

**KUWAIT INVESTMENT COMPANY - K.S.C. (PUBLIC)
AND ITS SUBSIDIARIES
STATE OF KUWAIT
INTERIM CONSOLIDATED FINANCIAL INFORMATION
FOR THE FINANCIAL PERIOD ENDED SEPTEMBER 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

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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 (together the Group) as of September 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 nine 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 nine months period ended September 30, 2023, that might have had a material effect on the Parent Company's financial position or result of its operations.

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 nine months period ended September 30, 2023, that might have had a material effect on the business of the Parent Company or on its financial position.

State of Kuwait
November 7, 2023



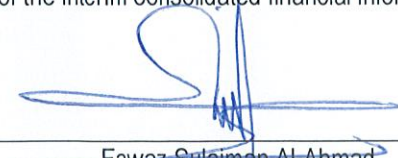
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KUWAIT INVESTMENT COMPANY - K.S.C. (PUBLIC) AND ITS SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)
AS OF SEPTEMBER 30, 2023
(All amounts are in Kuwaiti Dinars)

	Note	September 30, 2023	December 31, 2022 (Audited)	September 30, 2022
<u>ASSETS</u>				
Cash and cash equivalents	3	16,761,945	22,617,605	19,861,113
Term deposits	4	15,636,500	11,125,168	9,569,355
Accounts receivable and other assets		10,802,218	10,680,885	9,388,379
Loans and advances		3,382,110	3,354,437	3,370,981
Investment in securities	5	107,269,816	125,649,385	124,687,830
Investment in associates		21,064,887	20,594,308	19,958,841
Investment properties	6	30,836,007	26,280,094	25,140,255
Intangible assets		11,042,602	11,042,602	11,042,602
Property, plant and equipment		26,600,907	26,755,789	26,611,511
Right-of-use assets		1,682,048	2,693,213	3,182,808
Total assets		245,079,040	260,793,486	252,813,675
<u>LIABILITIES AND EQUITY</u>				
Liabilities:				
Deposits from banks and customers	7	63,081,450	75,062,633	72,964,602
Islamic finance payables	8	13,312,385	10,995,747	10,793,462
Accounts payable and other liabilities		16,005,716	17,154,312	15,365,790
Term loans		3,915,277	3,903,854	3,267,348
Lease liabilities		1,667,526	4,642,517	4,579,905
Total liabilities		97,982,354	111,759,063	106,971,107
Equity:				
Share capital		55,125,000	55,125,000	55,125,000
Treasury shares	9	(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		(62,152)	27,923	28,700
Fair value reserve		(13,606,411)	(13,521,850)	(13,253,081)
Foreign currency translation reserve		798,002	1,648,342	1,870,409
Retained earnings		13,156,596	12,951,089	6,930,123
Equity attributable to shareholders of the Parent Company		113,139,026	113,724,716	111,461,006
Non-controlling interests		33,957,660	35,309,707	34,381,562
Total equity		147,096,686	149,034,423	145,842,568
Total liabilities and equity		245,079,040	260,793,486	252,813,675

The accompanying notes from (1) to (19) form an integral part of the interim consolidated financial information.


Dr. Yousef Mohammad Al Ali
Chairman


Fawaz Sulaiman Al-Ahmad
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 SEPTEMBER 30, 2023

(All amounts are in Kuwaiti Dinars)

