

**KUWAIT INVESTMENT COMPANY - K.S.C. (PUBLIC)
AND ITS SUBSIDIARIES
STATE OF KUWAIT
INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
FOR THE FINANCIAL PERIOD ENDED JUNE 30, 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 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 June 30, 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 six 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 June 30, 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 six months period ended June 30, 2021, that might have had a material effect on the Parent Company's financial position or result of its operations.

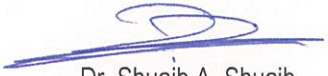
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We further report that, during the course of our review, to the best of our knowledge and belief, we have not become aware of any violations of the provisions of Law No. 32 of 1968, as amended, concerning Currency, the Central Bank of Kuwait and the 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 six months period ended June 30, 2021, that might have had a material effect on the business of the Parent Company or on its financial position.

State of Kuwait
August 10, 2021




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 JUNE 30, 2021
 (All amounts are in Kuwaiti Dinars)

	Note	June 30, 2021	December 31, 2020 (Audited)	June 30, 2020
ASSETS				
Cash and cash equivalents	3	20,590,939	19,252,073	30,849,488
Term deposits		11,546,500	11,738,183	15,906,747
Accounts receivable and other assets		15,306,878	15,269,603	17,401,165
Loans and advances		3,186,191	3,221,003	3,237,473
Investment in securities	4	136,935,181	127,105,503	113,196,833
Investment in associates		12,544,644	12,906,253	11,961,114
Investment properties		25,104,203	27,198,847	25,104,961
Intangible assets		11,042,602	11,042,602	11,042,602
Property and equipment		23,981,627	24,062,357	24,936,469
Right-of-use assets		5,810,031	6,860,919	7,875,745
Total assets		266,048,796	258,657,343	261,512,597
LIABILITIES AND EQUITY				
Liabilities:				
Deposits from banks and customers		78,954,977	82,446,882	88,221,478
Islamic finance payables		8,132,294	9,877,495	8,136,824
Accounts payable and other liabilities		17,039,942	16,601,326	23,126,009
Term loans		3,942,400	4,099,304	3,806,825
Lease liabilities		6,079,190	8,290,366	9,196,003
Total liabilities		114,148,803	121,315,373	132,487,139
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		(11,676,229)	(11,716,027)	(12,977,363)
Foreign currency translation reserve		1,660,635	2,008,703	2,263,546
Retained earnings (Accumulated losses)		19,322,281	5,291,809	(4,419,611)
Equity attributable to shareholders of the Parent Company		119,543,028	105,879,265	95,161,352
Non-controlling interests		32,356,965	31,462,705	33,864,106
Total equity		151,899,993	137,341,970	129,025,458
Total liabilities and equity		266,048,796	258,657,343	261,512,597

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


 Dr. Yousef M. Al Ali
 Chairman


 Fawaz Sulaiman Al - Ahmad
 General Manager



KUWAIT INVESTMENT COMPANY - K.S.C. (PUBLIC) AND ITS SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UNAUDITED)
FOR THE FINANCIAL PERIOD ENDED JUNE 30, 2021
(All amounts are in Kuwaiti Dinars)

