

Kuwait Pillars for Financial Investment K.S.C.C

And its subsidiaries

State of Kuwait

Interim Condensed Consolidated Financial Information

And Review Report for the nine-months period ended 30 September 2021

(Unaudited)

Kuwait Pillars for Financial Investment K.S.C.C

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Kuwait Pillars for Financial Investment K.S.C.C

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Report on Review of Interim Condensed Consolidated Financial Information to the Board of Directors

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Kuwait Pillars For Financial Investment – K.S.C.C (the "Parent Company") and its subsidiaries (the "Group") as at 30 September 2021, and the related interim condensed consolidated statements of income, 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 condensed consolidated financial information in accordance with basis of preparation as disclosed in (Note 2). Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information performed by the Independent Auditor of the Entity."

A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial information is not prepared, in all material respects, in accordance with basis of preparation as disclosed in (Note 2).

Report on Other Legal and Regulatory Requirements

Furthermore, based on our review, the interim condensed consolidated financial information is in agreement with the books of the Parent Company. To the extent of information made available to us, we have not become aware of any violations of the Companies Law No. 1 of 2016, and its executive regulations, as amended, or of the Parent Company's Memorandum of Incorporation and Articles of Association, as amended during the nine-months period ended 30 September 2021 that might have had a material effect on the business of the Parent Company or on its financial position.

We further report that, during the course of our review, we have not become aware of any material 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 30 September 2021, that might had a material effect on the business of the Parent Company or its financial position.



Bader A. Al-Wazzan

Licence No. 62 A

Deloitte & Touche – Al-Wazzan & Co.

Kuwait, 7 November 2021

Kuwait Pillars for Financial Investment (K.S.C.C)



And its subsidiaries

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**Interim Condensed Consolidated Statement of Financial Position as at 30 September 2021
(Unaudited)***(All amounts are in Kuwaiti Dinar)*

	Note	30 September 2021 (Unaudited)	31 December 2020 (Audited)	30 September 2020 (Unaudited)
Assets				
Cash and cash equivalents	5	534,832	2,126,869	405,915
Financial assets at fair value through profit or loss	6	8,282,785	2,450,686	2,195,476
Financial assets at fair value through OCI	6	4,242,142	3,838,260	3,729,320
Investments at amortized cost	7	946,294	1,743,113	1,689,244
Receivables and other debit balances		309,035	318,842	364,443
Finance receivables	8	4,145,711	4,186,548	6,176,626
Investment in an associate and joint venture	9	23,401,018	19,559,996	21,805,918
Investment properties		3,689,959	3,302,581	4,146,856
Other assets		67,512	104,262	118,382
Total assets		45,619,288	37,631,157	40,632,180
Liabilities and equity				
Liabilities				
Payables and other credit balances		797,932	705,398	917,131
Due to banks	10	9,400,000	5,610,000	5,910,000
		<u>10,197,932</u>	<u>6,315,398</u>	<u>6,827,131</u>
Equity				
Share capital		30,000,000	30,000,000	30,000,000
Share premium		697,235	697,235	697,235
Statutory reserve		724,425	724,425	724,425
Voluntary reserve		72,441	72,441	72,441
Foreign currency translation reserve		16,292	13,295	9,009
Change in fair value reserve		579,590	175,708	66,768
Group's share of an associate's reserves		(2,282,543)	(2,156,549)	(2,019,807)
Treasury shares		(640)	(484)	(268)
Gain from sale of treasury shares		146,663	146,663	146,663
Retained earnings		5,467,893	1,643,025	4,108,583
Total equity		35,421,356	31,315,759	33,805,049
Total liabilities and equity		45,619,288	37,631,157	40,632,180

The accompanying notes form an integral part of this interim condensed consolidated financial information.


