

**KUWAIT INVESTMENT COMPANY - K.S.C. (PUBLIC) AND ITS SUBSIDIARIES
STATE OF KUWAIT
INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
FOR THE FINANCIAL PERIOD ENDED MARCH 31, 2021
(UNAUDITED)
WITH
REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION**

KUWAIT INVESTMENT COMPANY - K.S.C. (PUBLIC) AND ITS SUBSIDIARIES
STATE OF KUWAIT

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REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

The Board of Directors
Kuwait Investment Company - K.S.C. (Public)
State of Kuwait

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Al Kuwait Investment Company - K.S.C. (Public) (the "Parent Company") and its subsidiaries (the Group) as at March 31, 2021 and the related interim condensed consolidated statements of profit or loss, profit or loss and other comprehensive income, changes in equity and cash flows for the three months 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 International Accounting Standard 34, 'Interim Financial Reporting'. 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 International Accounting Standard 34.

Other Matter

The consolidated financial statements of the Group for the year ended December 31, 2020 and the interim condensed consolidated financial information for the period ended March 31, 2020 have been audited and reviewed, respectively by another auditor who expressed an unmodified opinion and conclusion on those consolidated financial statements and interim condensed consolidated financial information on February 21, 2021 and August 11, 2020 respectively.

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 and its Executive Regulations, as amended or by the Parent Company's Memorandum of Incorporation and Articles of Association, as amended during the three months period ended March 31, 2021, that might have had a material effect on the Parent Company's financial position or result of its operations.

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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 organization 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 three months period ended March 31, 2021, that might have had a material effect on the business of the Parent Company or on its financial position.

State of Kuwait
May 4, 2021


A blue ink signature, appearing to be "Dr. Shuaib A. Shuaib", written over a horizontal line.

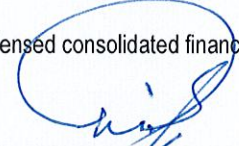
Dr. Shuaib A. Shuaib
License No. 33-A
RSM Albazie & Co.

KUWAIT INVESTMENT COMPANY - K.S.C. (PUBLIC) AND ITS SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)
AS OF MARCH 31, 2021
 (All amounts are in Kuwaiti Dinars)

	Note	March 31, 2021	December 31, 2020 (Audited)	March 31, 2020
ASSETS				
Cash and cash equivalents	3	22,686,988	19,252,073	30,186,734
Term deposits		10,412,536	11,738,183	15,906,747
Accounts receivable and other assets		15,401,825	15,269,603	14,493,576
Loans and advances		3,194,476	3,221,003	2,901,912
Investment in securities	4	131,329,856	127,105,503	107,718,963
Investment in associates		12,580,207	12,906,253	12,255,573
Investment properties		25,898,239	27,198,847	24,976,749
Intangible assets		11,042,602	11,042,602	11,042,602
Property and equipment		24,940,590	24,062,357	26,283,473
Right-of-use assets		6,335,475	6,860,919	8,401,244
Total assets		263,822,794	258,657,343	254,167,573
LIABILITIES AND EQUITY				
Liabilities:				
Deposits from banks and customers		80,506,043	82,446,882	88,359,502
Islamic finance payables		10,529,746	9,877,495	9,304,664
Accounts payable and other liabilities		21,331,412	16,601,326	24,392,681
Term loans		3,893,384	4,099,304	3,740,922
Lease liabilities		6,037,325	8,290,366	9,139,997
Total liabilities		122,297,910	121,315,373	134,937,766
Equity:				
Share capital		55,125,000	55,125,000	55,125,000
Treasury shares	5	(734,629)	(734,629)	(734,629)
Statutory reserve		31,805,102	31,805,102	31,805,102
Voluntary reserve		21,839,216	21,839,216	21,839,216
Revaluation surplus of an associate		2,201,652	2,260,091	2,260,091
Fair value reserve		(11,358,561)	(11,716,027)	(12,693,528)
Foreign currency translation reserve		1,744,985	2,008,703	2,277,139
Retained earnings (Accumulated losses)		9,087,879	5,291,809	(14,284,862)
Equity attributable to shareholders of the Parent Company		109,710,644	105,879,265	85,593,529
Non-controlling interests		31,814,240	31,462,705	33,636,278
Total equity		141,524,884	137,341,970	119,229,807
Total liabilities and equity		263,822,794	258,657,343	254,167,573

The accompanying notes from (1) to (15) form an integral part of the interim condensed consolidated financial information.