	Note	For the three months ended June 30,		For the six months ended June 30,	
		2021	2020	2021	2020
Operating revenue:					
Net fee and commission income		2,290,580	1,658,953	4,234,157	3,634,947
Rental income		1,160,016	1,221,697	2,766,450	2,379,081
Net allowance of expected credit losses		760,484	(95,314)	944,440	(126,133)
Net investment income (loss)	6	10,325,477	10,075,533	13,867,215	(11,607,705)
Group's share of results from associates		20,302	33,346	(51,840)	8,933
Gain on sale of investment properties		500,000	-	650,000	-
Gain on derecognition of a subsidiary		-	-	-	109,443
Foreign exchange gains (losses)		94,282	56,477	51,262	(1,272,480)
		<u>15,151,141</u>	<u>12,950,692</u>	<u>22,461,684</u>	<u>(6,873,914)</u>
Operating expenses:					
General and administrative expenses		(3,600,830)	(1,791,741)	(6,591,207)	(4,758,741)
Impairment loss of non-financial assets		-	(403,487)	-	(4,510,653)
		<u>(3,600,830)</u>	<u>(2,195,228)</u>	<u>(6,591,207)</u>	<u>(9,269,394)</u>
Profit (loss) from operations		11,550,311	10,755,464	15,870,477	(16,143,308)
Finance cost		(413,615)	(786,918)	(863,336)	(1,415,359)
Finance income		125,238	219,196	229,483	530,486
Other income		32,528	30,665	64,864	92,790
Profit (loss) for the period before contribution to Kuwait Foundation for Advancement of Sciences (KFAS), National Labor Support Tax (NLST) and Zakat		11,294,462	10,218,407	15,301,488	(16,935,391)
Contribution to KFAS		(96,000)	-	(128,665)	-
Contribution to NLST		(278,000)	-	(370,000)	-
Contribution to Zakat		(106,000)	-	(135,335)	-
Profit (loss) for the period		<u>10,814,462</u>	<u>10,218,407</u>	<u>14,667,488</u>	<u>(16,935,391)</u>
Attributable to:					
Shareholders of the Parent Company		10,240,027	9,865,251	13,778,636	(17,223,341)
Non-controlling interests		574,435	353,156	888,852	287,950
		<u>10,814,462</u>	<u>10,218,407</u>	<u>14,667,488</u>	<u>(16,935,391)</u>
Basic and diluted earnings (loss) per share attributable to shareholders of the Parent Company (Fils)	7	<u>18.69</u>	<u>18.00</u>	<u>25.14</u>	<u>(31.43)</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 JUNE 30, 2021
(All amounts are in Kuwaiti Dinars)

	For the three months ended June 30,		For the six months ended June 30,	
	2021	2020	2021	2020
Profit (loss) for the period	<u>10,814,462</u>	<u>10,218,407</u>	<u>14,667,488</u>	<u>(16,935,391)</u>
Other comprehensive loss:				
<u>Items that may be reclassified subsequently to consolidated statement of profit or loss</u>				
Exchange differences on translating foreign operations	(84,350)	(13,593)	(348,068)	1,032,266
Group's share of other comprehensive income (loss) from associates	44,115	(12,374)	3,505	(8,688)
<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	<u>(302,476)</u>	<u>(396,789)</u>	<u>390,179</u>	<u>(6,356,793)</u>
Other comprehensive loss for the period	<u>(342,711)</u>	<u>(422,756)</u>	<u>(12,823)</u>	<u>(5,333,215)</u>
Total comprehensive income (loss) for the period	<u>10,471,751</u>	<u>9,795,651</u>	<u>14,654,665</u>	<u>(22,268,606)</u>
Attributable to:				
Shareholders of the Parent Company	9,832,384	9,567,823	13,663,763	(22,378,260)
Non-controlling interests	639,367	227,828	990,902	109,654
	<u>10,471,751</u>	<u>9,795,651</u>	<u>14,654,665</u>	<u>(22,268,606)</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 JUNE 30, 2021
(All amounts are in Kuwaiti Dinars)

	Equity attributable to shareholders of the Parent Company										
	Share capital	Treasury shares	Statutory reserve	Voluntary reserve	Revaluation surplus of an associate	Fair value reserve	Foreign currency translation reserve	Retained Earnings (Accumulated losses)	Sub-total	Non-controlling interests	Total
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	-	-	-	-	-	-	-	13,778,636	13,778,636	888,852	14,667,488
Other comprehensive (loss) income for the period	-	-	-	-	(58,439)	291,634	(348,068)	-	(114,873)	102,050	(12,823)
Total comprehensive (loss) income for the period	-	-	-	-	(58,439)	291,634	(348,068)	13,778,636	13,663,763	990,902	14,654,665
Effect of disposal of financial assets at FVOCI	-	-	-	-	-	(251,836)	-	251,836	-	-	-
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(96,642)	(96,642)
Balance as of June 30, 2021	55,125,000	(734,629)	31,805,102	21,839,216	2,201,652	(11,676,229)	1,660,635	19,322,281	119,543,028	32,356,965	151,899,993
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) profit for the period	-	-	-	-	-	-	-	(17,223,341)	(17,223,341)	287,950	(16,935,391)
Other comprehensive (loss) income for the period	-	-	-	-	-	(6,187,185)	1,032,266	-	(5,154,919)	(178,296)	(5,333,215)
Total comprehensive (loss) income for the period	-	-	-	-	-	(6,187,185)	1,032,266	(17,223,341)	(22,378,260)	109,654	(22,268,606)
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 June 30, 2020	55,125,000	(734,629)	31,805,102	21,839,216	2,260,091	(12,977,363)	2,263,546	(4,419,611)	95,161,352	33,864,106	129,025,458

