

**KUWAIT INVESTMENT COMPANY - K.S.C. (PUBLIC)
AND ITS SUBSIDIARIES
STATE OF KUWAIT
INTERIM CONSOLIDATED FINANCIAL INFORMATION
FOR THE FINANCIAL PERIOD ENDED JUNE 30, 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
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RSM Albazie & Co.

Arraya Tower 2, Floors 41 & 42
Abdulaziz Hamad Alsaqar St., Sharq
P.O. Box 2115, Safat 13022, State of Kuwait

T +965 22961000
F +965 22412761

www.rsm.global/kuwait

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 (together the Group) as at June 30, 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 six 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 six months period ended June 30, 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 six months period ended June 30, 2023, that might have had a material effect on the business of the Parent Company or on its financial position.

State of Kuwait
August 6, 2023



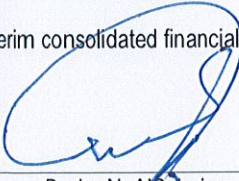
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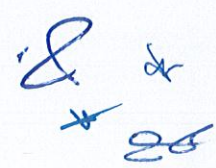
KUWAIT INVESTMENT COMPANY - K.S.C. (PUBLIC) AND ITS SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)
AS OF JUNE 30, 2023
(All amounts are in Kuwaiti Dinars)

	Note	June 30, 2023	December 31, 2022 (Audited)	June 30, 2022
ASSETS				
Cash and cash equivalents	3	17,385,094	22,617,605	21,346,365
Term deposits		15,432,000	11,125,168	9,569,355
Accounts receivable and other assets		12,151,392	10,680,885	10,909,590
Loans and advances		3,371,254	3,354,437	3,353,763
Investment in securities	4	117,029,845	125,649,385	133,413,238
Investment in associates		21,066,590	20,594,308	19,651,124
Investment properties	5	31,036,785	26,280,094	26,774,029
Intangible assets		11,042,602	11,042,602	11,042,602
Property, plant and equipment		26,673,204	26,755,789	26,703,413
Right-of-use assets		2,019,104	2,693,213	3,708,252
Total assets		257,207,870	260,793,486	266,471,731
LIABILITIES AND EQUITY				
Liabilities:				
Deposits from banks and customers		71,666,352	75,062,633	81,961,052
Islamic finance payables	6	12,362,502	10,995,747	12,111,529
Accounts payable and other liabilities		17,046,731	17,154,312	16,258,014
Term loans		4,017,688	3,903,854	3,527,035
Lease liabilities		1,655,908	4,642,517	4,548,444
Total liabilities		106,749,181	111,759,063	118,406,074
Equity:				
Share capital		55,125,000	55,125,000	55,125,000
Treasury shares	7	(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		(13,930,096)	(13,521,850)	(12,532,705)
Foreign currency translation reserve		1,855,864	1,648,342	1,691,575
Retained earnings		13,412,400	12,951,089	8,943,125
Equity attributable to shareholders of the Parent Company		114,219,082	113,724,716	114,008,550
Non-controlling interests		36,239,607	35,309,707	34,057,107
Total equity		150,458,689	149,034,423	148,065,657
Total liabilities and equity		257,207,870	260,793,486	266,471,731

The accompanying notes from (1) to (17) form an integral part of the interim consolidated financial information.


Mishari Zaid Al Khaled
Vice 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 JUNE 30, 2023

(All amounts are in Kuwaiti Dinars)