 Dr. Yousef M. Al Ali
 Chairman


 Bader N. AlSubaiee
 Chief Executive Officer



KUWAIT INVESTMENT COMPANY - K.S.C. (PUBLIC) AND ITS SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UNAUDITED)
FOR THE FINANCIAL PERIOD ENDED MARCH 31, 2021

(All amounts are in Kuwaiti Dinars)

	Note	For the three months ended	
		March 31,	
		2021	2020
Operating revenue:			
Net fee and commission income		1,943,577	1,975,994
Rental income		1,606,434	1,157,384
Net allowance of expected credit losses		183,956	(30,819)
Net investment income (loss)	6	3,541,738	(21,683,238)
Group's share of results from associates		(72,142)	(24,413)
Gain on sale of investment properties		150,000	-
Gain on derecognition of a subsidiary		-	109,443
Foreign exchange losses		(43,020)	(1,328,957)
		<u>7,310,543</u>	<u>(19,824,606)</u>
Operating expenses:			
General and administrative expenses		(2,990,377)	(2,967,000)
Impairment loss of non-financial assets		-	(4,107,166)
		<u>(2,990,377)</u>	<u>(7,074,166)</u>
Profit (loss) from operations		4,320,166	(26,898,772)
Finance cost		(449,721)	(628,441)
Finance income		104,245	311,290
Other income		32,336	62,125
Profit (loss) for the period before contribution to Kuwait			
Foundation for Advancement of Sciences (KFAS), National			
Labor Support Tax (NLST) and Zakat		4,007,026	(27,153,798)
Contribution to KFAS		(32,665)	-
Contribution to NLST		(92,000)	-
Contribution to Zakat		(29,335)	-
Profit (loss) for the period		<u>3,853,026</u>	<u>(27,153,798)</u>
Attributable to:			
Shareholders of the Parent Company		3,538,609	(27,088,592)
Non-controlling interests		314,417	(65,206)
		<u>3,853,026</u>	<u>(27,153,798)</u>
Basic and diluted earnings (loss) per share attributable to shareholders of the Parent Company (Fils)	7	<u>6.46</u>	<u>(49.43)</u>

The accompanying notes from (1) to (15) form an integral part of the interim condensed consolidated financial information.

KUWAIT INVESTMENT COMPANY - K.S.C. (PUBLIC) AND ITS SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE
INCOME (UNAUDITED)
FOR THE FINANCIAL PERIOD ENDED MARCH 31, 2021
(All amounts are in Kuwaiti Dinars)

	For the three months ended March 31,	
	<u>2021</u>	<u>2020</u>
Profit (loss) for the period	<u>3,853,026</u>	<u>(27,153,798)</u>
Other comprehensive income (loss):		
<u>Items that may be reclassified subsequently to consolidated statement of profit or loss</u>		
Exchange differences on translating foreign operations	(263,718)	1,045,859
Group's share of other comprehensive (loss) income from associates	(40,610)	3,686
<u>Item that will not be reclassified subsequently to consolidated statement of profit or loss</u>		
Revaluation reserve of associates	(58,439)	-
Changes in fair value of financial assets at FVOCI	692,655	(5,960,004)
Other comprehensive income (loss) for the period	<u>329,888</u>	<u>(4,910,459)</u>
Total comprehensive income (loss) for the period	<u>4,182,914</u>	<u>(32,064,257)</u>
Attributable to:		
Shareholders of the Parent Company	3,831,379	(31,946,083)
Non-controlling interests	351,535	(118,174)
	<u>4,182,914</u>	<u>(32,064,257)</u>

The accompanying notes from (1) to (15) form an integral part of the interim condensed consolidated financial information.

KUWAIT INVESTMENT COMPANY - K.S.C. (PUBLIC) AND ITS SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE FINANCIAL PERIOD ENDED MARCH 31, 2021

(All amounts are in Kuwaiti Dinars)

