

**NATIONAL INVESTMENTS COMPANY
K.S.C.P.
AND ITS SUBSIDIARIES**

**INTERIM CONDENSED CONSOLIDATED FINANCIAL
INFORMATION**

31 MARCH 2022 (UNAUDITED)

REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF NATIONAL INVESTMENTS COMPANY K.S.C.P.

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of National Investments Company K.S.C.P. (the “Parent Company”) and its subsidiaries (collectively the “Group”) as at 31 March 2022 and the related interim condensed consolidated income statement, interim condensed consolidated statement of comprehensive income, interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows for the three months period then ended. The management of the Parent Company is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with the basis of presentation set out 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.

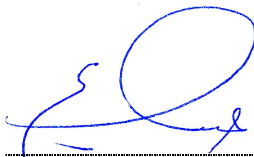
Conclusion

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 the basis of presentation set out 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 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, as amended, and its executive regulations, as amended, or of the Parent Company’s Memorandum of Incorporation and Articles of Association, as amended, during the three months period ended 31 March 2022 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, 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 organisation of banking business, and its related regulations, or of the provisions of Law No 7 of 2010 concerning the Capital Markets Authority and its related regulations during the three months period ended 31 March 2022 that might have had a material effect on the business of the Parent Company or on its financial position.



ABDULKARIM AL SAMDAN
LICENCE NO. 208 A
EY
AL AIBAN AL OSAIMI & PARTNERS

National Investments Company K.S.C.P. and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT (UNAUDITED)

For the period ended 31 March 2022

	<i>Three months ended</i>	
	<i>31 March</i>	
<i>Note</i>	2022	2021
	KD 000's	KD 000's
INCOME		
Realized gain on financial assets at fair value through profit or loss	505	348
Unrealized gain on financial assets at fair value through profit or loss	15,538	5,690
Change in fair value of investment properties	-	(1,883)
Rental income	380	424
Dividend income	762	1,052
Management, incentive, brokerage and advisory fees	2,492	1,476
Interest income	68	5
Share of results of associates and joint venture	133	(109)
Gain on foreign exchange trading	41	90
Gain on sale of investment properties	-	7
TOTAL INCOME	19,919	7,100
EXPENSES		
Administrative expenses	2,105	1,811
Finance costs	257	118
(Reversal) charge for impairment losses and other provisions	(4)	216
(Gain) loss on foreign currency translation	(140)	67
TOTAL EXPENSES	2,218	2,212
PROFIT BEFORE TAXATION	17,701	4,888
Taxation	(729)	(267)
PROFIT FOR THE PERIOD	16,972	4,621
Attributable to:		
Equity holders of the Parent Company	15,409	3,787
Non-controlling interests	1,563	834
	16,972	4,621
BASIC AND DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY	4	4.7
	19.3 fils	4.7 fils

The attached notes 1 to 14 form part of the interim condensed consolidated financial information.

National Investments Company K.S.C.P. and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

For the period ended 31 March 2022

	<i>Three months ended</i>	
	<i>31 March</i>	
	2022	2021
	<i>KD 000's</i>	<i>KD 000's</i>
Profit for the period	16,972	4,621
Other comprehensive income:		
<i>Items that will not be reclassified to interim condensed consolidated income statement in subsequent periods:</i>		
Change in fair value of equity instruments at fair value through other comprehensive income	19,118	3,824
Share of other comprehensive income (loss) of associates	108	(572)
	19,226	3,252
<i>Items that are or may be reclassified to the interim condensed consolidated income statement in subsequent periods:</i>		
Foreign currency translation adjustments	59	(47)
Other comprehensive income for the period	19,285	3,205
Total comprehensive income for the period	36,257	7,826
Attributable to:		
Equity holders of the Parent Company	34,539	6,943
Non-controlling interests	1,718	883
	36,257	7,826

The attached notes 1 to 14 form part of the interim condensed consolidated financial information.