	Note	For the three months ended		For the six months ended	
		June 30,	June 30,	June 30,	June 30,
		2023	2022	2023	2022
Operating revenue:					
Net fee and commission income		1,605,323	2,623,229	3,375,591	5,121,056
Net rental income		2,782,434	1,905,111	5,427,809	3,783,019
Net investment in securities income (loss)	8	3,149,068	(9,886,907)	4,307,535	(5,048,429)
Group's share of results from associates		181,589	65,325	451,183	130,251
Finance income		278,934	177,449	587,699	296,152
Other income		47	11,333	61,926	223,361
		<u>7,997,395</u>	<u>(5,104,460)</u>	<u>14,211,743</u>	<u>4,505,410</u>
Operating expenses:					
General and administrative expenses		(2,939,372)	(1,881,566)	(6,063,553)	(5,051,657)
Net allowance of expected credit losses		(30,047)	(80,610)	(60,091)	(81,465)
Foreign exchange losses		(66,161)	(242,420)	(245,791)	(390,799)
Finance cost		(1,018,617)	(552,199)	(2,242,635)	(929,476)
		<u>(4,054,197)</u>	<u>(2,756,795)</u>	<u>(8,612,070)</u>	<u>(6,453,397)</u>
Profit (loss) for the period before contribution to Kuwait Foundation for Advancement of Sciences (KFAS), National Labor Support Tax (NLST) and Zakat					
		3,943,198	(7,861,255)	5,599,673	(1,947,987)
Contribution to KFAS		(15,263)	41,652	(15,263)	-
Contribution to NLST		(96,496)	168,406	(112,996)	-
Contribution to Zakat		(11,477)	46,543	(11,477)	-
Profit (loss) for the period		<u>3,819,962</u>	<u>(7,604,654)</u>	<u>5,459,937</u>	<u>(1,947,987)</u>
Attributable to:					
Shareholders of the Parent Company		3,021,257	(8,424,061)	3,407,862	(3,548,650)
Non-controlling interests		798,705	819,407	2,052,075	1,600,663
		<u>3,819,962</u>	<u>(7,604,654)</u>	<u>5,459,937</u>	<u>(1,947,987)</u>
Basic and diluted earnings (loss) per share attributable to shareholders of the Parent Company (Fils)	9	<u>5.76</u>	<u>(15.37)</u>	<u>6.50</u>	<u>(6.48)</u>

The accompanying notes from (1) to (17) 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 JUNE 30, 2023
(All amounts are in Kuwaiti Dinars)

	For the three months ended June 30,		For the six months ended June 30,	
	2023	2022	2023	2022
Profit (loss) for the period	<u>3,819,962</u>	<u>(7,604,654)</u>	<u>5,459,937</u>	<u>(1,947,987)</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	82,717	55,150	207,522	133,913
Group's share of other comprehensive income from associates	4,709	11,750	3,646	12,215
<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	<u>(473,851)</u>	<u>(972,953)</u>	<u>(694,470)</u>	<u>(603,508)</u>
Other comprehensive loss for the period	<u>(386,425)</u>	<u>(906,053)</u>	<u>(249,523)</u>	<u>(457,380)</u>
Total comprehensive income (loss) for the period	<u>3,433,537</u>	<u>(8,510,707)</u>	<u>5,210,414</u>	<u>(2,405,367)</u>
Attributable to:				
Shareholders of the Parent Company	2,656,721	(9,273,731)	3,170,707	(3,964,228)
Non-controlling interests	<u>776,816</u>	<u>763,024</u>	<u>2,039,707</u>	<u>1,558,861</u>
	<u>3,433,537</u>	<u>(8,510,707)</u>	<u>5,210,414</u>	<u>(2,405,367)</u>

The accompanying notes from (1) to (17) 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 JUNE 30, 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	-	-	-	-	-	-	-	-	3,407,862	3,407,862	2,052,075	5,459,937
Other comprehensive income (loss) for the period	-	-	-	-	233,779	-	(678,456)	207,522	-	(237,155)	(12,368)	(249,523)
Total comprehensive income (loss) for the period	-	-	-	-	233,779	-	(678,456)	207,522	3,407,862	3,170,707	2,039,707	5,210,414
Effect of disposal of financial assets at FVOCI	-	-	-	-	-	-	270,210	-	(324,846)	(54,636)	(52,667)	(107,303)
Cash dividend (Note 15)	-	-	-	-	-	-	-	-	(2,621,705)	(2,621,705)	-	(2,621,705)
Dividend to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(1,057,140)	(1,057,140)
Balance as of June 30, 2023	55,125,000	(4,136,876)	34,697,661	24,731,775	2,435,431	27,923	(13,930,096)	1,855,864	13,412,400	114,219,082	36,239,607	150,458,689
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
(Loss) profit for the period	-	-	-	-	-	-	-	-	(3,548,650)	(3,548,650)	1,600,663	(1,947,987)
Other comprehensive (loss) income for the period	-	-	-	-	-	-	(549,491)	133,913	-	(415,578)	(41,802)	(457,380)
Total comprehensive (loss) income for the period	-	-	-	-	-	-	(549,491)	133,913	(3,548,650)	(3,964,228)	1,558,861	(2,405,367)
Effect of disposal of financial assets at FVOCI	-	-	-	-	-	-	84,276	-	(84,276)	-	-	-
Cash Dividend (Note 15)	-	-	-	-	-	-	-	-	(13,699,710)	(13,699,710)	-	(13,699,710)
Dividend to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(763,140)	(763,140)
Effect of changes in ownership interest of a subsidiary	-	-	-	-	-	21,700	-	-	-	21,700	(21,700)	-
Balance as of June 30, 2022	55,125,000	(734,629)	34,629,359	24,663,473	2,201,652	21,700	(12,532,705)	1,691,575	8,943,125	114,008,550	34,057,107	148,065,657

