

**KUWAIT INVESTMENT COMPANY - K.S.C. (PUBLIC)  
AND ITS SUBSIDIARIES  
STATE OF KUWAIT  
INTERIM CONSOLIDATED FINANCIAL INFORMATION  
FOR THE FINANCIAL PERIOD ENDED MARCH 31, 2023  
(UNAUDITED)  
WITH  
REPORT ON REVIEW OF INTERIM CONSOLIDATED  
FINANCIAL INFORMATION**

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

INTERIM CONSOLIDATED FINANCIAL INFORMATION  
FOR THE PERIOD ENDED MARCH 31, 2023  
(UNAUDITED)  
WITH  
REPORT ON REVIEW OF INTERIM CONSOLIDATED FINANCIAL INFORMATION

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**REPORT ON REVIEW OF INTERIM 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 Kuwait Investment Company - K.S.C. (Public) (the "Parent Company") and its subsidiaries (the Group) as at March 31, 2023 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 consolidated financial information in accordance with International Accounting Standard 34, 'Interim Financial Reporting'. Our responsibility is to express a conclusion on this interim 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 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 consolidated financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34.

**Report on Other Legal and Regulatory Requirements**

Furthermore, based on our review, the interim 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, 2023, 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, 2023, that might have had a material effect on the business of the Parent Company or on its financial position.

State of Kuwait  
May 2, 2023

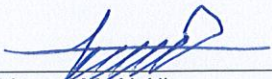


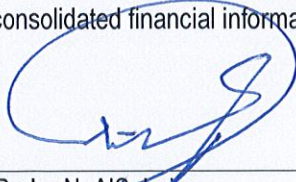
Dr. Shuaib A. Shuaib  
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RSM Albazie & Co.

**KUWAIT INVESTMENT COMPANY - K.S.C. (PUBLIC) AND ITS SUBSIDIARIES**  
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)**  
**AS OF MARCH 31, 2023**  
(All amounts are in Kuwaiti Dinars)

	Note	March 31, 2023	December 31, 2022 (Audited)	March 31, 2022
<b><u>ASSETS</u></b>				
Cash and cash equivalents	3	19,705,788	22,617,605	19,305,820
Term deposits		9,419,355	11,125,168	12,520,000
Accounts receivable and other assets		12,065,140	10,680,885	17,390,038
Loans and advances		3,363,761	3,354,437	3,344,356
Investment in securities	4	115,788,392	125,649,385	147,350,358
Investment in associates		21,103,052	20,594,308	16,078,659
Investment properties		26,450,961	26,280,094	24,147,272
Intangible assets		11,042,602	11,042,602	11,042,602
Property, plant and equipment		27,765,315	26,755,789	25,615,491
Right-of-use assets		2,356,159	2,693,213	4,233,699
<b>Total assets</b>		<b>249,060,525</b>	<b>260,793,486</b>	<b>281,028,295</b>
<b><u>LIABILITIES AND EQUITY</u></b>				
<b>Liabilities:</b>				
Deposits from banks and customers		64,363,227	75,062,633	75,294,576
Islamic finance payables	5	11,122,638	10,995,747	8,682,783
Accounts payable and other liabilities		20,806,806	17,154,312	31,781,457
Term loans		3,986,867	3,903,854	3,730,509
Lease liabilities		1,648,532	4,642,517	4,521,606
<b>Total liabilities</b>		<b>101,928,070</b>	<b>111,759,063</b>	<b>124,010,931</b>
<b>Equity:</b>				
Share capital		55,125,000	55,125,000	55,125,000
Treasury shares	6	(4,136,876)	(4,136,876)	(734,629)
Statutory reserve		34,697,661	34,697,661	34,629,359
Voluntary reserve		24,731,775	24,731,775	24,663,473
Revaluation surplus of an associate		2,435,431	2,201,652	2,201,652
Other reserve		27,923	27,923	21,700
Fair value reserve		(13,753,053)	(13,521,850)	(11,670,583)
Foreign currency translation reserve		1,773,147	1,648,342	1,636,425
Retained earnings		10,715,989	12,951,089	17,409,884
Equity attributable to shareholders of the Parent Company		111,616,997	113,724,716	123,282,281
Non-controlling interests		35,515,458	35,309,707	33,735,083
<b>Total equity</b>		<b>147,132,455</b>	<b>149,034,423</b>	<b>157,017,364</b>
<b>Total liabilities and equity</b>		<b>249,060,525</b>	<b>260,793,486</b>	<b>281,028,295</b>

The accompanying notes from (1) to (16) form an integral part of the interim consolidated financial information.