National Investments Company K.S.C.P and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

As at 31 March 2022

	Notes	31 March 2022 KD 000's	(Audited) 31 December 2021 KD 000's	31 March 2021 KD 000's
ASSETS				
Cash and balances with banks and financial institutions		30,793	39,365	10,207
Financial assets at fair value through profit or loss	5	134,442	111,209	96,979
Trading properties		284	284	283
Financial assets at fair value through other comprehensive income	6	103,927	82,048	65,867
Investment in associates and joint venture		21,430	21,206	20,342
Investment properties		29,671	29,671	28,871
Intangible assets		943	958	1,133
Other assets		7,138	5,833	4,918
TOTAL ASSETS		328,628	290,574	228,600
LIABILITIES AND EQUITY				
LIABILITIES				
Bank borrowings	7	40,483	40,483	18,449
Accounts payable and accruals		16,260	14,519	10,920
TOTAL LIABILITIES		56,743	55,002	29,369
EQUITY				
Share capital		79,786	79,786	79,786
Share premium		49,593	49,593	49,593
Statutory reserve		10,285	10,285	7,709
Voluntary reserve		22,693	22,693	25,408
Treasury shares reserve		520	520	-
Other reserves		460	440	419
Foreign currency translation reserve		480	456	461
Cumulative changes in fair value		45,447	27,286	8,461
Retained earnings		42,073	25,719	10,088
Equity attributable to the equity holders of the Parent Company		251,337	216,778	181,925
Non-controlling interests		20,548	18,794	17,306
TOTAL EQUITY		271,885	235,572	199,231
TOTAL LIABILITIES AND EQUITY		328,628	290,574	228,600


Hamad Ahmad Al-Ameeri
Chairman


Fahad Abdulrahman Al-Mukhaizim
Chief Executive Officer

The attached notes 1 to 14 form part of the interim condensed consolidated financial information.

National Investments Company K.S.C.P. and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the period ended 31 March 2022

	<i>Attributable to equity holders of the Parent Company</i>											
	<i>Share capital</i> <i>KD 000's</i>	<i>Share premium</i> <i>KD 000's</i>	<i>Statutory reserve</i> <i>KD 000's</i>	<i>Voluntary reserve</i> <i>KD 000's</i>	<i>Treasury shares reserve</i> <i>KD 000's</i>	<i>Other reserves</i> <i>KD 000's</i>	<i>Foreign currency translation reserve</i> <i>KD 000's</i>	<i>Cumulative changes in fair value</i> <i>KD 000's</i>	<i>Retained earnings</i> <i>KD 000's</i>	<i>Sub total</i> <i>KD 000's</i>	<i>Non-controlling interests</i> <i>KD 000's</i>	<i>Total</i> <i>KD 000's</i>
Balance at 1 January 2022 <i>(Audited)</i>	79,786	49,593	10,285	22,693	520	440	456	27,286	25,719	216,778	18,794	235,572
Profit for the period	-	-	-	-	-	-	-	-	15,409	15,409	1,563	16,972
Other comprehensive income for the period	-	-	-	-	-	-	24	19,106	-	19,130	155	19,285
Total comprehensive income	-	-	-	-	-	-	24	19,106	15,409	34,539	1,718	36,257
Transfer of gain on disposal of financial assets at fair value through other comprehensive income to retained earnings	-	-	-	-	-	-	-	(945)	945	-	-	-
Partial disposal of subsidiary without loss of control	-	-	-	-	-	20	-	-	-	20	-	20
Movement in non-controlling interests	-	-	-	-	-	-	-	-	-	-	36	36
Balance at 31 March 2022	79,786	49,593	10,285	22,693	520	460	480	45,447	42,073	251,337	20,548	271,885

The attached notes 1 to 14 form part of the interim condensed consolidated financial information.