Ghazi Ahmed Al Osaimi
Chairman
Mishal Nasser Habib
Vice chairman & CEO

**Interim Condensed Consolidated Statement of Income for the nine-months period ended 30 September 2021
 (Unaudited)**

(All amounts are in Kuwaiti Dinar)

	Note	Three months ended		Nine months ended	
		30 September		30 September	
		2021	2020	2021	2020
Revenues					
Management fees		6,227	8,533	26,575	20,602
Investments income / (loss)	11	184,180	(21,566)	546,662	(504,998)
Group's share of associate's results	9	1,076,024	1,117,572	4,184,370	(1,735,890)
Interest income		49,281	93,474	166,614	294,225
Rent income		20,550	20,370	61,406	60,895
Other income		(3,371)	47,430	(67,143)	91,690
		<u>1,332,891</u>	<u>1,265,813</u>	<u>4,918,484</u>	<u>(1,773,476)</u>
Expenses					
Staff costs		186,776	152,292	493,605	514,693
General and administrative expenses		60,131	48,186	182,546	176,094
Depreciation		19,784	21,952	61,277	58,334
Interest expense		68,903	33,495	138,834	118,959
		<u>335,594</u>	<u>255,925</u>	<u>876,262</u>	<u>868,080</u>
Net profit / (loss) for the period		<u>997,297</u>	<u>1,009,888</u>	<u>4,042,222</u>	<u>(2,641,556)</u>

The accompanying notes form an integral part of this interim condensed consolidated financial information.

Interim Condensed Consolidated Statement of Comprehensive Income for the nine-months ended 30 September 2021
 (Unaudited)

(All amounts are in Kuwaiti Dinar)

	Three months ended		Nine months ended	
	30 September		30 September	
	2021	2020	2021	2020
Net profit / (loss) for the period	997,297	1,009,888	4,042,222	(2,641,556)
Other comprehensive income items:				
<i>Items that may be reclassified subsequently to the consolidated statement of income:</i>				
Foreign currency translation differences	(688)	2,374	2,997	(4,444)
Group's share of an associate's reserves	8,360	88,930	(125,994)	175,600
<i>Items that will not be reclassified subsequently to interim condensed consolidated statement of income:</i>				
Change in fair value of equity investments at fair value through other comprehensive income	47,132	(36,828)	403,882	49,390
Total other comprehensive (loss) / income items	54,804	54,476	280,885	220,546
Total comprehensive income / (loss) for the period	1,052,101	1,064,364	4,323,107	(2,421,010)

The accompanying notes form an integral part of this interim condensed consolidated financial information.

Interim Condensed Consolidated Statement of Changes in Equity for the nine-months ended 30 September 2021
(Unaudited)

(All amounts are in Kuwaiti Dinar)

	Share capital	Share premium	Statutory reserve	Voluntary reserve	Foreign currency translation reserve	Change in fair value reserve	Group's share of an associate's reserves	Treasury shares	Gain on sale of treasury shares	Retained earnings	Total
Balance as at 1 January 2020	30,000,000	697,235	724,425	72,441	13,453	17,378	(2,195,407)	(268)	146,663	6,718,564	36,194,484
Net loss for the period	-	-	-	-	-	-	-	-	-	(2,641,556)	(2,641,556)
Other comprehensive (loss)/ income items	-	-	-	-	(4,444)	49,390	175,600	-	-	-	220,546
Effect of change in ownership percentage of subsidiaries in associate	-	-	-	-	-	-	-	-	-	31,575	31,575
Balance as at 30 September 2020	30,000,000	697,235	724,425	72,441	9,009	66,768	(2,019,807)	(268)	146,663	4,108,583	33,805,049
Balance as at 1 January 2021	30,000,000	697,235	724,425	72,441	13,295	175,708	(2,156,549)	(484)	146,663	1,643,025	31,315,759
Net profit for the period	-	-	-	-	-	-	-	-	-	4,042,222	4,042,222
Other comprehensive income / (loss) items	-	-	-	-	2,997	403,882	(125,994)	-	-	-	280,885
Effect of change in ownership percentage of subsidiaries in associate	-	-	-	-	-	-	-	-	-	(217,354)	(217,354)
Purchase of treasury shares	-	-	-	-	-	-	-	(156)	-	-	(156)
Balance as at 30 September 2021	30,000,000	697,235	724,425	72,441	16,292	579,590	(2,282,543)	(640)	146,663	5,467,893	35,421,356

The accompanying notes form an integral part of this interim condensed consolidated financial information.