	Note	For the three months ended		For the nine months ended	
		September 30,		September 30,	
		2023	2022	2023	2022
Operating revenue:					
Net fee and commission income		1,467,857	1,948,497	4,843,448	7,069,553
Net rental income		951,342	2,823,587	6,379,151	6,606,606
Net investment in securities (loss) income	10	(870,606)	(1,909,267)	3,436,929	(6,957,696)
Group's share of results from associates		(76,891)	96,114	374,292	226,365
Gain on liquidation of a subsidiary	11	1,207,758	-	1,207,758	-
Gain on sale of investment properties		-	150,000	-	150,000
Finance income		378,151	184,058	965,850	480,210
Other income		61,780	38,038	123,706	261,399
		<u>3,119,391</u>	<u>3,331,027</u>	<u>17,331,134</u>	<u>7,836,437</u>
Operating expenses:					
General and administrative expenses		(2,567,321)	(2,546,233)	(8,630,874)	(7,597,890)
Net allowance of expected credit losses no longer required (charged)		27,150	(896,853)	(32,941)	(978,318)
Foreign exchange gain (losses)		43,305	(695,525)	(202,486)	(1,086,324)
Finance cost		(1,095,228)	(770,185)	(3,337,863)	(1,699,661)
		<u>(3,592,094)</u>	<u>(4,908,796)</u>	<u>(12,204,164)</u>	<u>(11,362,193)</u>
(Loss) profit for the period before contribution to Kuwait Foundation for Advancement of Sciences (KFAS), National Labor Support Tax (NLST) and Zakat					
		(472,703)	(1,577,769)	5,126,970	(3,525,756)
Contribution to KFAS		763	-	(14,500)	-
Contribution to NLST		24,134	-	(88,862)	-
Contribution to Zakat		4,027	-	(7,450)	-
(Loss) Profit for the period		<u>(443,779)</u>	<u>(1,577,769)</u>	<u>5,016,158</u>	<u>(3,525,756)</u>
Attributable to:					
Shareholders of the Parent Company		(342,190)	(2,007,276)	3,065,672	(5,555,926)
Non-controlling interests		(101,589)	429,507	1,950,486	2,030,170
		<u>(443,779)</u>	<u>(1,577,769)</u>	<u>5,016,158</u>	<u>(3,525,756)</u>
Basic and diluted (loss) earnings per share attributable to shareholders of the Parent Company (Fils)					
	12	<u>(0.65)</u>	<u>(3.66)</u>	<u>5.85</u>	<u>(10.14)</u>

The accompanying notes from (1) to (19) 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 SEPTEMBER 30, 2023
(All amounts are in Kuwaiti Dinars)

	Note	For the three months ended September 30,		For the nine months ended September 30,	
		2023	2022	2023	2022
(Loss) profit for the period		<u>(443,779)</u>	<u>(1,577,769)</u>	<u>5,016,158</u>	<u>(3,525,756)</u>
Other comprehensive loss:					
<u>Items that may be reclassified</u> <u>subsequently to consolidated</u> <u>statement of profit or loss</u>					
Exchange differences on translating foreign operations		68,416	178,834	275,938	312,747
Gain of foreign currency translation related to liquidation of a subsidiary	11	(1,126,278)	-	(1,126,278)	-
Group's share of other comprehensive income from associates		(37,187)	4,789	(33,541)	17,004
<u>Item that will not be reclassified</u> <u>subsequently to consolidated</u> <u>statement of profit or loss</u>					
Revaluation reserve of associates		-	-	233,779	-
Changes in fair value of financial assets at FVOCI		409,992	(828,943)	(284,478)	(1,432,451)
Other comprehensive loss for the period		<u>(685,057)</u>	<u>(645,320)</u>	<u>(934,580)</u>	<u>(1,102,700)</u>
Total comprehensive (loss) income for the period		<u>(1,128,836)</u>	<u>(2,223,089)</u>	<u>4,081,578</u>	<u>(4,628,456)</u>
Attributable to:					
Shareholders of the Parent Company		(1,026,814)	(2,554,544)	2,143,893	(6,518,772)
Non-controlling interests		(102,022)	331,455	1,937,685	1,890,316
		<u>(1,128,836)</u>	<u>(2,223,089)</u>	<u>4,081,578</u>	<u>(4,628,456)</u>

The accompanying notes from (1) to (19) 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 SEPTEMBER 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	-	-	-	-	-	-	-	-	3,065,672	3,065,672	1,950,486	5,016,158
Other comprehensive income (loss) for the period	-	-	-	-	233,779	-	(305,218)	(850,340)	-	(921,779)	(12,801)	(934,580)
Total comprehensive income (loss) for the period	-	-	-	-	233,779	-	(305,218)	(850,340)	3,065,672	2,143,893	1,937,685	4,081,578
Effect of disposal of financial assets at FVOCI	-	-	-	-	-	-	220,657	-	(238,460)	(17,803)	(52,667)	(70,470)
Cash dividend (Note 18)	-	-	-	-	-	-	-	-	(2,621,705)	(2,621,705)	-	(2,621,705)
Dividend to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(1,057,140)	(1,057,140)
Effect of changes in ownership interest of a subsidiary	-	-	-	-	-	(90,075)	-	-	-	(90,075)	(2,179,925)	(2,270,000)
Balance as of September 30, 2023	55,125,000	(4,136,876)	34,697,661	24,731,775	2,435,431	(62,152)	(13,606,411)	798,002	13,156,596	113,139,026	33,957,660	147,096,686
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	-	-	-	-	-	-	-	-	(5,555,926)	(5,555,926)	2,030,170	(3,525,756)
Other comprehensive (loss) income for the period	-	-	-	-	-	-	(1,275,593)	312,747	-	(962,846)	(139,854)	(1,102,700)
Total comprehensive (loss) income for the period	-	-	-	-	-	-	(1,275,593)	312,747	(5,555,926)	(6,518,772)	1,890,316	(4,628,456)
Effect of disposal of financial assets at FVOCI	-	-	-	-	-	-	90,002	-	(90,002)	-	-	-
Cash dividend (Note 18)	-	-	-	-	-	-	-	-	(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	-	-	-	-	-	28,700	-	-	-	28,700	(28,700)	-
Balance as of September 30, 2022	55,125,000	(734,629)	34,629,359	24,663,473	2,201,652	28,700	(13,253,081)	1,870,409	6,930,123	111,461,006	34,381,562	145,842,568