  
Dr. Yousef M. Al Ali  
Chairman

  
Bader N. AlSubatef  
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, 2023**

(All amounts are in Kuwaiti Dinars)

	Note	For the three months ended	
		March 31,	
		2023	2022
<b>Operating revenue:</b>			
Net fee and commission income		1,770,268	2,497,827
Net rental income		2,645,375	1,877,908
Net investment income	7	1,158,467	4,838,478
Group's share of results from associates		269,594	64,926
Finance income		308,765	118,703
Other income		61,879	212,028
		<u>6,214,348</u>	<u>9,609,870</u>
<b>Operating expenses:</b>			
General and administrative expenses		(3,124,181)	(3,170,091)
Net allowance of expected credit losses		(30,044)	(855)
Foreign exchange losses		(179,630)	(148,379)
Finance cost		(1,224,018)	(377,277)
		<u>(4,557,873)</u>	<u>(3,696,602)</u>
<b>Profit for the period before contribution to Kuwait Foundation for Advancement of Sciences (KFAS), National Labor Support Tax (NLST) and Zakat</b>			
		1,656,475	5,913,268
Contribution to KFAS		-	(41,652)
Contribution to NLST		(16,500)	(168,406)
Contribution to Zakat		-	(46,543)
<b>Profit for the period</b>		<u>1,639,975</u>	<u>5,656,667</u>
Attributable to:			
Shareholders of the Parent Company		386,605	4,875,411
Non-controlling interests		1,253,370	781,256
		<u>1,639,975</u>	<u>5,656,667</u>
Basic and diluted earnings per share attributable to shareholders of the Parent Company (Fils)	8	<u>0.74</u>	<u>8.90</u>

The accompanying notes from (1) to (16) form an integral part of the interim 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, 2023**  
(All amounts are in Kuwaiti Dinars)

	For the three months ended March 31,	
	<u>2023</u>	<u>2022</u>
Profit for the period	<u>1,639,975</u>	<u>5,656,667</u>
<b>Other comprehensive income:</b>		
<u>Items that may be reclassified subsequently to consolidated statement of profit or loss</u>		
Exchange differences on translating foreign operations	124,805	78,763
Group's share of other comprehensive (loss) income from associates	(1,063)	465
<u>Item that will not be reclassified subsequently to consolidated statement of profit or loss</u>		
Revaluation reserve of associates	233,779	-
Changes in fair value of financial assets at FVOCI	(220,619)	369,445
<b>Other comprehensive income for the period</b>	<u>136,902</u>	<u>448,673</u>
<b>Total comprehensive income for the period</b>	<u>1,776,877</u>	<u>6,105,340</u>
Attributable to:		
Shareholders of the Parent Company	513,986	5,309,503
Non-controlling interests	1,262,891	795,837
	<u>1,776,877</u>	<u>6,105,340</u>

The accompanying notes from (1) to (16) form an integral part of the interim 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, 2023**

(All amounts are in Kuwaiti Dinars)