The accompanying notes from (1) to (17) 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 JUNE 30, 2023

(All amounts are in Kuwaiti Dinars)

	For the Six months ended June 30,	
	2023	2022
Cash flows from operating activities:		
Profit (loss) for the period before contribution to Kuwait Foundation for Advancement of Sciences (KFAS), National Labor Support Tax (NLST) and Zakat	5,599,673	(1,947,987)
Adjustments for:		
Net allowance of expected credit losses	60,091	81,465
Net investment in securities (income) loss	(4,307,535)	5,048,429
Group's share of results from associates	(451,183)	(130,251)
Depreciation and amortization	3,405,687	3,169,253
Foreign exchange loss	245,791	390,799
Finance cost	2,242,635	929,476
Finance income	(587,699)	(296,152)
Gain on sale of property, plant and equipment	(316,045)	(260,225)
	<u>5,891,415</u>	<u>6,984,807</u>
Changes in operating assets and liabilities:		
Term deposits	(4,306,832)	2,950,645
Financial assets at fair value through profit or loss ("FVTPL")	9,857,388	(293,956)
Accounts receivable and other assets	(1,573,764)	624,444
Loans and advances	(16,817)	(170,825)
Accounts payable and other liabilities	(74,555)	(2,916,061)
Net cash flows generated from operating activities	<u>9,776,835</u>	<u>7,179,054</u>
Cash flows from investing activities:		
Purchase of financial assets at FVOCI	-	(301,615)
Proceeds from disposal of financial assets at FVOCI	221,290	1,290,131
Purchase of property, plant and equipment	(4,860,266)	(6,998,471)
Proceeds from disposal of property, plant and equipment	2,527,318	1,092,924
Purchase of Investment properties	(2,787,034)	(3,085,500)
Payment to acquired additional ownership interest in a subsidiary	-	(21,700)
Cash dividends received	2,354,561	4,170,747
Finance income received	630,865	442,856
Net cash flows used in investing activities	<u>(1,913,266)</u>	<u>(3,410,628)</u>
Cash flows from financing activities:		
Net movement in deposits from banks and customers	(3,642,072)	9,225,899
Net movement in Islamic finance payables	(383,245)	4,755,245
Lease liabilities	(3,018,685)	(1,681,774)
Finance cost paid	(2,450,466)	(721,013)
Dividend paid to shareholders of the parent company	(2,554,560)	(13,631,268)
Dividend paid to non - controlling interests	(1,057,140)	(763,140)
Net cash flows used in financing activities	<u>(13,106,168)</u>	<u>(2,816,051)</u>
Net (decrease) increase in cash and cash equivalents	(5,242,599)	952,375
Effect of exchange rate changes on cash and cash equivalents in foreign currencies	10,088	14,237
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>17,385,094</u>	<u>21,346,365</u>

The accompanying notes from (1) to (17) 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)

JUNE 30, 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 August 6, 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 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 six months period ended June 30, 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

	June 30,	December 31,	June 30,
	2023	2022	2022
		(Audited)	
Cash on hand, at banks and in portfolios	8,700,186	11,768,822	10,995,909
Short-term deposits (a)	8,684,908	10,848,783	10,350,456
	<u>17,385,094</u>	<u>22,617,605</u>	<u>21,346,365</u>

(a) The effective rate of return on short-term deposits is 4.22% (December 31, 2022 – 3.37%, June 30, 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)

JUNE 30, 2023

(All amounts are in Kuwaiti Dinars)

4. Investment in securities

	June 30, 2023	December 31, 2022 (Audited)	June 30, 2022
Financial assets at FVTPL	106,242,754	113,839,231	120,419,989
Financial assets at FVOCI	10,787,091	11,810,154	12,993,249
	117,029,845	125,649,385	133,413,238

5. Investment properties

During the period ended June 30, 2023, one of the Group's subsidiaries purchased an investment property located in Khaitan with a carrying value of KD 1,750,000 which is financed by Islamic finance payables. In addition, the Parent Company purchased an investment property located in Shuwaikh from an external party represented by right of utilization of land leased from the Public Authority for Industry in the State of Kuwait including buildings constructed on it with a carrying value of KD 2,767,000. The right of utilization contract for the leased land was also transferred under the name of the Parent Company with a lease contract expiring on June 21, 2028.