	Equity attributable to shareholders of the Parent Company							Retained Earnings (Accumulated losses)	Sub-total	Non-controlling interests	Total
	Share capital	Treasury shares	Statutory reserve	Voluntary reserve	Revaluation surplus of an associate	Fair value reserve	Foreign currency translation reserve				
Balance as of January 1, 2021	55,125,000	(734,629)	31,805,102	21,839,216	2,260,091	(11,716,027)	2,008,703	5,291,809	105,879,265	31,462,705	137,341,970
Profit for the period	-	-	-	-	-	-	-	3,538,609	3,538,609	314,417	3,853,026
Other comprehensive (loss) income for the period	-	-	-	-	(58,439)	614,927	(263,718)	-	292,770	37,118	329,888
Total comprehensive (loss) income for the period	-	-	-	-	(58,439)	614,927	(263,718)	3,538,609	3,831,379	351,535	4,182,914
Effect of disposal of financial assets at FVOCI	-	-	-	-	-	(257,461)	-	257,461	-	-	-
Balance as of March 31, 2021	55,125,000	(734,629)	31,805,102	21,839,216	2,201,652	(11,358,561)	1,744,985	9,087,879	109,710,644	31,814,240	141,524,884
Balance as of January 1, 2020	55,125,000	(734,629)	31,805,102	21,839,216	2,260,091	(6,886,532)	1,231,280	21,072,696	125,712,224	34,762,164	160,474,388
Loss for the period	-	-	-	-	-	-	-	(27,088,592)	(27,088,592)	(65,206)	(27,153,798)
Other comprehensive (loss) income for the period	-	-	-	-	-	(5,903,350)	1,045,859	-	(4,857,491)	(52,968)	(4,910,459)
Total comprehensive (loss) income for the period	-	-	-	-	-	(5,903,350)	1,045,859	(27,088,592)	(31,946,083)	(118,174)	(32,064,257)
Effect of disposal of financial assets at FVOCI	-	-	-	-	-	96,354	-	(49,140)	47,214	(47,214)	-
Cash dividends – 15% (Note 13)	-	-	-	-	-	-	-	(8,219,826)	(8,219,826)	-	(8,219,826)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(960,498)	(960,498)
Balance as of March 31, 2020	55,125,000	(734,629)	31,805,102	21,839,216	2,260,091	(12,693,528)	2,277,139	(14,284,862)	85,593,529	33,636,278	119,229,807

The accompanying notes from (1) to (15) form an integral part of the interim condensed consolidated financial information.

KUWAIT INVESTMENT COMPANY - K.S.C. (PUBLIC) AND ITS SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE FINANCIAL PERIOD ENDED MARCH 31, 2021

(All amounts are in Kuwaiti Dinars)

	For the three months ended March 31,	
	2021	2020
Cash flows from operating activities:		
Profit (loss) for the period	4,007,026	(27,153,798)
Adjustments for:		
Net allowance of expected credit losses	(183,956)	30,819
Net investment (income) loss	(3,541,738)	21,683,238
Group's share of results from associates	72,142	24,413
Gain on sale of investment properties	(150,000)	-
Depreciation and amortization	1,948,788	2,071,301
Gain on derecognition of a subsidiary	-	(109,443)
Foreign exchange loss	43,020	1,328,957
Impairment loss of non-financial assets	-	4,107,166
Finance cost	449,721	628,441
Finance income	(104,245)	(311,290)
	<u>2,540,758</u>	<u>2,299,804</u>
Changes in operating assets and liabilities:		
Term deposits	1,325,647	938,191
Financial assets at fair value through profit or loss ("FVTPL")	(1,137,004)	(1,812,316)
Accounts receivable and other assets	193,804	2,156,327
Accounts payable and other liabilities	4,801,977	(1,313,755)
Net cash flows generated from operating activities	<u>7,725,182</u>	<u>2,268,251</u>
Cash flows from investing activities:		
Net movement in financial assets at FVOCI	417,436	(461,468)
Net movement in property and equipment	(2,301,577)	(731,729)
Proceeds from sale of subsidiary classified as assets held for sale	-	3,803,766
Proceeds from disposal of investment properties	1,050,000	-
Cash dividends received	700,490	280,185
Finance income received	125,298	365,233
Net cash flows (used in) generated from investing activities	<u>(8,353)</u>	<u>3,255,987</u>
Cash flows from financing activities:		
Net movement in deposits from banks and customers	(1,972,327)	4,589,004
Net movement in Islamic finance payables	652,251	(32,485)
Lease liabilities	(2,299,649)	(1,672,536)
Finance cost paid	(629,005)	(631,732)
Dividends paid to non-controlling interests	-	(960,498)
Net cash flows (used in) generated from financing activities	<u>(4,248,730)</u>	<u>1,291,753</u>
Net increase in cash and cash equivalents	3,468,099	6,815,991
Effect of exchange rate changes on cash and cash equivalents in foreign currencies	(33,184)	63,188
Cash and cash equivalents at the beginning of the period	19,252,073	23,307,555
Cash and cash equivalents at the end of the period (Note 3)	22,686,988	30,186,734

The accompanying notes from (1) to (15) form an integral part of the interim condensed consolidated financial information.

KUWAIT INVESTMENT COMPANY - K.S.C. (PUBLIC) AND ITS SUBSIDIARIES
NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
MARCH 31, 2021

(All amounts are in Kuwaiti Dinars)

1. Incorporation and activities of the Parent Company

Kuwait Investment Company - K.S.C. (Public) (the Parent Company) is a Kuwaiti public shareholding Company registered in the State of Kuwait and was incorporated based on Memorandum of Incorporation under Ref. No. 852 dated on December 3, 1961. The Parent Company is listed in Bursa Kuwait.