	Equity attributable to shareholders of the Parent Company										Non-controlling interests	Total
	Share capital	Treasury shares	Statutory reserve	Voluntary Reserve	Revaluation surplus of an associate	Other reserve	Fair value reserve	Foreign currency translation reserve	Retained earnings	Sub-total		
Balance as of January 1, 2023	55,125,000	(4,136,876)	34,697,661	24,731,775	2,201,652	27,923	(13,521,850)	1,648,342	12,951,089	113,724,716	35,309,707	149,034,423
Profit for the period	-	-	-	-	-	-	-	-	386,605	386,605	1,253,370	1,639,975
Other comprehensive income (loss) for the period	-	-	-	-	233,779	-	(231,203)	124,805	-	127,381	9,521	136,902
Total comprehensive income (loss) for the period	-	-	-	-	233,779	-	(231,203)	124,805	386,605	513,986	1,262,891	1,776,877
Cash dividend (Note 14)	-	-	-	-	-	-	-	-	(2,621,705)	(2,621,705)	-	(2,621,705)
Dividend to non- controlling interests	-	-	-	-	-	-	-	-	-	-	(1,057,140)	(1,057,140)
<b>Balance as of March 31, 2023</b>	<b>55,125,000</b>	<b>(4,136,876)</b>	<b>34,697,661</b>	<b>24,731,775</b>	<b>2,435,431</b>	<b>27,923</b>	<b>(13,753,053)</b>	<b>1,773,147</b>	<b>10,715,989</b>	<b>111,616,997</b>	<b>35,515,458</b>	<b>147,132,455</b>
Balance as of January 1, 2022	55,125,000	(734,629)	34,629,359	24,663,473	2,201,652	-	(12,067,490)	1,557,662	26,275,761	131,650,788	33,283,086	164,933,874
Profit for the period	-	-	-	-	-	-	-	-	4,875,411	4,875,411	781,256	5,656,667
Other comprehensive income for the period	-	-	-	-	-	-	355,329	78,763	-	434,092	14,581	448,673
Total comprehensive income for the period	-	-	-	-	-	-	355,329	78,763	4,875,411	5,309,503	795,837	6,105,340
Effect of disposal of financial assets at FVOCI	-	-	-	-	-	-	41,578	-	(41,578)	-	-	-
Cash Dividend (Note 14)	-	-	-	-	-	-	-	-	(13,699,710)	(13,699,710)	-	(13,699,710)
Dividend to non- controlling interests	-	-	-	-	-	-	-	-	-	-	(322,140)	(322,140)
Effect of changes in ownership interest of a subsidiary	-	-	-	-	-	21,700	-	-	-	21,700	(21,700)	-
Balance as of March 31, 2022	55,125,000	(734,629)	34,629,359	24,663,473	2,201,652	21,700	(11,670,583)	1,636,425	17,409,884	123,282,281	33,735,083	157,017,364

The accompanying notes from (1) to (16) form an integral part of the interim 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, 2023**

(All amounts are in Kuwaiti Dinars)

	For the three months ended March 31,	
	2023	2022
<b>Cash flows from operating activities:</b>		
Profit for the period before contribution to Kuwait Foundation for Advancement of Sciences (KFAS), National Labor Support Tax (NLST) and Zakat	1,656,475	5,913,268
Adjustments for:		
Net allowance of expected credit losses	30,044	855
Net investment income	(1,158,467)	(4,838,478)
Group's share of results from associates	(269,594)	(64,926)
Depreciation and amortization	1,881,526	1,763,937
Foreign exchange loss	179,630	148,379
Finance cost	1,224,018	377,277
Finance income	(308,765)	(118,703)
Gain on sale of property, plant and equipment	(138,982)	(111,177)
	<u>3,095,885</u>	<u>3,070,432</u>
Changes in operating assets and liabilities:		
Term deposits	1,705,813	-
Financial assets at fair value through profit or loss ("FVTPL")	9,147,981	430,272
Accounts receivable and other assets	(1,450,560)	(2,054,944)
Loans and advances	(9,324)	(161,418)
Accounts payable and other liabilities	315,436	(1,375,729)
Net cash flows generated from (used in) operating activities	<u>12,805,231</u>	<u>(91,387)</u>
<b>Cash flows from investing activities:</b>		
Purchase of financial assets at FVOCI	-	(301,615)
Proceeds from disposal of financial assets at FVOCI	-	1,097,213
Purchase of property, plant and equipment	(2,728,100)	(4,820,837)
Proceeds from disposal of property, plant and equipment	313,084	734,033
Payment to acquired additional ownership interest in a subsidiary	-	(21,700)
Cash dividends received	1,627,440	208,014
Finance income received	345,026	100,974
Net cash flows used in investing activities	<u>(442,550)</u>	<u>(3,003,918)</u>
<b>Cash flows from financing activities:</b>		
Net movement in deposits from banks and customers	(10,879,036)	2,801,843
Net movement in Islamic finance payables	126,891	1,326,499
Lease liabilities	(3,010,023)	(1,677,445)
Finance cost paid	(1,341,505)	(247,630)
Dividend paid to shareholders of the parent company	(4,511)	(29,246)
Dividend paid to non - controlling interests	(183,806)	(150,000)
Net cash flows (used in) generated from financing activities	<u>(15,291,990)</u>	<u>2,024,021</u>
Net decrease in cash and cash equivalents	<u>(2,929,309)</u>	<u>(1,071,284)</u>
Effect of exchange rate changes on cash and cash equivalents in foreign currencies	17,492	(2,649)
Cash and cash equivalents at the beginning of the period	<u>22,617,605</u>	<u>20,379,753</u>
Cash and cash equivalents at the end of the period (Note 3)	<u>19,705,788</u>	<u>19,305,820</u>

