIC 4 *Determining whether an Arrangement contains a Lease*, SIC-15 *Operating Leases-Incentives* and SIC-27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model.

Lessor accounting under IFRS 16 is substantially unchanged under IAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in IAS 17. Therefore, IFRS 16 did not have an impact for leases where the Group is the lessor.

The Group has applied IFRS 16 using the modified retrospective approach and therefore the comparative information has not been restated. Lease liabilities and right of use of assets were both recorded at the present value of future lease payments, thus no impact was recorded on the opening retained earnings. The Group elected to use the transition practical expedient allowing the standard to be applied only to contracts that were previously identified as leases applying IAS 17 and IFRIC 4 at the date of initial application. The Group also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option ('short-term leases'), and lease contracts for which the underlying asset is of low value ('low-value assets').

The effect of adoption IFRS 16 as at 1 January 2019 (increase/(decrease)) is as follows:

	<i>KD</i>
ASSETS	
Right-of-use assets	12,140,782
Total assets	<u>12,140,782</u>
LIABILITIES	
Lease liabilities	12,140,782
Total liabilities	<u>12,140,782</u>

a) **Nature of the effect of adoption of IFRS 16**

The Group has lease contracts for various items of plant, machinery, vehicles and other equipment. Before the adoption of IFRS 16, the Group classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease. A lease was classified as a finance lease if it transferred substantially all of the risks and rewards incidental to ownership of the leased asset to the Group; otherwise it was classified as an operating lease. Finance leases were capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments were apportioned between interest (recognised as finance costs) and reduction of the lease liability. In an operating lease, the leased property was not capitalised and the lease payments were recognised as rent expense in profit or loss on a straight-line basis over the lease term. Any prepaid rent and accrued rent were recognised under Prepayments and Trade and other payables, respectively. Upon adoption of IFRS 16, the Group applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The standard provides specific transition requirements and practical expedients, which has been applied by the Group.

Leases previously classified as finance leases

The Group did not change the initial carrying amounts of recognised assets and liabilities at the date of initial application for leases previously classified as finance leases (i.e., the right-of-use assets and lease liabilities equal the lease assets and liabilities recognised under IAS 17). The requirements of IFRS 16 was applied to these leases from 1 January 2019.

2. BASIS OF PREPARATION AND AND CHANGES TO THE GROUP'S ACCOUNTING POLICIES (continued)

2.2.1. New standards, interpretations and amendments adopted by the Group (continued)

a) Nature of the effect of adoption of IFRS 16 (continued)

Leases previously accounted for as operating leases

The Group recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets for most leases were recognised based on the carrying amount as if the standard had always been applied, apart from the use of incremental borrowing rate at the date of initial application. In some leases, the right-of-use assets were recognised based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognised. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

b) Summary of new accounting policies

Set out below are the new accounting policies of the Group upon adoption of IFRS 16, which have been applied from the date of initial application:

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value (i.e., below €5,000 (KD 1,500)). Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Significant judgement in determining the lease term of contracts with renewal options

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

Kuwait Investment Company K.S.C.P and its Subsidiaries

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As at and for the period ended 30 June 2019

2. BASIS OF PREPARATION AND AND CHANGES TO THE GROUP'S ACCOUNTING POLICIES (continued)

2.2.1. New standards, interpretations and amendments adopted by the Group (continued)

b) Summary of new accounting policies (continued)

Significant judgement in determining the lease term of contracts with renewal options (continued)

The Group has the option, under some of its leases to lease the assets for additional terms of three to five years. The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g., a change in business strategy).

The Group included the renewal period as part of the lease term for leases of plant and machinery due to the significance of these assets to its operations. These leases have a short non-cancellable period (i.e., three to five years) and there will be a significant negative effect on production if a replacement is not readily available. The renewal options for leases of motor vehicles were not included as part of the lease term because the Group has a policy of leasing motor vehicles for not more than five years and, hence, not exercising any renewal options.

c) Amounts recognised in the statement of financial position and profit or loss

Set out below, are the carrying amounts of the Group's right-of-use assets and lease liabilities and the movements during the period:

	<i>Right-of-use assets KD</i>	<i>Lease liabilities KD</i>
As at 1 January 2019	12,140,782	12,140,782
Reversal of accruals	(1,112,037)	-
Depreciation expense	(1,051,001)	-
Finance costs	-	149,304
Payments	-	(1,677,839)
As at 30 June 2019	<u>9,977,744</u>	<u>10,612,247</u>

The Group has discounted its future lease obligations using its incremental borrowing rate which is determined at 4% at the reporting date.