The Parent Company is 76% owned subsidiary of Kuwait Investment Authority ("KIA") ("The Ultimate Parent Company"). The Parent Company is principally engaged in investment and financial services.

The Parent Company is regulated and supervised by the Central Bank of Kuwait ("CBK") for financing activities and the Capital Markets Authority ("CMA") as an investment company.

The Parent Company's registered address is Sharq, Mubarak Al Kabeer Street, Souk Al Manakh Building, Floor 5 - P. O. Box 1005, Safat – Zip Code 13011 – State of Kuwait.

This interim condensed consolidated financial information was authorized for issue by the Parent Company's Board of Directors on May 4, 2021.

2. Basis of presentation

The interim condensed consolidated financial information has been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting". The accounting policies used in the preparation of the interim condensed consolidated financial information for the period are consistent with those used in the preparation of the annual consolidated financial statements for the year ended December 31, 2020.

The Group has not early adopted any other standards, interpretations or amendments that has been issued but is not yet effective. Other amendments and interpretations apply for the first time in 2021, but do not have an impact on the interim condensed consolidated financial information of the Group

The interim condensed consolidated financial information does not include all the information and notes required for complete financial statements prepared in accordance International Financial Reporting Standards ("IFRS") as issued by International Accounting Standards Board ('IASB') and with the regulations of the Government of Kuwait for financial services institutions regulated by the Central Bank of Kuwait ("CBK") and the Capital Markets Authority ("CMA"). These regulations require adoption of all IFRSs as issued by IASB except for the measurement and disclosure requirements of expected credit losses (ECL) on credit facilities under IFRS 9: Financial Instruments. Accordingly, provision for credit losses on credit facilities is the higher of ECL under IFRS 9, determined in accordance with the CBK guidelines, and the provisions required by the CBK rules on classification of credit facilities and calculation of their provisions. In the opinion of management, all adjustments consisting of normal recurring accruals considered necessary for a fair presentation have been included in the accompanying interim condensed consolidated financial information. Operating results for the three months period ended March 31, 2021 are not necessarily indicative of the results that may be expected for the fiscal year ending December 31, 2021. For further information, refer to the consolidated financial statements and notes thereto for the fiscal year ended December 31, 2020.

3. Cash and cash equivalents

	March 31, 2021	December 31, 2020 (Audited)	March 31, 2020
Cash on hand, at banks and in portfolios	13,941,766	10,489,500	21,532,914
Short-term deposits	8,745,222	8,762,573	8,653,820
	<u>22,686,988</u>	<u>19,252,073</u>	<u>30,186,734</u>

The effective rate of return on short-term deposits is 0.95% (December 31, 2020 - 1%, March 31, 2020 - 2.4%) per annum. These deposits have a contractual maturity less than three months.

KUWAIT INVESTMENT COMPANY - K.S.C. (PUBLIC) AND ITS SUBSIDIARIES
NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
MARCH 31, 2021

(All amounts are in Kuwaiti Dinars)

4. Investment in securities

	March 31, 2021	December 31, 2020 (Audited)	March 31, 2020
Debts instruments at amortized cost	-	-	3,054,645
Financial assets at FVTPL	117,398,673	113,420,421	91,491,029
Financial assets at FVOCI	13,931,183	13,685,082	13,173,289
	<u>131,329,856</u>	<u>127,105,503</u>	<u>107,718,963</u>

5. Treasury shares

	March 31, 2021	December 31, 2020 (Audited)	March 31, 2020
Number of shares (shares)	3,261,581	3,261,581	3,261,581
Percentage of issued shares (%)	0.5917	0.5917	0.5917
Market value (KD)	407,698	394,651	329,420
Cost (KD)	734,629	734,629	734,629

The Parent Company's management has allotted an amount equal to treasury shares balance from the retained earnings as of March 31, 2021. This balance is not available for distribution during the Parent Company's retention period of these treasury shares as per CMA guidelines.