The accompanying notes from (1) to (16) form an integral part of the interim consolidated financial information.

**KUWAIT INVESTMENT COMPANY - K.S.C. (PUBLIC) AND ITS SUBSIDIARIES**  
**NOTES TO INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)**  
**MARCH 31, 2023**

(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 62% 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 consolidated financial information was authorized for issue by the Parent Company's Board of Directors on May 2, 2023.

2. Basis of presentation

The interim 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 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, 2022.

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 2023, but do not have an impact on the interim consolidated financial information of the Group.

The interim 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 consolidated financial information. Operating results for the three months period ended March 31, 2023 are not necessarily indicative of the results that may be expected for the fiscal year ending December 31, 2023. For further information, refer to the consolidated financial statements and notes thereto for the fiscal year ended December 31, 2022.

3. Cash and cash equivalents

	<b>March 31,</b>	December 31,	March 31,
	<b>2023</b>	2022	2022
		(Audited)	
Cash on hand, at banks and in portfolios	<u>9,152,964</u>	11,768,822	11,543,678
Short-term deposits (a)	<u>10,552,824</u>	10,848,783	7,762,142
	<u><b>19,705,788</b></u>	<u>22,617,605</u>	<u>19,305,820</u>

(a) The effective rate of return on short-term deposits is 3.98% (December 31, 2022 – 3.37%, March 31, 2022 – 1%) 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 CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)**

**MARCH 31, 2023**

(All amounts are in Kuwaiti Dinars)

4. Investment in securities

	<b>March 31, 2023</b>	December 31, 2022 (Audited)	March 31, 2022
Financial assets at FVTPL	<b>104,193,106</b>	113,839,231	133,320,777
Financial assets at FVOCI	<b>11,595,286</b>	11,810,154	14,029,581
	<b>115,788,392</b>	125,649,385	147,350,358

5. Islamic finance payables

The balances of Islamic finance payables bear an average financing cost of 3.5% (December 31, 2022 – 3.5%, March 31, 2022 – 3.5%) annually and are guaranteed by the shares of one of the Group's subsidiaries and certain investment properties.

6. Treasury shares

	<b>March 31, 2023</b>	December 31, 2022 (Audited)	March 31, 2022
Number of shares (shares)	<b>26,909,086</b>	26,909,086	3,261,581
Percentage of issued shares (%)	<b>4.88</b>	4.88	0.5917
Market value (KD)	<b>3,229,090</b>	4,063,272	952,382
Cost (KD)	<b>4,136,876</b>	4,136,876	734,629

The Parent Company's management has allotted an amount equal to treasury shares balance from the retained earnings as of March 31, 2023. This balance is not available for distribution during the Parent Company's retention period of these treasury shares as per CMA guidelines.