Set out below, are the amounts recognised in profit or loss:

	<i>Six months ended 30 June 2019 KD</i>
Depreciation expense on right-of-use assets	1,051,001
Finance costs on lease liabilities	149,304
Total amounts recognised in profit or loss	<u>1,200,305</u>

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3. BUSINESS COMBINATIONS

Acquisition of Cubeb S.A.R.L.

On 28 June 2019, the Parent Company, through a wholly owned special purpose entity Hydon S.A.R.L., acquired 100% equity interest in Cubeb S.A.R.L., a private company holding ownership in a commercial property domiciled in Dusseidorf, Federal Republic of Germany. The acquisition has been accounted for using the acquisition method.

The consideration paid and the provisional values of the assets acquired and liabilities assumed, are equivalent to their carrying values at the acquisition date, and are summarised as follows:

	<i>Carrying values on acquisition KD</i>
ASSETS	
Other assets	44,585
Investment property	14,131,946
Total assets	14,176,531
LIABILITIES	
Term loans	8,272,358
Total liabilities	8,272,358
Equity	5,904,173
Total identifiable net assets acquired	5,904,173
Purchase consideration	5,904,173
Provisional goodwill on acquisition	-
<i>Analysis of cash flows on acquisition:</i>	
Cash paid	5,596,060

Term loans of KD 8,272,358 was availed from a local bank in the Federal Republic of Germany for a period of 5 years with an interest rate of 1.17% per annum.

Included within "Accounts payable and other liabilities" in the interim condensed consolidated financial position a purchase consideration payable of KD 308,113.

The initial accounting for the business combination is provisional and will be adjusted retrospectively when the final purchase price allocation is completed within 12 months from the acquisition date as allowed by IFRS 3.

Information on prior year acquisition (Dalon S.A.R.L.)

On 28 March 2018, the Parent Company, through a wholly owned special purpose entity, acquired 86.8% equity interest in Dalon S.A.R.L., a private company holding ownership in a commercial property domiciled in the City of Frankfurt, Federal Republic of Germany. The acquisition has been accounted for using the acquisition method.

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3. BUSINESS COMBINATIONS (continued)

Information on prior year acquisition (Dalon S.A.R.L.) (continued)

The consideration paid and the fair values of the assets acquired and liabilities assumed, are equivalent to their carrying values at the acquisition date, and are summarised as follows:

	<i>Carrying values on acquisition KD</i>
ASSETS	
Cash and cash equivalents	215,702
Accounts receivable and other assets	313,026
Investment property	6,577,399
Total assets	7,106,127
LIABILITIES	
Accruals payable and other liabilities	236,009
Term loans	4,064,685
Total liabilities	4,300,694
Equity	2,805,433
Less : Non-controlling interests	(370,317)
Total identifiable net assets acquired	2,435,116
Purchase consideration transferred	2,435,116
Goodwill on acquisition	-
<i>Analysis of cash flows on acquisition:</i>	
Net cash acquired with the subsidiary (included in cash flows from investing activities)	215,702
Cash paid	(2,435,116)
Net cash flow on acquisition of a subsidiary	(2,219,414)

4. CASH AND CASH EQUIVALENTS

For the purpose of the interim condensed consolidated statement of cash flows, cash and cash equivalents are comprised of the following:

	<i>30 June 2019 KD</i>	<i>(Audited) 31 December 2018 KD</i>	<i>30 June 2018 KD</i>
Cash at banks, in portfolios and on hand	11,154,471	8,219,299	18,911,245
Placements maturing within three months	6,072,732	5,113,209	7,070,301
Total cash and cash equivalents	17,227,203	13,332,508	25,981,546

Short-term deposits are made for varying periods between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at an average effective interest rate of 2.72% (31 December 2018: 2.6% and 30 June 2018: 2.12%) per annum.