6. Net investment income (loss)

	For the three months ended March 31,	
	2021	2020
Unrealized gain (loss) from financial assets at FVTPL	1,934,666	(22,071,184)
Realized gain on sale of financial assets at FVTPL	906,582	13,897
Dividend income	700,490	374,049
	<u>3,541,738</u>	<u>(21,683,238)</u>

7. Basic and diluted earnings (loss) per share attributable to shareholders of the Parent Company (Fils)

There are no potential dilutive ordinary shares. Basic and diluted earnings (loss) per share is computed by dividing the profit (loss) for the period attributable to shareholders of the Parent Company by the weighted average number of shares outstanding during the period:

	For the three months ended March 31,	
	2021	2020
Earnings (loss) for the period attributable to shareholders of the Parent Company	3,538,609	(27,088,592)
<u>Weighted average number of shares outstanding:</u>		
Number of issued and fully paid-up shares at the beginning of the period	551,250,000	551,250,000
Less: weighted average number of treasury shares	(3,261,581)	(3,261,581)
Weighted average number of shares outstanding	<u>547,988,419</u>	<u>547,988,419</u>
	Fils	Fils
Basic and diluted earnings (loss) per share attributable to shareholders of the Parent Company	<u>6.46</u>	<u>(49.43)</u>

As there are no dilutive instruments outstanding, basic and diluted loss per share attributable to shareholders of the Parent Company are identical.

KUWAIT INVESTMENT COMPANY - K.S.C. (PUBLIC) AND ITS SUBSIDIARIES
NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
MARCH 31, 2021

(All amounts are in Kuwaiti Dinars)

8. Related party balances and transactions

The Group has entered into various transactions with related parties i.e. Major shareholders, Board of Directors and Key management personnel of the Group. Prices and terms of payment are to be approved by the Group's management. Significant related party balances and transactions during the period / year are as follows:

Balances included in the interim condensed consolidated statement of financial position:	Major shareholders	March 31, 2021	December 31, 2020 (Audited)	March 31, 2020
Deposits from customers	31,315,360	31,315,360	31,669,460	42,530,408
Accounts payable and other liabilities	38,455	38,455	34,901	131,478

Transactions included in the interim condensed consolidated statement of profit or loss:	Major shareholders	For the three months ended March 31,	
		2021	2020
Management fees and commission income	910,715	910,715	884,332
Finance charges	63,536	63,536	222,023

Compensation to key management personnel of the Parent Company:			
Salaries, incentives and remuneration		155,497	132,106
Post-employment benefits		27,619	20,151
		183,116	152,257

9. Fiduciary assets

The Group manages investment portfolios on behalf of KIA, government agencies and other financial institutions. The total carrying value of these portfolios as of March 31, 2021 amounting to KD 2.046 billion (December 31, 2020 - KD 2.007 billion and March 31, 2020 - KD 1.849 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 amounting to KD 1,617,535 for the three-month period ended March 31, 2021 (for the year ended December 31, 2020 - KD 6,457,407 and for the three-month period ended March 31, 2020 - KD 1,785,359).

10. Capital commitments and contingent liabilities

a) Capital commitments

	March 31, 2021	December 31, 2020 (Audited)	March 31, 2020
Investment commitments	71,079	71,279	75,597

b) Contingent liabilities

	March 31, 2021	December 31, 2020 (Audited)	March 31, 2020
Letters of guarantee	2,293,122	2,293,122	2,293,122

KUWAIT INVESTMENT COMPANY - K.S.C. (PUBLIC) AND ITS SUBSIDIARIES
NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
MARCH 31, 2021

(All amounts are in Kuwaiti Dinars)

11. Financial assets and liabilities

The maturity profile of assets and liabilities of the Group are as follows:

	March 31, 2021		
	Current portion	Non-current portion	Total
ASSETS:			
Cash and cash equivalents	22,686,988	-	22,686,988
Term deposits	10,412,536	-	10,412,536
Accounts receivable and other assets	15,401,825	-	15,401,825
Loans and advances	3,194,476	-	3,194,476
Investment in securities	117,398,673	13,931,183	131,329,856
Investment in associates	-	12,580,207	12,580,207
Investment properties	-	25,898,239	25,898,239
Intangible assets	-	11,042,602	11,042,602
Property and equipment	-	24,940,590	24,940,590
Right-of-use assets	-	6,335,475	6,335,475
Total assets	169,094,498	94,728,296	263,822,794
Liabilities:			
Deposits from banks and customers	80,506,043	-	80,506,043
Islamic finance payables	10,529,746	-	10,529,746
Accounts payable and other liabilities	14,869,308	6,462,104	21,331,412
Term loans	-	3,893,384	3,893,384
Lease liabilities	3,023,575	3,013,750	6,037,325
Total liabilities	108,928,672	13,369,238	122,297,910
December 31, 2020 (Audited)			
	Current portion	Non-current portion	Total
ASSETS:			
Cash and cash equivalents	19,252,073	-	19,252,073
Term deposits	11,738,183	-	11,738,183
Accounts receivable and other assets	15,269,603	-	15,269,603
Loans and advances	3,221,003	-	3,221,003
Investment in securities	113,420,421	13,685,082	127,105,503
Investment in associates	-	12,906,253	12,906,253
Investment properties	-	27,198,847	27,198,847
Intangible assets	-	11,042,602	11,042,602
Property and equipment	-	24,062,357	24,062,357
Right-of-use assets	-	6,860,919	6,860,919
Total assets	162,901,283	95,756,060	258,657,343
Liabilities:			
Deposits from banks and customers	82,446,882	-	82,446,882
Islamic finance payables	9,877,495	-	9,877,495
Accounts payable and other liabilities	10,267,854	6,333,472	16,601,326
Term loans	-	4,099,304	4,099,304
Lease liabilities	1,795,698	6,494,668	8,290,366
Total liabilities	104,387,929	16,927,444	121,315,373