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**Interim Condensed Consolidated Statement of Cash Flows for the nine-months ended 30 September 2021
(Unaudited)***(All amounts are in Kuwaiti Dinar)*

	Nine months ended 30 September	
	2021	2020
Cash flows from Operating activities		
Net profit / (loss) for the period	4,042,222	(2,641,556)
<i>Adjustments:</i>		
Depreciation	61,277	58,335
Investments income	(546,662)	504,998
Group's share of associate's results	(4,184,370)	1,735,890
Interest income	(166,614)	(294,225)
Interest expense	138,834	118,959
Operating losses before changes in working capital	(655,313)	(517,599)
Receivables and other debit balances	9,807	(56,128)
Finance receivables	40,837	(105,929)
Payables and other credit balances	92,534	(63,960)
Net cash used in operating activities	(512,135)	(743,616)
Cash flows from investing activities		
Paid for purchase of investments	(6,096,946)	(671,133)
Proceeds from Investment held to maturity	796,819	349,800
Proceeds for sales of investments	587,644	-
Paid for purchase of additional shares in an associate	-	(26,786)
Dividends received from an associate	-	690,761
Paid for purchase of investment properties	(406,407)	(541,809)
Paid for purchase of property and equipment	(2,501)	(31,635)
Dividends received	223,865	274,861
Interest income received	166,614	294,225
Net cash (used in) / generated from investing activities	(4,730,912)	338,284
Cash Flow from financing activities		
Due to banks	3,790,000	387,200
Finance cost paid	(138,834)	(118,959)
Purchase of treasury shares	(156)	-
Net cash generated from financing activities	3,651,010	268,241
Decrease in cash and cash equivalents	(1,592,037)	(137,091)
Cash and cash equivalents at the beginning of the period	2,126,869	543,006
Cash and cash equivalents at the end of the period	534,832	405,915

The accompanying notes form an integral part of this interim condensed consolidated financial information.

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Notes to the Interim Condensed Consolidated Financial Information for the nine-months ended 30 September 2021 (Unaudited)

(All amounts are in Kuwaiti Dinar unless otherwise stated)

1. Incorporation and activities

Kuwait Pillars for Financial Investment-KSCC, the "Parent Company" is a Kuwaiti Shareholding Company incorporated in Kuwait in 1998 and is regulated by the Central Bank of Kuwait and Capital Markets Authority. The Parent Company was listed in the Kuwait Stock Exchange on 3 December 2008. On 8 July 2015 based on the shareholders extraordinary General Assembly meeting, the Company has voluntarily elected to delist from Kuwait stock exchange effective from 1 March 2016. The Company has obtained the approval from CMA to delist on 31 August 2015.

The objectives of the Parent Company are:

Financial investment operations in all economic sectors by all legal means deemed appropriate for the Parent Company to achieve its objectives inside and outside Kuwait for its benefit or others, including:

- Sale and purchase of financial securities for the Company and others with no violation to provisions of law.
- Lending or borrowing and issuing bonds as per Law and financing the foreign trade operations.
- Carrying out financial brokerage operations and managing investments for others.
- Providing and preparing studies and technical, economic and revaluation consultancies, as well as studying the related investment projects and preparing the necessary studies for those institutions and companies (provided the necessary conditions should be met).
- Establishing or participating in the establishing of companies of all types, objectives and nationalities and deal in selling and purchasing of shares, bonds and financial rights of those companies.
- Managing financial and real estate portfolios for the company and for others and investing and developing its customers' funds through placing them in all aspects of local and global investment.
- Investing in real estate, industrial, agricultural and other economic sectors either directly or by contributing in the establishment of specialized companies or purchasing shares or bonds of those companies in different sectors.
- Establishing, managing and marketing investment funds of all types as per Law.
- Carrying out the function of bonds issuing manager, which are issued by companies and authorities, and investment custodian's functions.
- Dealing and trading in the foreign exchange market and precious metals market inside and outside Kuwait for the company's benefit only.
- Providing all services that assist developing and supporting the ability of the financial and monetary market in Kuwait within limits of Law and as per CBK's instructions and procedures through offering new trading financial instruments or providing consulting services to Kuwait Stock Exchange's management and other services.