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 JUNE 30, 2021
(All amounts are in Kuwaiti Dinars)

	For the six months ended June 30,	
	2021	2020
Cash flows from operating activities:		
Profit (loss) for the period	15,301,488	(16,935,391)
Adjustments for:		
Net allowance of expected credit losses	(944,440)	126,133
Net investment (income) loss	(13,867,215)	11,607,705
Group's share of results from associates	51,840	(8,933)
Gain on sale of investment properties	(650,000)	-
Depreciation and amortization	3,469,139	3,690,200
Gain on derecognition of a subsidiary	-	(109,443)
Foreign exchange (gain) loss	(51,262)	1,272,480
Impairment loss of non-financial assets	-	4,510,653
Finance cost	863,336	1,415,359
Finance income	(229,483)	(530,486)
	<u>3,943,403</u>	<u>5,038,277</u>
Changes in operating assets and liabilities:		
Term deposits	191,683	938,191
Financial assets at fair value through profit or loss ("FVTPL")	3,110,802	(1,378,619)
Loans and advances	218,812	-
Accounts receivable and other assets	(62,468)	(1,320,669)
Accounts payable and other liabilities	132,697	(999,862)
Net cash flows generated from operating activities	<u>7,534,929</u>	<u>2,277,318</u>
Cash flows from investing activities:		
Maturity of debt instruments at amortised cost	-	3,000,195
Net movement in financial assets at FVOCI	399,282	-
Net movement in property and equipment	(2,337,521)	(801,678)
Proceeds from sale of subsidiary classified as assets held for sale	-	3,803,766
Proceeds from disposal of investment properties	2,300,000	-
Cash dividends received	1,737,732	1,499,347
Finance income received	314,797	577,371
Net cash flows generated from investing activities	<u>2,414,290</u>	<u>8,079,001</u>
Cash flows from financing activities:		
Net movement in deposits from banks and customers	(3,440,642)	3,915,511
Net movement in Islamic finance payables	(1,745,201)	(1,735,180)
Net movement in restricted bank balances	-	(6,636,057)
Lease liabilities	(2,304,074)	(1,200,325)
Finance cost paid	(998,518)	(1,293,764)
Dividends paid to shareholders of the Parent Company	-	(1,586,802)
Dividends paid to non-controlling interests	(96,642)	(960,498)
Net cash flows used in financing activities	<u>(8,585,077)</u>	<u>(9,497,115)</u>
Net increase in cash and cash equivalents	<u>1,364,142</u>	<u>859,204</u>
Effect of exchange rate changes on cash and cash equivalents in foreign currencies	(25,276)	46,672
Cash and cash equivalents at the beginning of the period	<u>19,252,073</u>	<u>23,307,555</u>
Cash and cash equivalents at the end of the period (Note 3)	<u>20,590,939</u>	<u>24,213,431</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
NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
JUNE 30, 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 Boursa 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 August 10, 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 six months period ended June 30, 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

	June 30, 2021	December 31, 2020 (Audited)	June 30, 2020
Cash on hand, at banks and in portfolios	10,938,095	10,489,500	17,275,116
Short-term deposits	9,652,844	8,762,573	13,574,372
Total	20,590,939	19,252,073	30,849,488
Less: restricted bank balances	-	-	(6,636,057)
Cash and cash equivalents as in statement of cash flows	20,590,939	19,252,073	24,213,431

The effective rate of return on short-term deposits is 0.90% (December 31, 2020 - 1%, June 30, 2020 - 0.723%) 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)
JUNE 30, 2021

(All amounts are in Kuwaiti Dinars)

4. Investment in securities

	<u>June 30,</u> <u>2021</u>	December 31, 2020 (Audited)	<u>June 30,</u> <u>2020</u>
Financial assets at FVTPL	122,554,510	113,420,421	100,215,996
Financial assets at FVOCI	14,380,671	13,685,082	12,980,837
	<u>136,935,181</u>	<u>127,105,503</u>	<u>113,196,833</u>

5. Treasury shares

	<u>June 30,</u> <u>2021</u>	December 31, 2020 (Audited)	<u>June 30,</u> <u>2020</u>
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)	704,501	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 June 30, 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)