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	March 31, 2020		
	Current portion	Non-current portion	Total
ASSETS:			
Cash and cash equivalents	30,186,734	-	30,186,734
Term deposits	15,906,747	-	15,906,747
Accounts receivable and other assets	14,493,576	-	14,493,576
Loans and advances	2,901,912	-	2,901,912
Investment in securities	94,545,674	13,173,289	107,718,963
Investment in associates	-	12,255,573	12,255,573
Investment properties	-	24,976,749	24,976,749
Intangible assets	-	11,042,602	11,042,602
Property and equipment	-	26,283,473	26,283,473
Right-of-use assets	-	8,401,244	8,401,244
Total assets	158,034,643	96,132,930	254,167,573
Liabilities:			
Deposits from banks and customers	88,359,502	-	88,359,502
Islamic finance payables	9,304,664	-	9,304,664
Accounts payable and other liabilities	18,260,207	6,132,474	24,392,681
Term loans	-	3,740,922	3,740,922
Lease liabilities	1,580,235	7,559,762	9,139,997
Total liabilities	117,504,608	17,433,158	134,937,766

12. Segment reporting

a) **Operating segments:**

For management purposes, the Group is organized 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 interim condensed consolidated financial information.

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The information relates to Group's segment reporting are as follows:

	Asset management	DICF	Treasury	Other operations	Total
For the three months ended					
March 31, 2021					
Segment revenue	3,330,811	2,503,376	366,251	3,113,346	9,313,784
Segment expenses	(642,890)	(487,556)	(300,687)	(2,008,695)	(3,439,828)
Segment result	2,687,921	2,015,820	65,564	1,104,651	5,873,956
Depreciation and amortization	(46)	(343,925)	(3)	(1,604,814)	(1,948,788)
Share of results of associates	-	(72,142)	-	-	(72,142)
Segment profit (loss)	2,687,875	1,599,753	65,561	(500,163)	3,853,026
Total assets	86,092,939	117,284,952	-	60,444,903	263,822,794
Total liabilities	2,031,660	4,675,269	83,124,258	32,466,723	122,297,910
	Asset management	DICF	Treasury	Other operations	Total
For the three months ended					
March 31, 2020					
Segment revenue	(13,731,615)	(7,904,385)	785,905	1,423,317	(19,426,778)
Segment expenses	(745,522)	(4,141,896)	(521,726)	(222,162)	(5,631,306)
Segment result	(14,477,137)	(12,046,281)	264,179	1,201,155	(25,058,084)
Depreciation and amortization	(48)	(348,370)	(2,341)	(1,720,542)	(2,071,301)
Share of results of associates	-	(24,413)	-	-	(24,413)
Segment (loss) profit	(14,477,185)	(12,419,064)	261,838	(519,387)	(27,153,798)
Total assets	79,706,234	101,343,466	3,077,046	70,040,827	254,167,573
Total liabilities	84,296	6,115,387	91,262,086	37,475,997	134,937,766

b) Geographical segments

The Group classified its revenues and assets according to the following geographical segments and based on the geographical location of customers and assets of each sector separately:

	March 31, 2021		
	Revenue	Assets	Capital expenditures
Kuwait	7,692,314	177,481,112	2,593,551
Other GCC countries	267,003	27,842,016	-
Other Middle East and North Africa (MENA)	136,573	2,494,159	-
Europe	(1,053,818)	41,616,072	-
United states of America	264,696	8,284,387	-
Asia	140,356	6,105,048	-
	7,447,124	263,822,794	2,593,551
	December 31, 2020 (Audited)		
	Revenue	Assets	Capital expenditures
Kuwait	5,381,326	166,328,964	5,911,788
Other GCC countries	(2,440,945)	39,536,613	-
Other Middle East and North Africa (MENA)	(47,628)	2,363,894	-
Europe	4,979,774	36,418,892	-
United states of America	1,508,358	7,837,197	-
Asia	1,168,837	6,171,783	-
	10,549,722	258,657,343	5,911,788