The accompanying notes from (1) to (19) 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 SEPTEMBER 30, 2023

(All amounts are in Kuwaiti Dinars)

	For the Nine months ended September 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	5,126,970	(3,525,756)
Adjustments for:		
Net allowance of expected credit losses	32,941	978,318
Net investment in securities (income) loss	(3,436,929)	6,957,696
Group's share of results from associates	(374,292)	(226,365)
Gain on sale of investment properties	-	(150,000)
Gain on liquidation of a subsidiary	(1,207,758)	-
Depreciation and amortization	5,392,215	5,219,882
Foreign exchange loss	202,486	1,086,324
Finance cost	3,337,863	1,699,661
Finance income	(965,850)	(480,210)
Gain on sale of property, plant and equipment	(490,475)	(334,448)
	<u>7,617,171</u>	<u>11,225,102</u>
Changes in operating assets and liabilities:		
Term deposits	(4,511,332)	2,950,645
Financial assets at fair value through profit or loss ("FVTPL")	19,084,368	5,409,082
Accounts receivable and other assets	100,956	1,230,862
Loans and advances	-	(188,043)
Accounts payable and other liabilities	(1,036,300)	(3,764,225)
Net cash flows generated from operating activities	<u>21,254,863</u>	<u>16,863,423</u>
Cash flows from investing activities:		
Purchase of financial assets at FVOCI	-	(310,800)
Proceeds from disposal of financial assets at FVOCI	285,849	1,343,500
Purchase of property, plant and equipment	(6,918,976)	(9,012,274)
Proceeds from disposal of property, plant and equipment	3,183,283	1,747,667
Purchase of Investment properties	(2,787,034)	(3,087,202)
Proceeds from disposal of investment properties	-	1,200,000
Payment to acquired additional ownership interest in a subsidiary	(2,270,000)	(28,700)
Cash dividends received	2,515,220	4,829,451
Finance income received	792,100	520,934
Net cash flows used in investing activities	<u>(5,199,558)</u>	<u>(2,797,424)</u>
Cash flows from financing activities:		
Net movement in deposits from banks and customers	(12,211,342)	(466,076)
Net movement in Islamic finance payables	566,638	3,437,178
Lease liabilities	(3,023,105)	(1,682,140)
Finance cost paid	(3,503,111)	(1,515,448)
Dividend paid to shareholders of the parent company	(2,631,451)	(13,619,247)
Dividend paid to non - controlling interests	(1,057,140)	(763,140)
Net cash flows used in financing activities	<u>(21,859,511)</u>	<u>(14,608,873)</u>
Net decrease in cash and cash equivalents	(5,804,206)	(542,874)
Effect of exchange rate changes on cash and cash equivalents in foreign currencies	(51,454)	24,234
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>16,761,945</u>	<u>19,861,113</u>

The accompanying notes from (1) to (19) 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)
SEPTEMBER 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 November 7, 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 nine months period ended September 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

	September 30,	December 31,	September 30,
	2023	2022	2022
		(Audited)	
Cash on hand, at banks and in portfolios	9,885,253	11,768,822	10,372,575
Short-term deposits (a)	6,876,692	10,848,783	9,488,538
	16,761,945	22,617,605	19,861,113

(a) The effective rate of return on short-term deposits is 4.29% (December 31, 2022 – 3.37%, September 30, 2022 – 2.41%) 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)
SEPTEMBER 30, 2023

(All amounts are in Kuwaiti Dinars)

4. Term deposits

The effective interest rate on term deposits is 4.2% (December 31, 2022 – 3.71%, September 30, 2022 – 2.8%) per annum; these deposits have an average contractual maturity of more than 90 days.