	<u>For the three months ended</u> <u>June 30,</u>		<u>For the six months ended</u> <u>June 30,</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Unrealized gain (loss) from financial assets at FVTPL	8,738,445	9,101,989	10,673,111	(12,969,195)
Realized gain on sale of financial assets at FVTPL	712,913	56,676	1,619,495	70,573
Dividend income	874,119	916,868	1,574,609	1,290,917
	<u>10,325,477</u>	<u>10,075,533</u>	<u>13,867,215</u>	<u>(11,607,705)</u>

KUWAIT INVESTMENT COMPANY - K.S.C. (PUBLIC) AND ITS SUBSIDIARIES
NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
JUNE 30, 2021

(All amounts are in Kuwaiti Dinars)

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 June 30,		For the six months ended June 30,	
	2021	2020	2021	2020
Earnings (loss) for the period attributable to shareholders of the Parent Company	<u>10,240,027</u>	<u>9,865,251</u>	<u>13,778,636</u>	<u>(17,223,341)</u>
<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	551,250,000	551,250,000
Less: weighted average number of treasury shares	<u>(3,261,581)</u>	<u>(3,261,581)</u>	<u>(3,261,581)</u>	<u>(3,261,581)</u>
Weighted average number of shares outstanding	<u>547,988,419</u>	<u>547,988,419</u>	<u>547,988,419</u>	<u>547,988,419</u>
	<u>Fils</u>	<u>Fils</u>	<u>Fils</u>	<u>Fils</u>
Basic and diluted earnings (loss) per share attributable to shareholders of the Parent Company	<u>18.69</u>	<u>18.00</u>	<u>25.14</u>	<u>(31.43)</u>

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

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:

<u>Balances included in the interim condensed consolidated statement of financial position:</u>	Major shareholders	June 30,	December 31,	June 30,	
		2021	2020 (Audited)	2020	
Deposits from customers	31,266,300	31,266,300	31,669,460	42,530,408	
Accounts payable and other liabilities	41,459	41,459	34,901	131,478	
<u>Transactions included in the interim condensed consolidated statement of profit or loss:</u>	Major shareholders	For the three months ended June 30,		For the six months ended June 30,	
		2021	2020	2021	2020
Management fees and commission income	1,911,632	1,000,922	764,134	1,911,632	1,648,466
Finance charges	129,055	65,519	204,368	129,055	426,391
<u>Compensation to key management personnel of the Parent Company:</u>		For the three months ended June 30,		For the six months ended June 30,	
		2021	2020	2021	2020
Salaries, incentives and remuneration		161,948	194,741	317,445	326,847
Post-employment benefits		23,133	20,668	50,752	40,819
		<u>185,081</u>	<u>215,409</u>	<u>368,197</u>	<u>367,666</u>

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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 June 30, 2021 amounting to KD 2.153 billion (December 31, 2020 - KD 2.007 billion and June 30, 2020 - KD 1.956 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 3,450,676 for the six months period ended June 30, 2021 (for the year ended December 31, 2020 - KD 6,457,407 and for the six months period ended June 30, 2020 - KD 3,090,245).

10. Capital commitments and contingent liabilities

a) Capital commitments

	June 30, 2021	December 31, 2020 (Audited)	June 30, 2020
Investment commitments	<u>64,741</u>	<u>71,279</u>	<u>75,246</u>

b) Contingent liabilities

	June 30, 2021	December 31, 2020 (Audited)	June 30, 2020
Letters of guarantee	<u>2,293,122</u>	<u>2,293,122</u>	<u>2,293,122</u>

11. Financial assets and liabilities

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

	June 30, 2021		
	Current portion	Non-current portion	Total
ASSETS:			
Cash and cash equivalents	20,590,939	-	20,590,939
Term deposits	11,546,500	-	11,546,500
Accounts receivable and other assets	15,306,878	-	15,306,878
Loans and advances	3,186,191	-	3,186,191
Investment in securities	122,554,510	14,380,671	136,935,181
Investment in associates	-	12,544,644	12,544,644
Investment properties	-	25,104,203	25,104,203
Intangible assets	-	11,042,602	11,042,602
Property and equipment	-	23,981,627	23,981,627
Right-of-use assets	-	5,810,031	5,810,031
Total assets	<u>173,185,018</u>	<u>92,863,778</u>	<u>266,048,796</u>
Liabilities:			
Deposits from banks and customers	78,954,977	-	78,954,977
Islamic finance payables	8,132,294	-	8,132,294
Accounts payable and other liabilities	10,682,773	6,357,169	17,039,942
Term loans	-	3,942,400	3,942,400
Lease liabilities	3,025,686	3,053,504	6,079,190
Total liabilities	<u>100,795,730</u>	<u>13,353,073</u>	<u>114,148,803</u>