The Parent Company may have an interest or participate in any way in any entity that conducts similar business or which may assist it to achieve its objectives inside and outside Kuwait and it may also purchase such entities or affiliate thereof to it.

The Parent Company's registered office is at Qibla Tower Square, Al-Qibla Area- Block 13, P.O. Box 1346 Kuwait.

The interim condensed consolidated financial information includes the financial information of the Parent Company and its subsidiaries, which are fully owned and mentioned below together referred to as "the Group".

Company Name	Country of incorporation	Principal activity	Equity interest (%)
Strategia Investors Inc.	United States	Investment manager and advisor	100
Strategia Investors Service Limited	Antigua and Barbuda	Investment manager and advisor to real estate funds	100
Strategia Private Equity Limited	Cayman Islands	Investments	100

On 5 May 2021, the General Assembly for Shareholders of the Parent Company approved the Financial Statement for the year ended 31 December 2020 and also approved the Board of Director's recommendation not to distribute dividends.

The interim condensed consolidated financial information for the nine-months ended 30 September 2021 was authorized for issuance by the Parent Company Board of Directors on 7 November 2021.

**Notes to the Interim Condensed Consolidated Financial Information for the nine-months ended 30 September 2021
(Unaudited)**

(All amounts are in Kuwaiti Dinar unless otherwise stated)

2. Basis of presentation and significant accounting policies

2.1 Basis of presentation

This interim condensed consolidated financial information has been prepared in accordance with International Accounting Standard No. (34), "Interim Financial Reporting".

The interim condensed consolidated financial information does not include all information and disclosures required for complete financial statements in accordance with International Financial Reporting Standards.

The annual consolidated financial statements for the year ended 31 December 2020 were prepared in accordance with the regulations for financial services institutions as issued by the Central Bank of Kuwait ("CBK") and the Capital market Authority "CMA" in the State of Kuwait. These regulations require expected credit loss ("ECL") to be measured at the higher of the ECL on credit facilities computed under IFRS 9 according to the CBK guidelines or the provisions as required by CBK instructions; the consequent impact on related disclosures; and the adoption of all other requirements of International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). (Collectively referred to as IFRS, as adopted for use by the State of Kuwait).

In the management's opinion, all necessary adjustments, including recurring accruals have been included in the interim condensed consolidated financial information for fair presentation. The operating results for the period ended 30 September 2021 are not necessarily indicative of results that may be expected for the year ending 31 December 2021. For further information, it is possible to refer to the consolidated financial statements and its related notes for the year ended 31 December 2020.

2.2 Significant accounting policies

The accounting policies used in the preparation of this interim condensed consolidated financial information are consistent with those used in the preparation of the Group's annual financial statements for the year ended 31 December 2020, except for the effect of application of new and revised International Financial Reporting Standards (IFRS) as follows:

2.2.1 Application of new and revised International Financial Reporting Standards (IFRS)

Interest Rate Benchmark Reform "phase two" amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4, and IFRS 16	The amendments enable entities to reflect the effects of transitioning from benchmark interest rates, such as interbank offer rates (IBORs) to alternative benchmark interest rates without giving rise to accounting impacts that would not provide useful information to users of financial statements.
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The amendments affect many entities and in particular those with financial assets, financial liabilities or lease liabilities that are subject to interest rate benchmark reform and those that apply the hedge accounting requirements in IFRS 9 or IAS 39 to hedging relationships that are affected by the reform.