7. Net investment income

	For the three months ended March 31,	
	<b>2023</b>	2022
Unrealized (loss) gain from financial assets at FVTPL	<b>(1,109,470)</b>	4,626,941
Realized gain (loss) on sale of financial assets at FVTPL	<b>640,497</b>	(120,396)
Dividend income	<b>1,627,440</b>	331,933
	<b>1,158,467</b>	4,838,478

**KUWAIT INVESTMENT COMPANY - K.S.C. (PUBLIC) AND ITS SUBSIDIARIES**  
**NOTES TO INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)**  
**MARCH 31, 2023**

(All amounts are in Kuwaiti Dinars)

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

There are no potential dilutive ordinary shares. Basic and diluted earnings per share is computed by dividing the profit 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,	
	2023	2022
Earnings for the period attributable to shareholders of the Parent Company	386,605	4,875,411
<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	(26,909,086)	(3,261,581)
Weighted average number of shares outstanding	524,340,914	547,988,419
	<u>Fils</u>	<u>Fils</u>
<b>Basic and diluted earnings per share attributable to shareholders of the Parent Company</b>	<b>0.74</b>	<b>8.90</b>

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

9. Related party balances and transactions

The Group has entered into various transactions with related parties i.e. 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>	Shareholders	March 31,	December 31,	March 31,
		2023	2022 (Audited)	2022
Deposits from customers	-	-	-	31,222,458
Accounts payable and other liabilities	3,191,413	3,191,413	574,219	13,740,742
<u>Transactions included in the interim condensed consolidated statement of profit or loss:</u>				
	Shareholders	For the three months ended March 31,		
		2023	2022	
Net fee and commission income	629,609	629,609		906,988
Finance charges	-	-		67,967
<u>Compensation to key management personnel of the Parent Company:</u>				
Short term benefits		166,264		160,960
Post-employment benefits		158,367		20,623
		<u>324,631</u>		<u>181,583</u>

10. 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, 2023 amounting to KD 1.929 billion (December 31, 2022 - KD 1.994 billion and March 31, 2022 - KD 2.159 billion) which are not reflected in the interim 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.

**KUWAIT INVESTMENT COMPANY - K.S.C. (PUBLIC) AND ITS SUBSIDIARIES**  
**NOTES TO INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)**  
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During the prior years, the Parent Company had obtained market making license, which the Parent Company trades on the shares related to customers, consequently, these shares are not reflected in the interim consolidated financial information, in addition, no unrealized gains or losses resulted from trading on these shares has been recorded, based on the contractual agreements between customers and Parent Company.

Income earned from the above fiduciary assets amounting to KD 1,471,789 for the three-month period ended March 31, 2023 (for the year ended December 31, 2022 - KD 6,766,999 and for the three-month period ended March 31, 2022 - KD 1,933,719).

11. Capital commitments and contingent liabilities

a) Capital commitments

	<u>March 31, 2023</u>	December 31, 2022 (Audited)	<u>March 31, 2022</u>
Investment commitments	<u>53,662</u>	<u>52,953</u>	<u>52,935</u>

b) Contingent liabilities

	<u>March 31, 2023</u>	December 31, 2022 (Audited)	<u>March 31, 2022</u>
Letters of guarantee	<u>2,293,122</u>	<u>2,293,122</u>	<u>2,293,122</u>

12. Financial assets and liabilities

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

	<u>March 31, 2023</u>		
	<u>Current portion</u>	<u>Non-current portion</u>	<u>Total</u>
<b>Assets:</b>			
Cash and cash equivalents	19,705,788	-	19,705,788
Term deposits	9,419,355	-	9,419,355
Accounts receivable and other assets	12,065,140	-	12,065,140
Loans and advances	3,363,761	-	3,363,761
Investment in securities	104,193,106	11,595,286	115,788,392
Investment in associates	-	21,103,052	21,103,052
Investment properties	-	26,450,961	26,450,961
Intangible assets	-	11,042,602	11,042,602
Property, plant and equipment	-	27,765,315	27,765,315
Right-of-use assets	-	2,356,159	2,356,159
<b>Total assets</b>	<u>148,747,150</u>	<u>100,313,375</u>	<u>249,060,525</u>
<b>Liabilities:</b>			
Deposits from banks and customers	64,363,227	-	64,363,227
Islamic finance payables	11,122,638	-	11,122,638
Accounts payable and other liabilities	13,523,132	7,283,674	20,806,806
Term loans	-	3,986,867	3,986,867
Lease liabilities	1,648,532	-	1,648,532
<b>Total liabilities</b>	<u>90,657,529</u>	<u>11,270,541</u>	<u>101,928,070</u>