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5. INVESTMENT SECURITIES

	<i>30 June</i> <i>2019</i> <i>KD</i>	<i>(Audited)</i> <i>31 December</i> <i>2018</i> <i>KD</i>	<i>30 June</i> <i>2018</i> <i>KD</i>
Debts instruments at amortised cost	3,001,185	3,002,670	2,999,613
Equity instruments designated at FVOCI	21,009,852	22,995,014	25,302,714
Financial assets at FVTPL	104,895,830	98,254,916	94,185,214
	<u>128,906,867</u>	<u>124,252,600</u>	<u>122,487,541</u>

Debt instruments at amortised cost represent unquoted bonds denominated in US Dollars ("USD"), with an effective interest rate of 6% (31 December 2018: 6% and 30 June 2018: ranging from 1.75% to 7%) per annum.

6. TREASURY SHARES

	<i>30 June</i> <i>2019</i>	<i>(Audited)</i> <i>31 December</i> <i>2018</i>	<i>30 June</i> <i>2018</i>
Number of shares	3,261,581	3,261,581	3,261,581
Percentage of issued shares	0.5917%	0.5917%	0.5917%
Cost ("KD")	734,629	734,629	734,629
Market value ("KD")	394,651	420,744	375,082

Reserves equivalent to the cost of the treasury shares held are not available for distribution during the holding period of such shares as per CMA guidelines.

7. NET INVESTMENT INCOME ON FINANCIAL ASSETS

	<i>Three months ended</i> <i>30 June</i>		<i>Six months ended</i> <i>30 June</i>	
	<i>2019</i> <i>KD</i>	<i>2018</i> <i>KD</i>	<i>2019</i> <i>KD</i>	<i>2018</i> <i>KD</i>
Dividend income	2,805,763	2,273,334	3,021,830	2,843,652
Change in fair value of financial assets at fair value through profit or loss	(192,907)	291,693	7,095,998	1,740,556
Gain (loss) on sale of financial assets at fair value through profit or loss	680,709	(42,457)	1,058,373	487,797
	<u>3,293,565</u>	<u>2,522,570</u>	<u>11,176,201</u>	<u>5,072,005</u>

8. OTHER INCOME

Other income for the prior period includes an amount of KD 1,237,400 representing gain recognised on extinguishment of debt between a subsidiary and a local financial institution.

Kuwait Investment Company K.S.C.P and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 June 2019

9. EARNINGS PER SHARE (EPS)

Basic EPS amounts are calculated by dividing the profit for the period attributable to ordinary equity holders of the Parent Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is calculated by dividing the profit attributable to ordinary equity holders of the Parent Company by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares. As there are no dilutive instruments outstanding, basic and diluted earnings per share are identical.

	<i>Three months ended</i>		<i>Six months ended</i>	
	<i>30 June</i>		<i>30 June</i>	
	<i>2019</i>	<i>2018</i>	<i>2019</i>	<i>2018</i>
Profit for the period attributable to equity holders of the Parent Company (KD)	<u>3,487,262</u>	<u>2,719,747</u>	<u>11,042,826</u>	<u>6,533,022</u>
Weighted average number of shares outstanding (shares)	<u>547,988,419</u>	<u>547,988,419</u>	<u>547,988,419</u>	<u>547,988,419</u>
Basic and diluted EPS (fils)	<u>6.36</u>	<u>4.96</u>	<u>20.15</u>	<u>11.92</u>

* The weighted average number of shares takes into account the weighted average effect of changes in treasury shares during the period.

There have been no transactions involving ordinary shares between the reporting date and the date of authorisation of this interim condensed consolidated financial information which would require the restatement of EPS.

10. FIDUCIARY ASSETS

The Group manages investment portfolios on behalf of KIA, government agencies and financial institutions. The total carrying value of these portfolios as at 30 June 2019 amounted to KD 2.064 billion (31 December 2018: KD 1.933 billion and 30 June 2018: KD 1.914 billion) which are not reflected in the interim condensed consolidated financial information.

The portfolios have no recourse to the general assets of the Group. The Group makes investment decisions in line with the respective agreements.