- The amendments apply to all entities and are not optional.
- The amendments are effective for annual periods beginning on or after 1 January 2021 with early application permitted.

IFRSs issued but not yet mandatorily effective

At the date of authorization of these financial statements, the Group has not applied the following new and revised IFRS Standards that have been issued but are not yet effective:

IFRS 17 <i>Insurance Contracts</i>	The amendments defer the date of initial application of IFRS 17 (incorporating the amendments) to annual reporting periods beginning on or after 1 January 2023.
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Amendments to IAS 1	<i>Classification of Liabilities as Current or Non-current</i>
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The amendments are applied retrospectively for annual periods beginning on or after 1 January 2023, with early application permitted.

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(All amounts are in Kuwaiti Dinar unless otherwise stated)

Amendments to IFRS 3 <i>Reference to the Conceptual Framework</i>	The amendments are effective for business combinations for which the date of acquisition is on or after the beginning of the first annual period beginning on or after 1 January 2022. Early application is permitted if an entity also applies all other updated references (published together with the updated <i>Conceptual Framework</i>) at the same or earlier.
Amendments to IAS 16 <i>Property, Plant and Equipment—Proceeds before Intended Use</i>	The amendments are effective for annual periods beginning on or after 1 January 2022, with early application Permitted.
Amendments to IAS 37 <i>Onerous Contracts – Cost of Fulfilling a Contract</i>	The amendments are effective for annual periods beginning on or after 1 January 2022, with early application permitted.
Annual Improvements to IFRS Standards 2018-2020 Cycle	<i>Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IFRS 16 Leases, and IAS 41 Agriculture</i> The amendment is effective for annual periods beginning on or after 1 January 2022, with early application permitted.
Amendments to IFRS 4	Extension of the Temporary Exemption from Applying IFRS 9 The amendment is effective for annual periods beginning on or after 1 January 2023
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of accounting policies the amendment is effective for annual periods beginning on or after 1 January 2023
Amendments to IAS 8	Definition of accounting estimates The amendment is effective for annual periods beginning on or after 1 January 2023

The management do not expect that the adoption of the Standards listed above will have a material impact on the interim condensed consolidated financial information of the Group in future periods.

3. Fair value estimation

The fair values of financial assets and financial liabilities are determined as follows:

- Level one: Quoted prices in active markets for identical assets or liabilities.
- Level two: Quoted prices in an active market for similar instruments. Quoted prices for identical assets or liabilities in market that is not active. Inputs other than quoted prices that are observable for assets and liabilities.
- Level three: valuation techniques that are not based on observable market data.

The table below gives information about how the fair values of the significant financial assets and liabilities are determined:

Financial assets	Fair value as at			Fair value hierarchy	Valuation technique(s) and Key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
	30/9/2021	31/12/2020	30/9/2020				
Equity instruments designated as FVTPL							
Quoted Shares	8,282,785	2,450,686	2,195,476	1	Last bid price	-	-
Equity instruments designated as FVTOCI							
Quoted Shares	3,119,644	2,718,043	2,432,609	1	Last bid price	-	-
Unquoted shares	1,122,498	1,120,217	1,296,711	3	Net book value	Book value adjusted with market risk	The higher market risk the lower the fair value

The fair values of other financial assets and financial liabilities which are not measured at fair value on ongoing basis equal approximately their carrying values.

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Notes to the Interim Condensed Consolidated Financial Information for the nine-months ended 30 September 2021 (Unaudited)*(All amounts are in Kuwaiti Dinar unless otherwise stated)***4. Estimates**

The critical judgements and estimates used in the preparation of these interim condensed consolidated financial information are consistent with those used in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2020 except as disclosed in note 15.

5. Cash and cash equivalents

	30 September 2021 (Unaudited)	31 December 2020 (Audited)	30 September 2020 (Unaudited)
Cash on hand and at banks	534,396	2,126,431	405,472
Cash in investment portfolio	436	438	443
	<u>534,832</u>	<u>2,126,869</u>	<u>405,915</u>

6. Investments**Financial assets at fair value through profit or loss**

	30 September 2021 (Unaudited)	31 December 2020 (Audited)	30 September 2020 (Unaudited)
Quoted shares	8,282,785	2,450,686	2,195,476

The Group has pledged quoted through FVTPL securities with carrying amount of KD 1,232,800 against the credit facilities.