6. Islamic finance payables

The balances of Islamic finance payables bear an average financing cost of 3.5% (December 31, 2022 – 3.5%, June 30, 2022 – 3.5%) annually and are guaranteed by the shares of one of the Group's subsidiaries and certain investment properties.

7. Treasury shares

	June 30, 2023	December 31, 2022 (Audited)	June 30, 2022
Number of shares (shares)	26,909,086	26,909,086	3,261,581
Percentage of issued shares (%)	4.88	4.88	0.5917
Market value (KD)	3,390,545	4,063,272	479,452
Cost (KD)	4,136,876	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 June 30, 2023. This balance is not available for distribution during the Parent Company's retention period of these treasury shares as per CMA guidelines.

8. Net investment in securities income (loss)

	For the three months ended June 30,		For the six months ended June 30,	
	2023	2022	2023	2022
Unrealized gain (loss) from financial assets at FVTPL	2,382,195	(13,848,436)	1,272,725	(9,221,495)
Realized gain on sale of financial assets at FVTPL	288,193	204,040	928,690	83,644
Dividend income	478,680	3,757,489	2,106,120	4,089,422
	3,149,068	(9,886,907)	4,307,535	(5,048,429)

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

JUNE 30, 2023

(All amounts are in Kuwaiti Dinars)

9. 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,	
	2023	2022	2023	2022
Earnings (loss) for the period attributable to shareholders of the Parent Company	<u>3,021,257</u>	<u>(8,424,061)</u>	<u>3,407,862</u>	<u>(3,548,650)</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>(26,909,086)</u>	<u>(3,261,581)</u>	<u>(26,909,086)</u>	<u>(3,261,581)</u>
Weighted average number of shares outstanding	<u>524,340,914</u>	<u>547,988,419</u>	<u>524,340,914</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>5.76</u>	<u>(15.37)</u>	<u>6.50</u>	<u>(6.48)</u>

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

10. 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	June 30,	December 31,	June 30,
		2023	2022 (Audited)	2022
Deposits from customers	-	-	-	9,577,398
Accounts payable and other liabilities	641,364	641,364	574,219	626,323

<u>Transactions included in the interim condensed consolidated statement of profit or loss:</u>	For the three months ended June 30,		For the Six months ended June 30,	
	2023	2022	2023	2022
Net fee and commission income	645,075	869,417	1,274,684	1,776,405
Finance charges	-	(58,167)	-	(126,134)

<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,	
	2023	2022	2023	2022
Salaries, incentives and remuneration	189,947	129,576	356,211	290,536
Post-employment benefits	8,020	42,492	166,387	63,115
	<u>197,967</u>	<u>172,068</u>	<u>522,598</u>	<u>353,651</u>

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11. 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, 2023 amounting to KD 1.928 billion (December 31, 2022 - KD 1.994 billion and June 30, 2022 - KD 2.037 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.

the Group operates by market making license, which trades through it 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 Group.

Income earned from the above fiduciary assets amounting to KD 2,899,947 for the six-month period ended June 30, 2023 (for the year ended December 31, 2022 – KD 6,766,999 and for the six-month period ended June 30, 2022 – KD 3,958,727).

12. Capital commitments and contingent liabilities

a) Capital commitments

	June 30, 2023	December 31, 2022 (Audited)	June 30, 2022
Investment commitments	<u>53,749</u>	<u>52,953</u>	<u>53,688</u>

b) Contingent liabilities

	June 30, 2023	December 31, 2022 (Audited)	June 30, 2022
Letters of guarantee	<u>2,293,122</u>	<u>2,293,122</u>	<u>2,293,122</u>

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13. Financial assets and liabilities