National Investments Company K.S.C.P. and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED) (continued)

For the period ended 31 March 2022

	<i>Attributable to equity holders of the Parent Company</i>											
	<i>Share capital</i>	<i>Share premium</i>	<i>Statutory reserve</i>	<i>Voluntary reserve</i>	<i>Treasury shares reserve</i>	<i>Other reserve</i>	<i>Foreign currency translation reserve</i>	<i>Cumulative changes in fair value</i>	<i>Retained earnings</i>	<i>Sub total</i>	<i>Non-controlling interests</i>	<i>Total</i>
	<i>KD 000's</i>	<i>KD 000's</i>	<i>KD 000's</i>	<i>KD 000's</i>	<i>KD 000's</i>	<i>KD 000's</i>	<i>KD 000's</i>	<i>KD 000's</i>	<i>KD 000's</i>	<i>KD 000's</i>	<i>KD 000's</i>	<i>KD 000's</i>
Balance at 1 January 2021 <i>(Audited)</i>	79,786	49,593	7,709	25,408	-	419	494	5,512	6,061	174,982	16,443	191,425
Profit for the period	-	-	-	-	-	-	-	-	3,787	3,787	834	4,621
Other comprehensive (loss) income for the period	-	-	-	-	-	-	(33)	3,189	-	3,156	49	3,205
Total comprehensive (loss) income	-	-	-	-	-	-	(33)	3,189	3,787	6,943	883	7,826
Transfer of loss on disposal of equity investments at fair value through other comprehensive income to retained earnings	-	-	-	-	-	-	-	(240)	240	-	-	-
Movement in non-controlling interests	-	-	-	-	-	-	-	-	-	-	(20)	(20)
Balance at 31 March 2021	<u>79,786</u>	<u>49,593</u>	<u>7,709</u>	<u>25,408</u>	<u>-</u>	<u>419</u>	<u>461</u>	<u>8,461</u>	<u>10,088</u>	<u>181,925</u>	<u>17,306</u>	<u>199,231</u>

The attached notes 1 to 14 form part of the interim condensed consolidated financial information.

National Investments Company K.S.C.P. and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(UNAUDITED)

For the period ended 31 March 2022

	<i>Three months ended</i>	
	<i>31 March</i>	
	2022	2021
	<i>KD 000's</i>	<i>KD 000's</i>
OPERATING ACTIVITIES		
Profit before taxation	17,701	4,888
Adjustments for:		
Unrealized gain on financial assets at fair value through profit or loss	(15,538)	(5,690)
Dividend income	(762)	(1,052)
Interest income	(68)	(5)
Change in fair value of investment properties	-	(1,883)
Share of results of associates and Joint venture	(133)	109
Finance costs	257	118
Depreciation and amortization	84	42
(Reversal) charge for impairment losses and other provisions	(4)	216
Gain on sale of investment properties	-	(7)
	1,537	(3,264)
<i>Changes in operating assets and liabilities:</i>		
Financial assets at fair value through profit or loss	(7,695)	(2,051)
Other assets	(1,208)	960
Accounts payable and accruals	823	(32)
Cash flows used in operations	(6,543)	(4,387)
Interest income received	68	5
Dividend income received	600	703
Net cash flows (used in) from operating activities	(5,875)	(3,679)
INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	(8,432)	(5,763)
Proceeds from sale of financial assets at fair value through other comprehensive income	5,671	2,122
Proceeds from sale of investment properties	-	1,307
Additions to investment in associates	-	(500)
Dividends received from associates	28	108
Capital distribution received from associates	-	492
Net movement in fixed deposits	(550)	303
Net cash flows used in investing activities	(3,283)	(1,931)
FINANCING ACTIVITIES		
Net bank borrowings availed	-	(1,072)
Finance costs paid	-	(123)
Movement in non-controlling interests	36	(20)
Net cash flows from (used in) financing activities	36	(1,215)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(9,122)	(3,059)
Cash and cash equivalents at 1 January	37,765	13,266
CASH AND CASH EQUIVALENTS AT 31 MARCH	28,643	10,207
Cash and cash equivalents comprise of:		
Cash and balances with banks and financial institutions	28,643	10,207
Less: Term deposits with an original maturity of more than three months	2,150	-
	30,793	10,207

The attached notes 1 to 14 form part of the interim condensed consolidated financial information.