Financial assets at fair value through OCI

	30 September 2021 (Unaudited)	31 December 2020 (Audited)	30 September 2020 (Unaudited)
Quoted shares	3,119,644	2,718,043	2,432,609
Unquoted shares	1,122,498	1,120,217	1,296,711
	<u>4,242,142</u>	<u>3,838,260</u>	<u>3,729,320</u>

The Group has pledged quoted through OCI securities with carrying amount of KD 2,874,879 against the credit facilities.

7. Investments at amortized costs

The effective interest rate on these bonds is 4.2% (4.2% - 31 December 2020, 5.4% - 30 September 2020). The bonds have maturity dates ranging between 4 years as of period ended 30 September 2021. The balance includes an amount of KD 896,489 represented in bonds which have been issued by related parties.

8. Finance receivables

This represents commercial loans granted to related parties.

	30 September 2021 (Unaudited)	31 December 2020 (Audited)	30 September 2020 (Unaudited)
Gross balance of commercial loans	4,245,471	4,291,566	6,298,011
Less: deferred revenue	(47,021)	(52,279)	(53,937)
	4,198,450	4,239,287	6,244,074
Less: provision for credit losses - general	(52,739)	(52,739)	(67,448)
Balance as at the end of period/ year	<u>4,145,711</u>	<u>4,186,548</u>	<u>6,176,626</u>

The effective interest rates on these finance receivables is 3.75% during the period ended 30 September 2021 (3.75% - 31 December 2020, 5.42% - 30 September 2020). The fair value of the collaterals held against finance receivables is KD 9,048,391 as at 30 September 2021 (KD 8,475,240 - 31 December 2020, KD 8,117,209 - 30 September 2020).

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Notes to the Interim Condensed Consolidated Financial Information for the nine-months ended 30 September 2021 (Unaudited)*(All amounts are in Kuwaiti Dinar unless otherwise stated)***9. Investment in an associate and Joint Venture**

This represents the Group's investment in Kuwait Financial Center K.S.C.P by 29.86% as at 30 September 2021.

The Group's share of the associate's results and reserves has been computed based on the management account for the period ended 30 September 2021.

Movement of the investment in an associate during the period / year is as follows:

	30 September 2021 (Unaudited)	31 December 2020 (Audited)	30 September 2020 (Unaudited)
Balance as at 1 January	19,559,996	23,972,825	23,972,825
Additions during the period/ year	-	388,079	26,786
Cash dividends	-	(690,761)	(690,761)
Group's share of associate's results	4,184,370	(450,872)	(1,735,890)
Group's share of associate's reserves	(125,994)	38,858	175,600
Impairment on associate	-	(3,693,582)	-
Effect of change in ownership percentage of subsidiaries in associate	(217,354)	(4,551)	31,575
	<u>23,401,018</u>	<u>19,559,996</u>	<u>21,780,135</u>
Group ownership (%)	<u>29.86</u>	<u>29.86</u>	<u>28.97</u>

The Group has pledged 98 Mio shares (115 Mio – 2020) of its associate as of 30 September 2021 with carrying amount of KD 17,052,000 (KD 9,671,500 – 2020) against the credit facilities.

10. Due to banks

The average interest rate on the credit facilities is 4.25% and the maturity is during 2021. The following assets are pledged against bank facilities as at 30 September 2021;

- 98,000,000 shares investments in associate for the Group.
- 8,932,335 shares of quoted investments.