Income earned from the above fiduciary assets amounted to KD 3,311,280 for the six-month period ended 30 June 2019 (For the year ended 31 December 2018: KD 6,427,912 and for the six-month period ended 30 June 2018: KD 3,279,726).

Kuwait Investment Company K.S.C.P and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 June 2019

11. RELATED PARTY DISCLOSURES

Related parties represent the i.e. major shareholders, associates, directors and key management personnel of the Group, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Parent Company's management and are subject to the approval of the shareholders at the annual general assembly meeting (AGM).

The following table provides the total amount of transactions that have been entered into with related parties during the six months 30 June 2019 and 2018, as well as balances with related parties as at 30 June 2019, 31 December 2018 and 30 June 2018.

	<i>30 June</i> <i>2019</i> <i>KD</i>	<i>(Audited)</i> <i>31 December</i> <i>2018</i> <i>KD</i>	<i>30 June</i> <i>2018</i> <i>KD</i>
Statement of financial position:			
Deposits from customers	44,905,762	41,868,084	44,642,022
Accounts payable and other liabilities	185,449	193,739	147,984

Transactions carried out with related parties during the period were as follows:

	<i>Three months ended</i> <i>30 June</i>		<i>Six months ended</i> <i>30 June</i>	
	<i>2019</i> <i>KD</i>	<i>2018</i> <i>KD</i>	<i>2019</i> <i>KD</i>	<i>2018</i> <i>KD</i>
Interim condensed consolidated statement of profit or loss:				
Management fees and commission income	906,664	761,070	1,716,664	1,468,320
Finance costs	(275,611)	(191,166)	(571,651)	(340,139)

Key management personnel

Key management personnel comprise of the Board of Directors and key members of management having authority and responsibility for planning, directing and controlling the activities of the Group.

The aggregate value of transactions related to key management personnel were, as follows:

	<i>Three months ended</i> <i>30 June</i>		<i>Six months ended</i> <i>30 June</i>	
	<i>2019</i> <i>KD</i>	<i>2018</i> <i>KD</i>	<i>2019</i> <i>KD</i>	<i>2018</i> <i>KD</i>
<i>Key management personnel compensation</i>				
Salaries and other short-term benefits	(165,126)	(165,413)	(308,469)	(329,636)
Post-employment benefits	(8,948)	(21,302)	(28,578)	(42,144)
	<u>(174,074)</u>	<u>(186,715)</u>	<u>(337,047)</u>	<u>(371,780)</u>

The Board of Directors in their meeting held on 17 February 2019 proposed directors' remuneration of KD 95,000 for the year ended 31 December 2018. This proposal was approved by the shareholders at the AGM held on 25 March 2019.

Kuwait Investment Company K.S.C.P and its Subsidiaries

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12. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Set out below, is an overview of financial assets, other than cash and short-term deposits, held by the Group as at 30 June 2019, 31 December 2018 and 30 June 2018:

	<i>30 June</i> <i>2019</i> <i>KD</i>	<i>(Audited)</i> <i>31 December</i> <i>2018</i> <i>KD</i>	<i>30 June</i> <i>2018</i> <i>KD</i>
Debt instruments at amortised cost:			
Accounts receivable and other assets	16,412,733	15,869,232	15,742,530
Wakala receivables	2,230,086	2,186,779	2,144,313
Loans and advances	2,851,125	2,852,537	2,847,834
Bonds	3,001,185	3,002,670	2,999,613
	<u>24,495,129</u>	<u>23,911,218</u>	<u>23,734,290</u>
Financial assets at FVTPL:			
Quoted equity securities	13,966,113	13,660,427	14,940,116
Unquoted equity securities	23,948,123	23,160,969	19,831,173
Unquoted funds	66,981,594	61,433,520	58,553,482
Unquoted bonds	-	-	860,443
	<u>104,895,830</u>	<u>98,254,916</u>	<u>94,185,214</u>
Financial assets at FVOCI:			
Quoted equity securities	1,098,581	932,552	1,099,553
Unquoted equity securities	19,911,271	22,062,462	24,203,161
	<u>21,009,852</u>	<u>22,995,014</u>	<u>25,302,714</u>
Total	<u>150,400,811</u>	<u>145,161,148</u>	<u>143,222,218</u>