5. Investment in securities

	September 30, 2023	December 31, 2022 (Audited)	September 30, 2022
Financial assets at FVTPL	96,155,292	113,839,231	112,460,914
Financial assets at FVOCI	11,114,524	11,810,154	12,226,916
	107,269,816	125,649,385	124,687,830

6. Investment properties

During the period ended September 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.

7. Deposits from banks and customers

	September 30, 2023	December 31, 2022 (Audited)	September 30, 2022
Deposits from banks	62,648,850	62,647,419	62,970,926
Deposits from customers	432,600	12,415,214	9,993,676
	63,081,450	75,062,633	72,964,602

The average effective interest rate on deposits from banks is 5.2% (December 31, 2022 – 4.48%, September 30, 2022 – 4.3%) per annum.

The average effective interest rate on deposits from clients is 5% (December 31, 2022 – 5.58%, September 30, 2022 – 4.3%) per annum.

8. Islamic finance payables

The balances of Islamic finance payables bear an average financing cost of 3.5% (December 31, 2022 – 3.5%, September 30, 2022 – ranges from 3% to 3.5%) annually and are guaranteed by the shares of one of the Group's subsidiaries and certain investment properties.

9. Treasury shares

	September 30, 2023	December 31, 2022 (Audited)	September 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)	3,444,363	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 September 30, 2023. This balance is not available for distribution during the Parent Company's retention period of these treasury shares as per CMA guidelines.

KUWAIT INVESTMENT COMPANY - K.S.C. (PUBLIC) AND ITS SUBSIDIARIES
NOTES TO INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
SEPTEMBER 30, 2023

(All amounts are in Kuwaiti Dinars)

10. Net investment in securities (loss) income

	For the three months ended September 30,		For the nine months ended September 30,	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Unrealized loss from financial assets at FVTPL	(3,226,836)	(2,807,391)	(1,954,111)	(12,028,886)
Realized gain on sale of financial assets at FVTPL	2,195,571	363,339	3,124,261	446,983
Dividend income	160,659	534,785	2,266,779	4,624,207
	<u>(870,606)</u>	<u>(1,909,267)</u>	<u>3,436,929</u>	<u>(6,957,696)</u>

11. Liquidation of a subsidiary

During the period ended September 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.

Gain on liquidation of a subsidiary:

	September 28, 2023
Total consideration redeemed	15,398,983
Add: Reclassification of FCTA to profit or loss	1,126,278
Less: Net assets liquidated	(15,317,503)
Gain on liquidation of a subsidiary	<u>1,207,758</u>

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

There are no potential dilutive ordinary shares. Basic and diluted (loss) earnings per share is computed by dividing the (loss) 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 September 30,		For the Nine months ended September 30,	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
(Loss) earnings for the period attributable to shareholders of the Parent Company	(342,190)	(2,007,276)	3,065,672	(5,555,926)
<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	(26,909,086)	(3,261,581)	(26,909,086)	(3,261,581)
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>
	Fils	Fils	Fils	Fils
Basic and diluted (loss) earnings per share attributable to shareholders of the Parent Company	<u>(0.65)</u>	<u>(3.66)</u>	<u>5.85</u>	<u>(10.14)</u>

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

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13. 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:

Balances included in the interim condensed consolidated statement of financial position:	Shareholders	September 30, 2023	December 31, 2022 (Audited)	September 30, 2022
Accounts payable and other liabilities	564,473	564,473	574,219	610,916

Transactions included in the interim condensed consolidated statement of profit or loss:	For the three months ended September 30,		For the Nine months ended September 30,	
	2023	2022	2023	2022
Net fee and commission income	635,453	800,385	1,910,137	2,566,790
Finance charges	-	(32,866)	-	(159,000)

Compensation to key management personnel of the Parent Company:	For the three months ended September 30,		For the nine months ended September 30,	
	2023	2022	2023	2022
Salaries, incentives and remuneration	138,083	132,216	494,294	422,752
Post-employment benefits	40,257	21,402	206,644	84,517
	178,340	153,618	700,938	507,269

14. 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 September 30, 2023 amounting to KD 1.928 billion (December 31, 2022 - KD 1.994 billion and September 30, 2022 - KD 1.976 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 nine-month period ended September 30, 2023 (for the year ended December 31, 2022 – KD 6,766,999 and for the nine-month period ended September 30, 2022 – KD 3,958,727).