11. Investments income / (loss)

	Three months ended 30 September		Nine months ended 30 September	
	2021	2020	2021	2020
Cash dividends	6,644	3,832	223,865	275,702
Change in fair value	177,536	(25,398)	322,797	(780,700)
	<u>184,180</u>	<u>(21,566)</u>	<u>546,662</u>	<u>(504,998)</u>

12. Related party transactions

In the ordinary course of business, the Company has carried some transactions with related parties (i.e. shareholders, Board of Directors and key management personnel). The Company carried out transaction with related parties on term approved by management and are subject to approval of Annual General Meeting for shareholders. The balances and transactions with related parties are as follows:

	Three months ended 30 September		Nine months ended 30 September	
	2021	2020	2021	2020
Transactions				
Salaries and other benefits	88,083	76,644	240,602	282,253
End of service indemnity	23,881	11,264	44,642	33,570
Interest income	48,778	80,939	145,039	254,320

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Notes to the Interim Condensed Consolidated Financial Information for the nine-months ended 30 September 2021 (Unaudited)*(All amounts are in Kuwaiti Dinar unless otherwise stated)*

Balances	30 September 2021 (Unaudited)	31 December 2020 (Audited)	30 September 2020 (Unaudited)
Investments at amortized costs	896,489	896,488	839,753
Finance receivables	4,145,711	4,186,548	6,176,626
Payables and other credit balances	498,050	453,052	470,599

Related parties' transactions are subject to approval of shareholders' general assembly.

13. Segment information

In the purpose of management, the Group organizes its operations in main two sectors of business. The following are the main activities and services that are underlined in such two sectors:

Investment activities: Investing in securities, funds, properties lending to corporate and individual customers and managing the Group's liquidity requirements.

Asset management and advisory services: Discretionary and non-discretionary investment portfolio management, managing of local and international investment funds and providing advisory and structured finance services and other related financial services.

Management 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 the return on investments. The Group does not have any significant inter-segment transactions.

The following table presents segment revenues, profits, assets and liabilities regarding the Group's business:

	30 September 2021		
	Investment activities	Asset management and advisory services	Total
Segment revenue	4,891,909	26,575	4,918,484
Net profit	4,015,647	26,575	4,042,222
Segment assets	45,522,398	96,890	45,619,288
Segment liabilities	10,179,482	18,450	10,197,932
	30 September 2020		
	Investment activities	Asset management and advisory services	Total
Segment revenue	(1,794,078)	20,602	(1,773,476)
Net profit	(2,662,158)	20,602	(2,641,556)
Segment assets	40,549,889	82,291	40,632,180
Segment liabilities	6,772,048	55,083	6,827,131

14. Fiduciary assets

The Group manages portfolios on behalf of customers and maintains cash balances and securities in fiduciary accounts, which are not reflected in the Group's interim condensed consolidated financial information.

The aggregate net asset value held in a fiduciary capacity by the Group amounted to KD 23,326,340 as at 30 September 2021 (KD 19,507,096 - 31 December 2020 and KD 19,870,460 - 30 September 2020).

Notes to the Interim Condensed Consolidated Financial Information for the nine-months ended 30 September 2021 (Unaudited)

(All amounts are in Kuwaiti Dinar unless otherwise stated)

15. Impact of COVID-19

The COVID-19 pandemic spread rapidly across global geographies causing significant disruption to business and economic activities and bringing unprecedented uncertainty to the global economic environment. Fiscal and monetary authorities worldwide have launched extensive responses designed to mitigate the severe consequences of the pandemic.

Expected Credit Losses

The Group has reassessed the inputs and assumptions used for the determination of expected credit losses as of 30 September 2021. The Group has updated forward-looking information based on the best estimates and judgement and considering the current economic climate of the respective market in which it operates and its impact on counterparties in various segments.

Other impacts

The Group considered the potential impact of the current economic volatility on the reported amounts of the Group's financial and non-financial assets. The reported amounts best represent management's assessment based on observable information. Markets however remain volatile and asset carrying values remain sensitive to market fluctuations. The impact of the highly uncertain economic environment remains judgmental and the Group will accordingly continue to reassess its position and the related impact on a regular basis. Further information on the relation to fair value measurements is disclosed in Notes 3.

Going concern

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