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	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	<u>162,901,283</u>	<u>95,756,060</u>	<u>258,657,343</u>
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	<u>104,387,929</u>	<u>16,927,444</u>	<u>121,315,373</u>
June 30, 2020			
	Current portion	Non-current portion	Total
ASSETS:			
Cash and cash equivalents	30,849,488	-	30,849,488
Term deposits	15,906,747	-	15,906,747
Accounts receivable and other assets	17,401,165	-	17,401,165
Loans and advances	3,237,473	-	3,237,473
Investment in securities	100,215,996	12,980,837	113,196,833
Investment in associates	-	11,961,114	11,961,114
Investment properties	-	25,104,961	25,104,961
Intangible assets	-	11,042,602	11,042,602
Property and equipment	-	24,936,469	24,936,469
Right-of-use assets	-	7,875,745	7,875,745
Total assets	<u>167,610,869</u>	<u>93,901,728</u>	<u>261,512,597</u>
Liabilities:			
Deposits from banks and customers	88,221,478	-	88,221,478
Islamic finance payables	8,136,824	-	8,136,824
Accounts payable and other liabilities	16,842,955	6,283,054	23,126,009
Term loans	-	3,806,825	3,806,825
Lease liabilities	3,441,758	5,754,245	9,196,003
Total liabilities	<u>116,643,015</u>	<u>15,844,124</u>	<u>132,487,139</u>

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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.

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

	<u>Asset management</u>	<u>DICF</u>	<u>Treasury</u>	<u>Other operations</u>	<u>Total</u>
<u>For the six months ended</u>					
<u>June 30, 2021</u>					
Segment revenue	12,080,613	7,257,351	743,963	5,755,714	25,837,641
Segment expenses	<u>(1,554,131)</u>	<u>(1,671,360)</u>	<u>(589,304)</u>	<u>(3,834,379)</u>	<u>(7,649,174)</u>
Segment result	10,526,482	5,585,991	154,659	1,921,335	18,188,467
Depreciation and amortization	(93)	(22,695)	(5)	(3,446,346)	(3,469,139)
Share of results of associates	-	(51,840)	-	-	(51,840)
Segment profit (loss)	<u>10,526,389</u>	<u>5,511,456</u>	<u>154,654</u>	<u>(1,525,011)</u>	<u>14,667,488</u>
Total assets	<u>98,673,016</u>	<u>111,472,279</u>	<u>1,200,025</u>	<u>54,703,476</u>	<u>266,048,796</u>
Total liabilities	<u>80,044</u>	<u>4,721,559</u>	<u>82,061,608</u>	<u>27,285,592</u>	<u>114,148,803</u>
	<u>Asset management</u>	<u>DICF</u>	<u>Treasury</u>	<u>Other operations</u>	<u>Total</u>
<u>For the six months ended</u>					
<u>June 30, 2020</u>					
Segment revenue	(3,833,910)	(6,182,575)	1,185,688	5,997,802	(2,832,995)
Segment expenses	<u>(1,265,638)</u>	<u>(5,356,277)</u>	<u>(1,039,267)</u>	<u>(2,759,947)</u>	<u>(10,421,129)</u>
Segment result	(5,099,548)	(11,538,852)	146,421	3,237,855	(13,254,124)
Depreciation and amortization	(93)	(28,934)	(5)	(3,661,168)	(3,690,200)
Share of results of associates	-	8,933	-	-	8,933
Segment (loss) profit	<u>(5,099,641)</u>	<u>(11,558,853)</u>	<u>146,416</u>	<u>(423,313)</u>	<u>(16,935,391)</u>
Total assets	<u>79,388,190</u>	<u>110,199,725</u>	<u>4,924,841</u>	<u>66,999,841</u>	<u>261,512,597</u>
Total liabilities	<u>81,193</u>	<u>6,175,936</u>	<u>97,313,844</u>	<u>28,916,166</u>	<u>132,487,139</u>