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	March 31, 2020		
	Revenue	Assets	Capital expenditures
Kuwait	(14,745,387)	171,956,831	1,239,581
Other GCC countries	(1,545,111)	40,209,854	-
Other Middle East and North Africa (MENA)	(467,957)	2,194,613	-
Europe	(1,998,781)	26,049,806	-
United states of America	(490,828)	8,528,340	-
Asia	(203,127)	5,228,129	-
	<u>(19,451,191)</u>	<u>254,167,573</u>	<u>1,239,581</u>

13. General Assembly

The Shareholders' Annual General Assembly held on March 30, 2021 approved the consolidated financial statements for the financial year ended December 31, 2020 and approved not to distribute cash dividends and not to pay Board of Directors' remuneration, except for KD 5,000 for Independent Board member for the financial year ended December 31, 2020.

The Shareholders' Annual General Assembly held on March 3, 2020 approved the consolidated financial statements for the financial year ended December 31, 2019 and approved to distribute cash dividends of 15 fils per share amounting to KD 8,219,826 and pay KD 145,000 Board of Directors' remuneration for the financial year ended December 31, 2019.

14. Fair value measurement

The Group measures financial assets such as financial assets at FVPL and financial assets at FVOCI and non-financial assets such as investment properties at fair value at each reporting date.

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 fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- 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.

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The following table shows an analysis of the assets recorded at fair value by level of the fair value hierarchy:

	March 31, 2021			Total
	Level 1	Level 2	Level 3	
Financial assets at FVTPL:				
Quoted securities	19,847,019	-	-	19,847,019
Unquoted securities	-	-	27,424,966	27,424,966
Investment funds	-	70,126,688	-	70,126,688
				<u>117,398,673</u>
Financial assets at FVOCI:				
Quoted securities	777,047	-	-	777,047
Unquoted securities	-	-	13,154,136	13,154,136
				<u>13,931,183</u>
Investment properties	-	8,244,778	17,653,461	25,898,239
Total	<u>20,624,066</u>	<u>78,371,466</u>	<u>58,232,563</u>	<u>157,228,095</u>
	December 31, 2020 (Audited)			
	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL:				
Quoted securities	17,506,905	-	-	17,506,905
Unquoted securities	-	-	27,021,977	27,021,977
Investment funds	-	68,891,539	-	68,891,539
				<u>113,420,421</u>
Financial assets at FVOCI:				
Quoted securities	1,163,427	-	-	1,163,427
Unquoted securities	-	-	12,521,655	12,521,655
				<u>13,685,082</u>
Investment properties	-	8,744,761	18,454,086	27,198,847
Total	<u>18,670,332</u>	<u>77,636,300</u>	<u>57,997,718</u>	<u>154,304,350</u>
	March 31, 2020			
	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL:				
Quoted securities	13,145,535	-	-	13,145,535
Unquoted securities	-	-	24,724,458	24,724,458
Investment funds	-	53,621,036	-	53,621,036
				<u>91,491,029</u>
Financial assets at FVOCI:				
Quoted securities	820,842	-	-	820,842
Unquoted securities	-	-	12,352,447	12,352,447
				<u>13,173,289</u>
Investment properties	-	6,637,750	18,338,999	24,976,749
Total	<u>13,966,377</u>	<u>60,258,786</u>	<u>55,415,904</u>	<u>129,641,067</u>

During the period / year, there were no transfers between different levels of fair value measurement.

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The management assessed that the fair values of cash and cash equivalent, term deposits, accounts receivables and other assets, deposits from banks and customers, islamic finance payables, accounts payable and other liabilities and term loans approximate their carrying amounts largely due to the short-term maturities of these instruments.

The movements in level 3 assets during the current and previous period are set out below:

	March 31, 2021			
	Financial assets at FVPL	Financial assets at FVOCI	Investment properties	Total
Balance as of January 1, 2021	27,021,977	12,521,655	18,454,086	57,997,718
Gains recognised in the consolidated statement of profit or loss	768,046	-	-	768,046
Gains recognised in the consolidated statement of profit or loss and other comprehensive income	-	632,481	-	632,481
Disposals	(365,057)	-	(800,625)	(1,165,682)
Balance as of March 31, 2021	27,424,966	13,154,136	17,653,461	58,232,563
	December 31, 2020 (Audited)			
	Financial assets at FVPL	Financial assets at FVOCI	Investment properties	Total
Balance as of January 1, 2020	27,804,659	17,040,320	18,727,627	63,572,606
Losses recognised in the consolidated statement of profit or loss	(2,834,588)	-	-	(2,834,588)
Losses recognised in the consolidated statement of profit or loss and other comprehensive income	-	(4,541,363)	-	(4,541,363)
Net additions / disposals	(225,781)	22,698	(273,541)	(476,624)
Reclassified from assets held for sale	2,277,687	-	-	2,277,687
Balance as of December 31, 2020	<u>27,021,977</u>	<u>12,521,655</u>	<u>18,454,086</u>	<u>57,997,718</u>
	March 31, 2020			
	Financial assets at FVPL	Financial assets at FVOCI	Investment properties	Total
Balance as of January 1, 2020	27,804,659	17,040,320	18,727,627	63,572,606
Losses recognised in the consolidated statement of profit or loss	(3,080,201)	-	-	(3,080,201)
Losses recognised in the consolidated statement of profit or loss and other comprehensive income	-	(4,687,873)	-	(4,687,873)
Disposals	-	-	(388,628)	(388,628)
Balance as of March 31, 2020	<u>24,724,458</u>	<u>12,352,447</u>	<u>18,338,999</u>	<u>55,415,904</u>