National Investments Company K.S.C.P. and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2022

1 CORPORATE INFORMATION

The Group comprises National Investments Company K.S.C.P. (the “Parent Company”) and its subsidiaries (collectively “the Group”). The Parent Company is a Public Kuwaiti Shareholding Company, incorporated on 6 December 1987 and listed on the Boursa Kuwait. The Parent Company is regulated by the Central Bank of Kuwait (“CBK”) for financing activities and Capital Markets Authority (“CMA”) as an investment company.

The purposes and objectives of the Parent Company are as follows:

- Working as financial broker unregistered in the Exchange market.
- Carrying out all financial transactions such as lending, borrowing, acting as a guarantor and issuance of bonds of all kinds with or without collateral in both local and global markets.
- Incorporating or participation in the incorporation of companies of all different types, purposes and nationalities as well as selling and purchasing of their shares, issued bonds and financial rights for the company.
- Undertaking all the activities related to securities, including selling and purchase of all types of shares and bonds for the interest of the Company, whether those issued by local and global private sector, governmental or semi-governmental companies.
- Acting as manager of financial portfolios.
- Investing in real estate, industrial, agricultural sectors and other economic sectors by participation in incorporating specialized companies or purchase of their shares.
- Undertaking real estate investments aiming at developing residential lands and building units, residential and commercial complexes with a view to sell or lease them.
- Acting as investment advisor.
- Acting as subscription agent.
- Acting as Mutual investment system manager.
- Dealing and trading in foreign currency exchange and precious metals market inside and outside Kuwait for its own account without prejudice to the prohibition stipulated by ministerial resolution issued concerning the Central Bank of Kuwait regulation of investment companies.
- Owning industrial property rights, patents, industrial and commercial trademarks, commercial royalties, literary and intellectual rights relating to software, publications as well as utilizing and franchising them to other bodies.
- Market Maker activities

The Parent Company may have an interest or participate in any manner with bodies performing activities similar to its own to assist the Parent Company in achieving its purpose inside or outside Kuwait. It may also establish, participate, merge or buy such corporations.

The Parent Company’s registered head office is at Khaleejia Complex, Jaber Al Mubarak street, Kuwait.

The Annual General Assembly meeting of the Parent’s Company’s shareholders of the year ended 31 December 2021 has not yet been held up to the date of issuance of this interim condensed consolidated financial information. Accordingly, the consolidated financial statements for the year ended 31 December 2021 have not yet been approved.

The interim condensed consolidated financial information for the period ended 31 March 2022 were authorized for issue in accordance with a resolution of the Parent Company’s Board of Directors on 11 May 2022.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL
INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2022

2 BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The interim condensed consolidated financial information of the Group has been prepared in accordance with International Accounting Standard (“IAS”) 34: Interim Financial Reporting, except as noted below:

The annual consolidated financial statements for the year ended 31 December 2021 were prepared in accordance with the regulations of the State of Kuwait for financial services institutions regulated by the CBK. These regulations require expected credit loss (“ECL”) to be measured at higher of the ECL on credit facilities computed under IFRS 9: Financial Instruments (“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”).

The interim condensed consolidated financial information does not contain all information and disclosures required for the annual consolidated financial statements prepared in accordance with the IFRS and regulations of the State of Kuwait for financial services institutions regulated by the CBK, and should be read in conjunction with the Group’s annual consolidated financial statements as at 31 December 2021.

Operating results for the three months ended 31 March 2022 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2022. For more details, please refer to the consolidated financial statements and its related disclosures for the year ended 31 December 2021.