15. Capital commitments and contingent liabilities

a) Capital commitments

	September 30, 2023	December 31, 2022 (Audited)	September 30, 2022
Investment commitments	54,090	52,953	54,405

b) Contingent liabilities

	September 30, 2023	December 31, 2022 (Audited)	September 30, 2022
Letters of guarantee	2,293,122	2,293,122	2,293,122

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16. Financial assets and liabilities

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

	September 30, 2023		
	Current portion	Non-current portion	Total
Assets:			
Cash and cash equivalents	16,761,945	-	16,761,945
Term deposits	15,636,500	-	15,636,500
Accounts receivable and other assets	10,802,218	-	10,802,218
Loans and advances	3,382,110	-	3,382,110
Investment in securities	96,155,292	11,114,524	107,269,816
Investment in associates	-	21,064,887	21,064,887
Investment properties	-	30,836,007	30,836,007
Intangible assets	-	11,042,602	11,042,602
Property, plant and equipment	-	26,600,907	26,600,907
Right-of-use assets	-	1,682,048	1,682,048
Total assets	142,738,065	102,340,975	245,079,040
Liabilities:			
Deposits from banks and customers	63,081,450	-	63,081,450
Islamic finance payables	13,312,385	-	13,312,385
Accounts payable and other liabilities	8,845,451	7,160,265	16,005,716
Term loans	-	3,915,277	3,915,277
Lease liabilities	1,667,526	-	1,667,526
Total liabilities	86,906,812	11,075,542	97,982,354
December 31, 2022 (Audited)			
	Current portion	Non-current portion	Total
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	161,617,326	99,176,160	260,793,486
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	99,226,584	12,532,479	111,759,063

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	September 30, 2022		
	Current portion	Non-current portion	Total
Assets:			
Cash and cash equivalents	19,861,113	-	19,861,113
Term deposits	9,569,355	-	9,569,355
Accounts receivable and other assets	9,388,379	-	9,388,379
Loans and advances	3,370,981	-	3,370,981
Investment in securities	112,460,914	12,226,916	124,687,830
Investment in associates	-	19,958,841	19,958,841
Investment properties	-	25,140,255	25,140,255
Intangible assets	-	11,042,602	11,042,602
Property, plant and equipment	-	26,611,511	26,611,511
Right-of-use assets	-	3,182,808	3,182,808
Total assets	<u>154,650,742</u>	<u>98,162,933</u>	<u>252,813,675</u>
Liabilities:			
Deposits from banks and customers	72,964,602	-	72,964,602
Islamic finance payables	10,793,462	-	10,793,462
Accounts payable and other liabilities	8,564,340	6,801,450	15,365,790
Term loans	3,267,348	-	3,267,348
Lease liabilities	2,911,850	1,668,055	4,579,905
Total liabilities	<u>98,501,602</u>	<u>8,469,505</u>	<u>106,971,107</u>

17. 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:

	Asset management	DICF	Treasury	Other operations	Total
For the nine months ended					
September 30, 2023					
Segment revenue	5,303,288	4,611,774	3,340,504	8,211,439	21,467,005
Segment expenses	(3,394,543)	(4,972,044)	(2,928,016)	(138,321)	(11,432,924)
Segment result	1,908,745	(360,270)	412,488	8,073,118	10,034,081
Depreciation and amortization	(5,925)	(17,724)	(160)	(5,368,406)	(5,392,215)
Share of results of associates	-	461,582	-	(87,290)	374,292
Segment profit	<u>1,902,820</u>	<u>83,588</u>	<u>412,328</u>	<u>2,617,422</u>	<u>5,016,158</u>
Total assets	<u>66,101,519</u>	<u>117,581,588</u>	<u>663,771</u>	<u>60,732,162</u>	<u>245,079,040</u>
Total liabilities	<u>49,405</u>	<u>1,651,987</u>	<u>65,809,371</u>	<u>30,471,591</u>	<u>97,982,354</u>