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	December 31, 2022 (Audited)		
	Current portion	Non-current portion	Total
<b>Assets:</b>			
Cash and cash equivalents	22,617,605	-	22,617,605
Term deposits	11,125,168	-	11,125,168
Accounts receivable and other assets	10,680,885	-	10,680,885
Loans and advances	3,354,437	-	3,354,437
Investment in securities	113,839,231	11,810,154	125,649,385
Investment in associates	-	20,594,308	20,594,308
Investment properties	-	26,280,094	26,280,094
Intangible assets	-	11,042,602	11,042,602
Property, plant and equipment	-	26,755,789	26,755,789
Right-of-use assets	-	2,693,213	2,693,213
Total assets	<u>161,617,326</u>	<u>99,176,160</u>	<u>260,793,486</u>
<b>Liabilities:</b>			
Deposits from banks and customers	75,062,633	-	75,062,633
Islamic finance payables	10,995,747	-	10,995,747
Accounts payable and other liabilities	10,145,097	7,009,215	17,154,312
Term loans	-	3,903,854	3,903,854
Lease liabilities	3,023,107	1,619,410	4,642,517
Total liabilities	<u>99,226,584</u>	<u>12,532,479</u>	<u>111,759,063</u>
<b>March 31, 2022</b>			
	Current portion	Non-current portion	Total
<b>Assets:</b>			
Cash and cash equivalents	19,305,820	-	19,305,820
Term deposits	12,520,000	-	12,520,000
Accounts receivable and other assets	17,390,038	-	17,390,038
Loans and advances	3,344,356	-	3,344,356
Investment in securities	133,320,777	14,029,581	147,350,358
Investment in associates	-	16,078,659	16,078,659
Investment properties	-	24,147,272	24,147,272
Intangible assets	-	11,042,602	11,042,602
Property, plant and equipment	-	25,615,491	25,615,491
Right-of-use assets	-	4,233,699	4,233,699
Total assets	<u>185,880,991</u>	<u>95,147,304</u>	<u>281,028,295</u>
<b>Liabilities:</b>			
Deposits from banks and customers	75,294,576	-	75,294,576
Islamic finance payables	8,682,783	-	8,682,783
Accounts payable and other liabilities	25,221,202	6,560,255	31,781,457
Term loans	3,730,509	-	3,730,509
Lease liabilities	2,853,551	1,668,055	4,521,606
Total liabilities	<u>115,782,621</u>	<u>8,228,310</u>	<u>124,010,931</u>

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13. 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 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>
<b>For the three months ended</b>					
<b>March 31, 2023</b>					
Segment revenue	656,187	2,005,467	1,468,831	3,695,795	7,826,280
Segment expenses	<u>(1,306,687)</u>	<u>(1,596,656)</u>	<u>(1,047,731)</u>	<u>(623,299)</u>	<u>(4,574,373)</u>
Segment result	(650,500)	408,811	421,100	3,072,496	3,251,907
Depreciation and amortization	(1,979)	(6,564)	(54)	(1,872,929)	(1,881,526)
Share of results of associates	-	269,594	-	-	269,594
Segment (loss) profit	<u>(652,479)</u>	<u>671,841</u>	<u>421,046</u>	<u>1,199,567</u>	<u>1,639,975</u>
Total assets	<u>89,879,718</u>	<u>114,220,554</u>	<u>-</u>	<u>44,960,253</u>	<u>249,060,525</u>
Total liabilities	<u>1,287,803</u>	<u>1,619,911</u>	<u>64,940,164</u>	<u>34,080,192</u>	<u>101,928,070</u>
	<u>Asset management</u>	<u>DICF</u>	<u>Treasury</u>	<u>Other operations</u>	<u>Total</u>
<b>For the three months ended</b>					
<b>March 31, 2022</b>					
Segment revenue	5,329,798	2,333,326	386,439	3,046,605	11,096,168
Segment expenses	<u>(814,345)</u>	<u>(774,177)</u>	<u>(275,135)</u>	<u>(1,876,833)</u>	<u>(3,740,490)</u>
Segment result	4,515,453	1,559,149	111,304	1,169,772	7,355,678
Depreciation and amortization	(1,742)	(344,023)	(3)	(1,418,169)	(1,763,937)
Share of results of associates	-	64,926	-	-	64,926
Segment profit (loss)	<u>4,513,711</u>	<u>1,280,052</u>	<u>111,301</u>	<u>(248,397)</u>	<u>5,656,667</u>
Total assets	<u>108,156,666</u>	<u>114,211,204</u>	<u>-</u>	<u>58,660,425</u>	<u>281,028,295</u>
Total liabilities	<u>49,388</u>	<u>3,177,545</u>	<u>75,404,172</u>	<u>45,379,826</u>	<u>124,010,931</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:

	March 31, 2023		
	Revenue	Assets	Capital expenditures
Kuwait	5,091,862	179,471,474	2,728,100
Other GCC countries	152,279	36,183,062	-
Other Middle East and North Africa (MENA)	780,170	3,126,849	-
Europe	1,002,680	16,622,920	-
United states of America	835,718	10,398,068	-
Asia	(36,429)	3,258,152	-
	<u>7,826,280</u>	<u>249,060,525</u>	<u>2,728,100</u>

	December 31, 2022 (Audited)		
	Revenue	Assets	Capital expenditures
Kuwait	35,931,020	181,201,385	11,629,798
Other GCC countries	(851,348)	39,506,406	-
Other Middle East and North Africa (MENA)	183,121	2,691,106	-
Europe	(5,173,248)	25,511,937	-
United states of America	(2,202,767)	8,483,295	-
Asia	(1,819,528)	3,399,357	-
	<u>26,067,250</u>	<u>260,793,486</u>	<u>11,629,798</u>

	March 31, 2022		
	Revenue	Assets	Capital Expenditures
Kuwait	14,380,105	190,581,756	4,820,837
Other GCC countries	660,682	36,454,845	-
Other Middle East and North Africa (MENA)	(75,226)	2,808,587	-
Europe	(2,002,625)	36,729,535	-
United states of America	(801,390)	9,722,790	-
Asia	(1,065,378)	4,730,782	-
	<u>11,096,168</u>	<u>281,028,295</u>	<u>4,820,837</u>

**14. General Assembly**

The Shareholders' Annual General Assembly held on March 20, 2023 approved the consolidated financial statements for the financial year ended December 31, 2022 and approved to distribute cash dividends of 5 fils per share amounting to KD 2,621,705 and not to distribute Board of Directors' remuneration for the financial year ended December 31, 2022.

The Shareholders' Annual General Assembly held on March 20, 2022 approved the consolidated financial statements for the financial year ended December 31, 2021 and approved to distribute cash dividends of 25 fils per share amounting to KD 13,699,710 and distribute KD 225,000 Board of Directors' remuneration for the financial year ended December 31, 2021.



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15. 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.

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

	<b>March 31, 2023</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Financial assets at FVTPL:</b>				
Quoted securities	15,439,208	-	-	15,439,208
Unquoted securities	-	-	35,617,243	35,617,243
Investment funds	-	53,136,655	-	53,136,655
	<u>15,439,208</u>	<u>53,136,655</u>	<u>35,617,243</u>	<u>104,193,106</u>
<b>Financial assets at FVOCI:</b>				
Quoted securities	979,672	-	-	979,672
Unquoted securities	-	-	10,615,614	10,615,614
	<u>979,672</u>	<u>-</u>	<u>10,615,614</u>	<u>11,595,286</u>
Investment properties	-	17,867,039	8,583,922	26,450,961
<b>Total</b>	<u>16,418,880</u>	<u>71,003,694</u>	<u>54,816,779</u>	<u>142,239,353</u>
	December 31, 2022 (Audited)			
	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL:				
Quoted securities	14,978,767	-	-	14,978,767
Unquoted securities	-	-	35,063,673	35,063,673
Investment funds	-	63,796,791	-	63,796,791
	<u>14,978,767</u>	<u>63,796,791</u>	<u>35,063,673</u>	<u>113,839,231</u>
Financial assets at FVOCI:				
Quoted securities	1,011,359	-	-	1,011,359
Unquoted securities	-	-	10,798,795	10,798,795
	<u>1,011,359</u>	<u>-</u>	<u>10,798,795</u>	<u>11,810,154</u>
Investment properties	-	17,696,172	8,583,922	26,280,094
<b>Total</b>	<u>15,990,126</u>	<u>81,492,963</u>	<u>54,446,390</u>	<u>151,929,479</u>