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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:

	June 30, 2021		
	Revenue	Assets	Capital expenditures
Kuwait	22,584,909	171,119,124	2,695,750
Other GCC countries	1,164,731	40,148,847	-
Other Middle East and North Africa (MENA)	602,616	2,667,733	-
Europe	544,444	38,236,337	-
United states of America	926,510	8,019,458	-
Asia	14,431	5,857,297	-
	25,837,641	266,048,796	2,695,750
	June 30, 2020		
	Revenue	Assets	Capital expenditures
Kuwait	(3,165,767)	176,282,305	1,242,798
Other GCC countries	(1,177,257)	46,343,219	-
Other Middle East and North Africa (MENA)	(198,262)	2,211,133	-
Europe	723,570	22,953,911	-
United states of America	605,715	8,098,917	-
Asia	379,006	5,623,112	-
	(2,832,995)	261,512,597	1,242,798

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:

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- 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.

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

	June 30, 2021			Total
	Level 1	Level 2	Level 3	
Financial assets at FVTPL:				
Quoted securities	20,271,582	-	-	20,271,582
Unquoted securities	-	-	29,005,821	29,005,821
Investment funds	-	73,277,107	-	73,277,107
				<u>122,554,510</u>
Financial assets at FVOCI:				
Quoted securities	841,193	-	-	841,193
Unquoted securities	-	-	13,539,478	13,539,478
				<u>14,380,671</u>
Investment properties	-	6,944,761	18,159,442	25,104,203
Total	<u>21,112,775</u>	<u>80,221,868</u>	<u>60,704,741</u>	<u>162,039,384</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>
	June 30, 2020			
	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL:				
Quoted securities	13,340,297	-	-	13,340,297
Unquoted securities	-	-	25,220,629	25,220,629
Investment funds	-	61,655,070	-	61,655,070
				<u>100,215,996</u>
Financial assets at FVOCI:				
Quoted securities	941,613	-	-	941,613
Unquoted securities	-	-	12,039,224	12,039,224
				<u>12,980,837</u>
Investment properties	-	6,237,750	18,867,211	25,104,961
Total	<u>14,281,910</u>	<u>67,892,820</u>	<u>56,127,064</u>	<u>138,301,794</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:

	June 30, 2021			
	Financial assets at FVPL	Financial assets at FVOCI	Investment properties	Total
Balance as of January 1, 2021	<u>27,021,977</u>	<u>12,521,655</u>	<u>18,454,086</u>	<u>57,997,718</u>
Gains recognised in the consolidated statement of profit or loss	2,506,952	-	-	2,506,952
Gains (losses) recognised in the consolidated statement of profit or loss and other comprehensive income	-	316,255	(294,644)	21,611
Net additions / disposals	<u>(523,108)</u>	<u>701,568</u>	-	<u>178,460</u>
Balance as of June 30, 2021	<u>29,005,821</u>	<u>13,539,478</u>	<u>18,159,442</u>	<u>60,704,741</u>
	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>
	June 30, 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	(2,922,830)	-	-	(2,922,830)
(Losses) gain recognised in the consolidated statement of profit or loss and other comprehensive income	-	(5,001,096)	139,584	(4,861,512)
Net additions	338,800	-	-	338,800
Balance as of June 30, 2020	<u>25,220,629</u>	<u>12,039,224</u>	<u>18,867,211</u>	<u>56,127,064</u>

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

Financial assets:

	<u>Fair value as at June 30, 2021</u>	<u>Fair value as at December 31, 2020</u>	<u>Fair value as at June 30, 2020</u>	<u>Significant unobservable inputs</u>	<u>Sensitivity of unobservable inputs to fair value</u>
Financial assets at FVTPL	29,005,821	27,021,977	25,220,629	liquidity discount from 5% to 50%	The increase (decrease) of liquidity discount by 10% would increase (decrease) fair value by KD 2,900,582
Financial assets at FVOCI	13,539,478	12,521,655	12,039,224	liquidity discount from 5% to 50%	The increase (decrease) of liquidity discount by 10% would increase (decrease) fair value by KD 1,353,948

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 June 30, 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 June 30, 2021. The Group concluded that there is no impact to the Group with respect to credit risk as at June 30, 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 June 30, 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 June 30, 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.