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	Asset management	DICF	Treasury	Other operations	Total
<u>For the nine months ended</u>					
<u>September 30, 2022</u>					
Net Segment (loss) revenue	(3,036,038)	3,031,053	1,858,585	7,332,807	9,186,407
Segment expenses	(2,295,258)	(2,536,940)	(1,405,194)	(1,481,254)	(7,718,646)
Segment result	(5,331,296)	494,113	453,391	5,851,553	1,467,761
Depreciation and amortization	(5,160)	(22,754)	(8)	(5,191,960)	(5,219,882)
Share of results of associates	-	226,365	-	-	226,365
Segment (loss) profit	(5,336,456)	697,724	453,383	659,593	(3,525,756)
Total assets	91,057,832	110,748,370	1,225,039	49,782,434	252,813,675
Total liabilities	49,409	3,240,467	84,438,242	19,242,989	106,971,107

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:

	September 30, 2023		
	Revenue	Assets	Capital expenditures
Kuwait	15,183,350	184,163,988	6,918,977
Other GCC countries	956,268	37,611,728	-
Other Middle East and North Africa (MENA)	887,277	3,151,053	-
Europe	3,817,007	12,892,232	-
United states of America	614,312	4,889,223	-
Asia	8,791	2,370,816	-
	21,467,005	245,079,040	6,918,977

	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

	September 30, 2022		
	Revenue	Assets	Capital Expenditures
Kuwait	19,069,642	176,550,473	9,012,274
Other GCC countries	(469,969)	35,997,990	-
Other Middle East and North Africa (MENA)	45,981	2,697,521	-
Europe	(5,613,214)	25,287,268	-
United states of America	(2,245,622)	8,477,415	-
Asia	(1,600,411)	3,803,008	-
	9,186,407	252,813,675	9,012,274

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18. 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.

19. 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:

	September 30, 2023			Total
	Level 1	Level 2	Level 3	
Financial assets at FVTPL:				
Quoted securities	9,168,131	-	-	9,168,131
Unquoted securities	-	-	35,532,526	35,532,526
Investment funds	-	51,454,635	-	51,454,635
	<u>9,168,131</u>	<u>51,454,635</u>	<u>35,532,526</u>	<u>96,155,292</u>
Financial assets at FVOCI:				
Quoted securities	851,289	-	-	851,289
Unquoted securities	-	-	10,263,235	10,263,235
	<u>851,289</u>	<u>-</u>	<u>10,263,235</u>	<u>11,114,524</u>
Investment properties	-	20,486,683	10,349,324	30,836,007
Total	<u>10,019,420</u>	<u>71,941,318</u>	<u>56,145,085</u>	<u>138,105,823</u>

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	December 31, 2022 (Audited)			Total
	Level 1	Level 2	Level 3	
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>
	September 30, 2022			Total
	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>

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:

	September 30, 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
Net additions/disposals	145,440	(356,139)	1,750,000	1,539,301
Gain recognised in the consolidated statement of profit or loss	159,927	-	-	159,927
Gain (loss) recognised in the consolidated statement of profit or loss and other comprehensive income	163,486	(179,421)	15,402	(533)
Balance as of September 30, 2023	<u>35,532,526</u>	<u>10,263,235</u>	<u>10,349,324</u>	<u>56,145,085</u>

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	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	<u>35,063,673</u>	<u>10,798,795</u>	<u>8,583,922</u>	<u>54,446,390</u>

	September 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
Net additions / disposals	543,125	(975,689)	3,173,879	2,741,315
Gain recognised in the consolidated statement of profit or loss	434,426	-	-	434,426
Loss recognised in the consolidated statement of profit or loss and other comprehensive income	-	(1,085,101)	(1,136,757)	(2,221,858)
Balance as of September 30, 2022	<u>31,884,790</u>	<u>11,268,717</u>	<u>8,625,433</u>	<u>51,778,940</u>

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

Financial assets:

	September 30, 2023	Fair value as at		Significant unobservable inputs	Sensitivity of unobservable inputs to fair value
		December 31, 2022 (Audited)	September 30, 2022		
Financial assets at FVTPL	35,532,526	35,063,673	31,884,790	liquidity discount from 10% to 50%	The increase (decrease) of liquidity discount by 10% would increase (decrease) fair value by KD 3,553,253
Financial assets at FVOCI	10,263,235	10,798,795	11,268,717	liquidity discount from 10% to 50%	The increase (decrease) of liquidity discount by 10% would increase (decrease) fair value by KD 1,026,324