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

	June 30, 2023		
	<u>Current portion</u>	<u>Non-current portion</u>	<u>Total</u>
Assets:			
Cash and cash equivalents	17,385,094	-	17,385,094
Term deposits	15,432,000	-	15,432,000
Accounts receivable and other assets	12,151,392	-	12,151,392
Loans and advances	3,371,254	-	3,371,254
Investment in securities	106,242,754	10,787,091	117,029,845
Investment in associates	-	21,066,590	21,066,590
Investment properties	-	31,036,785	31,036,785
Intangible assets	-	11,042,602	11,042,602
Property, plant and equipment	-	26,673,204	26,673,204
Right-of-use assets	-	2,019,104	2,019,104
Total assets	<u>154,582,494</u>	<u>102,625,376</u>	<u>257,207,870</u>
Liabilities:			
Deposits from banks and customers	71,666,352	-	71,666,352
Islamic finance payables	12,362,502	-	12,362,502
Accounts payable and other liabilities	9,757,865	7,288,866	17,046,731
Term loans	-	4,017,688	4,017,688
Lease liabilities	1,640,371	15,537	1,655,908
Total liabilities	<u>95,427,090</u>	<u>11,322,091</u>	<u>106,749,181</u>
December 31, 2022 (Audited)			
	<u>Current portion</u>	<u>Non-current portion</u>	<u>Total</u>
Assets:			
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>
Liabilities:			
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>

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	June 30, 2022		
	Current portion	Non-current portion	Total
Assets:			
Cash and cash equivalents	21,346,365	-	21,346,365
Term deposits	9,569,355	-	9,569,355
Accounts receivable and other assets	10,909,590	-	10,909,590
Loans and advances	3,353,763	-	3,353,763
Investment in securities	120,419,989	12,993,249	133,413,238
Investment in associates	-	19,651,124	19,651,124
Investment properties	-	26,774,029	26,774,029
Intangible assets	-	11,042,602	11,042,602
Property, plant and equipment	-	26,703,413	26,703,413
Right-of-use assets	-	3,708,252	3,708,252
Total assets	<u>165,599,062</u>	<u>100,872,669</u>	<u>266,471,731</u>
Liabilities:			
Deposits from banks and customers	81,961,052	-	81,961,052
Islamic finance payables	12,111,529	-	12,111,529
Accounts payable and other liabilities	9,585,956	6,672,058	16,258,014
Term loans	3,527,035	-	3,527,035
Lease liabilities	2,880,389	1,668,055	4,548,444
Total liabilities	<u>110,065,961</u>	<u>8,340,113</u>	<u>118,406,074</u>

14. 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.

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

	Asset management	DICF	Treasury	Other operations	Total
For the six months ended					
June 30, 2023					
Segment revenue	4,577,747	3,583,792	2,280,263	6,126,783	16,568,585
Segment expenses	(2,409,212)	(2,624,133)	(2,007,150)	(1,113,649)	(8,154,144)
Segment result	2,168,535	959,659	273,113	5,013,134	8,414,441
Depreciation and amortization	(3,957)	(677,303)	(109)	(2,724,318)	(3,405,687)
Share of results of associates	-	440,814	-	10,369	451,183
Segment profit	2,164,578	723,170	273,004	2,299,185	5,459,937
Total assets	76,782,231	117,181,628	71,240	63,172,771	257,207,870
Total liabilities	49,399	1,635,949	74,415,347	30,643,585	106,749,181

	Asset management	DICF	Treasury	Other operations	Total
For the six months ended					
June 30, 2022					
Net Segment revenue	(1,808,887)	1,930,900	1,010,098	4,293,940	5,426,051
Segment expenses	(1,371,623)	(1,675,272)	(736,615)	(551,526)	(4,335,036)
Segment result	(3,180,510)	255,628	273,483	3,742,414	1,091,015
Depreciation and amortization	(3,447)	(17,100)	(5)	(3,148,701)	(3,169,253)
Share of results of associates	-	130,251	-	-	130,251
Segment (loss) profit	(3,183,957)	368,779	273,478	593,713	(1,947,987)
Total assets	94,525,061	111,254,772	2,000,000	58,691,898	266,471,731
Total liabilities	49,396	3,209,006	88,225,155	26,922,517	118,406,074

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, 2023		
	Revenue	Assets	Capital expenditures
Kuwait	11,203,783	186,357,802	4,860,266
Other GCC countries	1,020,651	36,872,923	-
Other Middle East and North Africa (MENA)	1,230,945	3,579,628	-
Europe	1,083,876	16,470,286	-
United states of America	1,375,200	10,476,479	-
Asia	654,130	3,450,752	-
	16,568,585	257,207,870	4,860,266