Set out below is an overview of financial liabilities, held by the Group as at 30 June 2019, 31 December 2018 and 30 June 2018:

	<i>30 June</i> <i>2019</i> <i>KD</i>	<i>(Audited)</i> <i>31 December</i> <i>2018</i> <i>KD</i>	<i>30 June</i> <i>2018</i> <i>KD</i>
Financial liabilities at amortised cost:			
Deposits from banks and customers	83,653,767	73,308,285	85,287,732
Islamic finance payables	8,794,694	9,272,828	12,067,644
Accounts payable and other liabilities	14,537,513	15,884,078	13,779,786
Term loans	12,063,856	3,813,724	4,044,547
Total	<u>119,049,830</u>	<u>102,278,915</u>	<u>115,179,709</u>

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12. FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

Fair values

The following table provides the fair value measurement hierarchy of the Group's financial instruments as at 30 June 2019, 31 December 2018 and 30 June 2018.

<i>As at 30 June 2019</i>	Fair value measurement using			
	<i>Total KD</i>	<i>Quoted prices in active markets (Level 1) KD</i>	<i>Significant observable inputs (Level 2) KD</i>	<i>Significant unobservable inputs (Level 3) KD</i>
Financial assets at FVTPL:				
Quoted equity securities	13,966,113	13,966,113	-	-
Unquoted equity securities	23,948,123	-	-	23,948,123
Unquoted funds	66,981,594	-	66,981,594	-
	<u>104,895,830</u>	<u>13,966,113</u>	<u>66,981,594</u>	<u>23,948,123</u>
Financial assets at FVOCI:				
Quoted equity securities	1,098,581	1,098,581	-	-
Unquoted equity securities	19,911,271	-	-	19,911,271
	<u>21,009,852</u>	<u>1,098,581</u>	<u>-</u>	<u>19,911,271</u>
<i>As at 31 December 2018 (Audited)</i>	Fair value measurement using			
<i>Total KD</i>	<i>Quoted prices in active markets (Level 1) KD</i>	<i>Significant observable inputs (Level 2) KD</i>	<i>Significant unobservable inputs (Level 3) KD</i>	
Financial assets at FVTPL:				
Quoted equity securities	13,660,427	13,660,427	-	-
Unquoted equity securities	23,160,969	-	-	23,160,969
Unquoted funds	61,433,520	-	61,433,520	-
	<u>98,254,916</u>	<u>13,660,427</u>	<u>61,433,520</u>	<u>23,160,969</u>
Financial assets at FVOCI:				
Quoted equity securities	932,552	932,552	-	-
Unquoted equity securities	22,062,462	-	-	22,062,462
	<u>22,995,014</u>	<u>932,552</u>	<u>-</u>	<u>22,062,462</u>

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12. FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

	Fair value measurement using			
		Quoted prices in active markets (Level 1) KD	Significant observable inputs (Level 2) KD	Significant unobservable inputs (Level 3) KD
<i>As at 30 June 2018</i>				
Financial assets at FVTPL:				
Quoted equity securities	14,940,116	14,940,116	-	-
Unquoted equity securities	19,831,173	-	-	19,831,173
Unquoted funds	58,553,482	-	58,553,482	-
Unquoted bonds	860,443	-	-	860,443
	<u>94,185,214</u>	<u>14,940,116</u>	<u>58,553,482</u>	<u>20,691,616</u>
Financial assets at FVOCI:				
Quoted equity securities	1,099,553	1,099,553	-	-
Unquoted equity securities	24,203,161	-	-	24,203,161
	<u>25,302,714</u>	<u>1,099,553</u>	<u>-</u>	<u>24,203,161</u>

The management assessed that the fair values of cash and cash equivalents, term deposits, accounts receivable and other assets, wakala receivables, loans and advances, deposits from banks and customers, Islamic finance payables, trade payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

Reconciliation of recurring fair value measurements categorised within Level 3 of the fair value hierarchy:

	Non-listed equity investments		
	Financial assets at FVOCI KD	Financial assets at FVTPL KD	Total KD
<i>30 June 2019</i>			
As at 1 January 2019	22,062,462	23,160,969	45,223,431
Remeasurement recognised in OCI	(2,314,881)	-	(2,314,881)
Remeasurement recognised in profit or loss	-	371,002	371,002
Purchases / sales (net)	163,690	416,152	579,842
As at 30 June 2019	<u>19,911,271</u>	<u>23,948,123</u>	<u>43,859,394</u>

	Non-listed equity investments		
	Financial assets at FVOCI KD	Financial assets at FVTPL KD	Total KD
<i>31 December 2018</i>			
As at 1 January 2018	42,460,174	1,265,394	43,725,568
IFRS 9 transition adjustment	(16,111,916)	17,238,000	1,126,084
Remeasurement recognised in OCI	(4,359,796)	-	(4,359,796)
Remeasurement recognised in profit or loss	-	4,657,575	4,657,575
Purchases / sales (net)	74,000	-	74,000
As at 31 December 2018	<u>22,062,462</u>	<u>23,160,969</u>	<u>45,223,431</u>

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12. FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

Reconciliation of recurring fair value measurements categorised within Level 3 of the fair value hierarchy: (continued)

<i>30 June 2018</i>	<i>Financial assets at FVOCI KD</i>	<i>Financial assets at FVTPL KD</i>	<i>Total KD</i>
As at 1 January 2018	42,460,174	1,265,394	43,725,568
IFRS 9 transition adjustment	(16,111,916)	17,238,000	1,126,084
Remeasurement recognised in OCI	(2,223,097)	-	(2,223,097)
Remeasurement recognised in profit or loss	-	2,188,222	2,188,222
Purchases / sales (net)	78,000	-	78,000
As at 30 June 2018	<u>24,203,161</u>	<u>20,691,616</u>	<u>44,894,777</u>

There were no transfers between Level 1 and Level 2 fair value measurements during the period/ year, and no transfers into or out of Level 3 fair value measurements during the period/ year.

Fair value hierarchy

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole, as follows:

- ▶ Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- ▶ Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- ▶ Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

There were no changes in the Group's valuation processes, valuation techniques, and types of inputs used in the fair value measurements during the period.

Set out below are the significant unobservable inputs to valuation of the non-listed equity investments as at 30 June 2019:

Significant unobservable valuation inputs	Range	Sensitivity of the input to fair value
Discount for lack of marketability (DLOM)	20% - 30%	10% increase (decrease) in the discount would decrease (increase) the fair value by KD 358,348.

The discount for lack of marketability represents the amounts that the Group has determined that market participants would take into account when pricing the investments.

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13. SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on its products and services and has four reportable segments, as follows:

- ▶ **Asset Management:** Consists of quoted securities trading and management of funds and portfolios
- ▶ **Direct Investments and Corporate Finance (DICF):** Consists of managing subsidiaries, associates, long term strategic investments , lending , real estate and rental activities
- ▶ **Treasury:** Consists of foreign exchange contracts and money market activities
- ▶ **Other operations:** Management and support activities

The Executive Management Committee is the Chief Operating Decision Maker (CODM) and monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements.

The following tables present revenue and profit information for the Group's operating segments for the six months ended 30 June 2019 and 2018, respectively:

<i>Six months ended 30 June 2019</i>	<i>Asset management KD</i>	<i>DICF KD</i>	<i>Treasury KD</i>	<i>Other operations KD</i>	<i>Total KD</i>
Segment income	11,701,399	4,850,637	1,754,318	3,036,856	21,343,210
Segment expenses	(1,998,920)	(3,326,161)	(1,255,478)	(2,130,693)	(8,711,252)
Segment results	9,702,479	1,524,476	498,840	906,163	12,631,958
<i>Six months ended 30 June 2018</i>	<i>Asset management KD</i>	<i>DICF KD</i>	<i>Treasury KD</i>	<i>Other operations KD</i>	<i>Total KD</i>
Segment income	6,769,431	4,113,599	1,391,975	3,369,813	15,644,818
Segment expenses	(1,711,279)	(2,348,741)	(823,979)	(2,691,263)	(7,575,262)
Segment results	5,058,152	1,764,858	567,996	678,550	8,069,556