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	March 31, 2022			Total
	Level 1	Level 2	Level 3	
Financial assets at FVTPL:				
Quoted securities	23,948,001	-	-	23,948,001
Unquoted securities	-	-	31,657,362	31,657,362
Investment funds	-	77,715,414	-	77,715,414
	<u>23,948,001</u>	<u>77,715,414</u>	<u>31,657,362</u>	<u>133,320,777</u>
Financial assets at FVOCI:				
Quoted securities	1,022,049	-	-	1,022,049
Unquoted securities	-	-	13,007,532	13,007,532
	<u>1,022,049</u>	<u>-</u>	<u>13,007,532</u>	<u>14,029,581</u>
Investment properties	-	17,558,961	6,588,311	24,147,272
Total	<u>24,970,050</u>	<u>95,274,375</u>	<u>51,253,205</u>	<u>171,497,630</u>

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

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, 2023			Total
	Financial assets at FVPL	Financial assets at FVOCI	Investment properties	
Balance as of January 1, 2023	35,063,673	10,798,795	8,583,922	54,446,390
Additions	820,230	-	-	820,230
Losses recognised in the consolidated statement of profit or loss	(266,660)	-	-	(266,660)
Losses recognised in the consolidated statement of profit or loss and other comprehensive income	-	(183,181)	-	(183,181)
<b>Balance as of March 31, 2023</b>	<u>35,617,243</u>	<u>10,615,614</u>	<u>8,583,922</u>	<u>54,816,779</u>

	December 31, 2022 (Audited)			Total
	Financial assets at FVPL	Financial assets at FVOCI	Investment properties	
Balance as of January 1, 2022	30,907,239	13,329,507	6,588,311	50,825,057
Net disposals / additions	543,125	(966,502)	1,747,575	1,324,198
Gain recognised in the consolidated statement of profit or loss	3,613,309	-	248,036	3,861,345
Losses recognised in the consolidated statement of profit or loss and other comprehensive income	-	(1,564,210)	-	(1,564,210)
Balance as of December 31, 2022	<u>35,063,673</u>	<u>10,798,795</u>	<u>8,583,922</u>	<u>54,446,390</u>

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	March 31, 2022			
	Financial assets at FVPL	Financial assets at FVOCI	Investment properties	Total
Balance as of January 1, 2022	30,907,239	13,329,507	6,588,311	50,825,057
Disposals	-	(795,598)	-	(795,598)
Gain recognised in the consolidated statement of profit or loss	750,123	-	-	750,123
Gain recognised in the consolidated statement of profit or loss and other comprehensive income	-	473,623	-	473,623
Balance as of March 31, 2022	<u>31,657,362</u>	<u>13,007,532</u>	<u>6,588,311</u>	<u>51,253,205</u>

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

Financial assets:

	Fair value as at			Significant unobservable inputs	Sensitivity of unobservable inputs to fair value
	March 31, 2023	December 31, 2022 (Audited)	March 31, 2022		
Financial assets at FVTPL	<b>35,617,243</b>	35,063,673	31,657,362	liquidity discount from 10% to 50%	The increase (decrease) of liquidity discount by 10% would increase (decrease) fair value by KD 3,561,724
Financial assets at FVOCI	<b>10,615,614</b>	10,798,795	13,007,532	liquidity discount from 10% to 50%	The increase (decrease) of liquidity discount by 10% would increase (decrease) fair value by KD 1,061,561

16. Subsequent event

Subsequent to the reporting period, The Parent Company decided to liquidate KIC Diversified Fund (wholly owned subsidiary) located in Guernsey. The liquidation formalities currently are still in process and the financial impact cannot be determined until the end of liquidation of the fund.