	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	-
	26,067,250	260,793,486	11,629,798

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	June 30, 2022		
	Revenue	Assets	Capital Expenditures
Kuwait	14,898,445	182,610,297	6,998,471
Other GCC countries	(474,288)	36,009,926	-
Other Middle East and North Africa (MENA)	(58,822)	2,847,807	-
Europe	(5,610,087)	32,149,882	-
United states of America	(2,005,979)	8,623,172	-
Asia	(1,323,218)	4,230,647	-
	<u>5,426,051</u>	<u>266,471,731</u>	<u>6,998,471</u>

15. 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.

16. 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:

	June 30, 2023			Total
	Level 1	Level 2	Level 3	
Financial assets at FVTPL:				
Quoted securities	16,401,330	-	-	16,401,330
Unquoted securities	-	-	35,369,040	35,369,040
Investment funds	-	54,472,384	-	54,472,384
	<u>16,401,330</u>	<u>54,472,384</u>	<u>35,369,040</u>	<u>106,242,754</u>
Financial assets at FVOCI:				
Quoted securities	873,733	-	-	873,733
Unquoted securities	-	-	9,913,358	9,913,358
	<u>873,733</u>	<u>-</u>	<u>9,913,358</u>	<u>10,787,091</u>
Investment properties	-	17,930,478	13,106,307	31,036,785
Total	<u>17,275,063</u>	<u>72,402,862</u>	<u>58,388,705</u>	<u>148,066,630</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
Total	<u>15,990,126</u>	<u>81,492,963</u>	<u>54,446,390</u>	<u>151,929,479</u>
	June 30, 2022			
	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL:				
Quoted securities	20,497,326	-	-	20,497,326
Unquoted securities	-	-	31,397,575	31,397,575
Investment funds	-	68,525,088	-	68,525,088
	<u>20,497,326</u>	<u>68,525,088</u>	<u>31,397,575</u>	<u>120,419,989</u>
Financial assets at FVOCI:				
Quoted securities	1,008,921	-	-	1,008,921
Unquoted securities	-	-	11,984,328	11,984,328
	<u>1,008,921</u>	<u>-</u>	<u>11,984,328</u>	<u>12,993,249</u>
Investment properties	-	20,185,718	6,588,311	26,774,029
Total	<u>21,506,247</u>	<u>88,710,806</u>	<u>49,970,214</u>	<u>160,187,267</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, 2023			
	Financial assets at FVPL	Financial assets at FVOCI	Investment properties	Total
Balance as of January 1, 2023	35,063,673	10,798,795	8,583,922	54,446,390
Net disposals/ Additions	145,440	(274,420)	1,750,000	1,621,020
Gain recognised in the consolidated statement of profit or loss	159,927	-	-	159,927
(Loss) gain recognised in the consolidated statement of profit or loss and other comprehensive income	-	(611,017)	5,385	(605,632)
Balance as of June 30, 2023	35,369,040	9,913,358	10,339,307	55,621,705
	December 31, 2022 (Audited)			
	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
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
Loss 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	35,063,673	10,798,795	8,583,922	54,446,390
	June 30, 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
Gain recognised in the consolidated statement of profit or loss	183,636	-	-	183,636
Loss recognised in the consolidated statement of profit or loss and other comprehensive income	-	(356,663)	-	(356,663)
Net additions / disposals	306,700	(988,516)	-	(681,816)
Balance as of June 30, 2022	31,397,575	11,984,328	6,588,311	49,970,214

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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
	June 30, 2023	December 31, 2022 (Audited)	June 30, 2022		
Financial assets at FVTPL	35,369,040	35,063,673	31,397,575	liquidity discount from 10% to 50%	The increase (decrease) of liquidity discount by 10% would increase (decrease) fair value by KD 3,536,904
Financial assets at FVOCI	9,913,358	10,798,795	11,984,328	liquidity discount from 10% to 50%	The increase (decrease) of liquidity discount by 10% would increase (decrease) fair value by KD 991,336

17. Significant event

During the period ended June 30, 2023, The Parent Company decided to liquidate KIC Diversified Fund (wholly owned subsidiary) located in Guernsey, and the Parent Company has redeemed its entire units in the fund. The liquidation formalities currently are still in process and the financial impact cannot be determined until the end of liquidation of the fund.