The following table presents assets and liabilities information for the Group's operating segments as at 30 June 2019, 31 December 2018 and 30 June 2018, respectively:

	<i>Asset management KD</i>	<i>DICF KD</i>	<i>Treasury KD</i>	<i>Other operations KD</i>	<i>Total KD</i>
ASSETS					
30 June 2019	81,877,337	132,616,766	3,023,694	67,058,386	284,576,183
31 December 2018	75,210,647	118,894,371	3,025,190	55,982,404	253,112,612
30 June 2018	75,495,775	113,429,403	15,415,748	61,969,520	266,310,446
LIABILITIES					
30 June 2019	132,463	31,470,797	86,368,678	11,690,139	129,662,077
31 December 2018	80,253	13,086,552	76,056,213	13,055,897	102,278,915
30 June 2018	80,615	370,678	87,112,592	27,615,824	115,179,709

Kuwait Investment Company K.S.C.P and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 June 2019

13. SEGMENT INFORMATION (continued)

The geographical analysis of the Group analyses the Group's income and assets by the Company's country of domicile and other countries. In presenting the geographical information, segment income has been based on the geographical location from which income is derived and segment assets were based on the geographic location of assets.

<i>30 June 2019</i>	<i>Revenue KD</i>	<i>Assets KD</i>	<i>Capital expenditures KD</i>
Kuwait	17,328,421	182,799,514	5,451,800
Other GCC countries	469,154	48,774,630	-
Other Middle East and North Africa (MENA)	50,438	2,435,559	-
Europe	2,446,359	38,827,090	-
Americas	813,558	6,435,988	-
Asia	235,280	5,303,402	-
	<u>21,343,210</u>	<u>284,576,183</u>	<u>5,451,800</u>

<i>31 December 2018</i>	<i>Revenue KD</i>	<i>Assets KD</i>	<i>Capital expenditures KD</i>
Kuwait	28,935,836	156,600,650	8,102,788
Other GCC countries	(1,171,690)	62,478,483	-
Other Middle East and North Africa (MENA)	668,770	2,385,333	-
Europe	(399,181)	21,982,723	-
Americas	152,997	4,838,825	-
Asia	32,330	4,826,598	-
	<u>28,219,062</u>	<u>253,112,612</u>	<u>8,102,788</u>

<i>30 June 2018</i>	<i>Revenue KD</i>	<i>Assets KD</i>	<i>Capital expenditures KD</i>
Kuwait	14,673,683	161,911,787	4,012,661
Other GCC countries	(366,272)	55,469,790	-
Other Middle East and North Africa (MENA)	312,276	2,001,985	-
Europe	735,595	24,089,700	-
Americas	400,204	18,129,241	-
Asia	(110,668)	4,707,943	-
	<u>15,644,818</u>	<u>266,310,446</u>	<u>4,012,661</u>

14. CONTINGENT LIABILITIES AND COMMITMENTS

	<i>30 June 2019 KD</i>	<i>(Audited) 31 December 2018 KD</i>	<i>30 June 2018 KD</i>
Operating lease commitments	-	10,008,300	10,008,300
Investment commitments	<u>74,287</u>	<u>74,324</u>	<u>74,324</u>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL
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As at and for the period ended 30 June 2019

15. DISTRIBUTIONS MADE AND PROPOSED

- † The Parent Company's Board of Directors in their meeting held on 17 February 2019 proposed cash dividends of 10 fils per share (aggregating to KD 5,479,884) for the year ended 31 December 2018. This proposal has been approved by the shareholders at the AGM on 25 March 2019.
- † The Parent Company's Board of Directors in their meeting held on 8 February 2018 proposed cash dividends of 20 fils per share (aggregating to KD 10,959,768) for the year ended 31 December 2017. This proposal has been approved by the shareholders at the AGM on 18 April 2018.

16. SUBSEQUENT EVENT

On 21 July 2019, the Group entered into a transaction to buy an investment property in the Federal Republic of Germany amounting to KD 9 million through a wholly owned newly established subsidiary. The purchase of the property is partly financed by a term loan amounting to KD 5 million.