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The level 3 assets unobservable inputs and sensitivity are as follows:

Financial assets:

	<u>Fair value as at March 31, 2021</u>	<u>Fair value as at December 31, 2020</u>	<u>Fair value as at March 31, 2020</u>	<u>Significant unobservable inputs</u>	<u>Sensitivity of unobservable inputs to fair value</u>
Financial assets at FVTPL	27,424,966	27,021,977	24,724,458	liquidity discount from 5% to 50%	The increase (decrease) of liquidity discount by 10% would increase (decrease) fair value by KD 2,742,497
Financial assets at FVOCI	13,154,136	12,521,655	12,352,447	liquidity discount from 5% to 50%	The increase (decrease) of liquidity discount by 10% would increase (decrease) fair value by KD 1,315,414

15. Impact of Covid-19

The recent spread of the coronavirus ("COVID-19") across various geographies globally, which was declared a pandemic by the World Health Organization, has caused disruption to business and economic activities. The fiscal and monetary authorities around the world, including Kuwait, have announced various support measures across the globe to counter the possible adverse implications of COVID-19. This note describes the impact of the outbreak on the Group's operations and the significant estimates and judgements applied by management in assessing the values of assets and liabilities as at March 31, 2021.

- Credit risk management

The management of the Group has taken several measures to manage its risk associated with the pandemic, including identification of the most vulnerable sectors primarily affected and placing added measures to ensure a high level of scrutiny.

The uncertainties caused by COVID-19 required the Group to consider the impact of higher volatility in the forward looking macro-economic factors considered for the determination of expected credit losses ("ECLs") as at March 31, 2021. The Group concluded that there is no impact to the Group with respect to credit risk as at March 31, 2021.

- Liquidity risk management

In response to the COVID 19 outbreak, the Group is closely evaluating its liquidity and funding position and taking appropriate actions. The Group will continue to assess its liquidity position by closely monitoring its cash flows and forecasts.

- Fair value measurement of financial instruments

The Group has considered potential impacts of the current market volatility in determination of the amounts reported of the Group's unquoted financial assets, and this represents management's best assessment based on observable available information as at the reporting date. Given the impact of COVID 19, the Group has assessed whether the fair values of the financial assets and liabilities represents the price that would be achieved for transactions between market participants in the current scenario.

Further information on the Group's policy in relation to fair value measurements is disclosed in (Note 14).

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- Fair value measurement of non-financial assets (property, plant and equipment, right of use assets, investment properties and Investment in associates)

As at the reporting date, the Group has identified the impact on the carrying values of its non-financial assets as at March 31, 2021 due to impact of COVID-19 arising from an impact on projected cash flows generated from these non-financial assets or the market participants expectations of the price depending on the approach used in determining the fair value of those assets at March 31, 2021. The Group is aware that certain geographies and sectors in which these assets exist are negatively impacted, and as the situation continues to unfold, the Group consistently monitors the market outlook and uses relevant assumptions in reflecting the values of these non-financial assets appropriately in the interim condensed consolidated financial information.

- Going concern

The Group has performed an assessment of going concern in light of current economic conditions and all available information about future risks and uncertainties. The projections have been prepared covering the Group's future performance, capital and liquidity. The impact of COVID-19 may continue to evolve, but the present time the projections show that the Group has ample resources to continue in operational existence and its going concern position remains largely unaffected and unchanged from December 31, 2020. As a result, this interim condensed consolidated financial information has been prepared on a going concern basis.

The existing and anticipated effects of the outbreak of COVID-19 on the global economy and financial markets is expected to continue to evolve. The scale and duration of these developments remain uncertain at this stage but could negatively impact the Group's financial performance, cash flows and financial position in the future. The Group will continue to monitor the market outlook and update its assumptions, and forecasts as that may have a impact on the consolidated financial statements in the future.