2.2 New standards, interpretations and amendments adopted by the Group

The accounting policies used in the preparation of these interim condensed consolidated financial information are consistent with those used followed in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2021, except for the adoption of new standards effective as of 1 January 2022. The Group has not early adopted any standard, interpretation or amendments that has been issued but is not yet effective.

Reference to the Conceptual Framework – Amendments to IFRS 3

The amendments replace a reference to a previous version of the IASB’s Conceptual Framework with a reference to the current version issued in March 2018 without significantly changing its requirements.

The amendments add an exception to the recognition principle of IFRS 3 Business Combinations to avoid the issue of potential ‘day 2’ gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets or IFRIC 21 Levies, if incurred separately. The exception requires entities to apply the criteria in IAS 37 or IFRIC 21, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date. The amendments also add a new paragraph to IFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

These amendments had no impact on the interim condensed consolidated financial information of the Group as there were no contingent assets, liabilities and contingent liabilities within the scope of these amendments arisen during the period.

National Investments Company K.S.C.P. and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2022

3 SUBSIDIARY COMPANIES

Details of material subsidiary companies are as follows:

<i>Name</i>	<i>Country of incorporation</i>	<i>Holding %</i>			<i>Principal Activities</i>
		<i>31 March 2022</i>	<i>31 December 2021</i>	<i>31 March 2021</i>	
<i>Directly held</i>					
MENA Capital Holding Company K.S.C. (Closed) (“MENA”)	Kuwait	59.33	59.33	59.33	Investments
International Infrastructure Holding Co. K.S.C. (Closed)	Kuwait	99.00	99.00	99.00	Investments
Al Waseet Financial Business Company K.S.C. (Closed) (“Waseet”)	Kuwait	65.17	65.17	65.17	Investment brokerage services
Al-Bawaba Al-Watania General Trading & Cont. Co. W.L.L.	Kuwait	99.00	99.00	99.00	Trading and Contracting
National Gate for Computer Systems Company K.S.C. (Closed)	Kuwait	99.33	99.33	99.33	Information technology
National Investment Company S.A.L.	Lebanon	100	100	100	Property development
National Investment Co. Holding S.A.L.	Lebanon	99.00	99.00	99.00	Investments
Al Mada Investment Fund (“Al Mada”)	Bahrain	49.04	49.61	49.47	Investments
NIC Pipe	Cayman Island	92.50	92.50	-	Investments
NIC Technology Ventures 2 Ltd (i)	British Virgin Islands	69.00	69.00	-	Investments
Flick Wholesale and Trading Co. W.L.L.(1)	Kuwait	95.00	-	-	Trading and Contracting
<i>Indirectly held through Waseet</i>					
Al Nugoua For General Trading Company W.L.L.	Kuwait	99.00	99.00	99.00	Real estate investments
<i>Indirectly held through MENA</i>					
Colony/MENA Holdings L.P.	Guernsey	99.99	99.99	99.99	Investments
Colony/MENA Holdings, Limited	Guernsey	100	100	100	Investments

- (1) During the period, the Parent Company has acquired a 95% stake in Flick Wholesale and Trading Co. W.L.L. The management of the Parent Company is in process of determining the fair value of assets acquired and liabilities assumed.

4 BASIC AND DILUTED EARNINGS PER SHARE

Basic and diluted earnings per share is computed by dividing the profit for the period attributable to equity holders of the Parent Company by the weighted average number of shares outstanding during the period less treasury shares.

	<i>Three months ended</i>	
	<i>31 March 2022</i>	<i>31 March 2021</i>
Profit for the period attributable to equity holders of the Parent Company (KD 000's)	15,409	3,787
Weighted average number of shares outstanding during the period	797,862,103	797,862,103
Basic and diluted earnings per share	19.3 fils	4.7 fils

National Investments Company K.S.C.P. and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2022

5 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<i>31 March</i> <i>2022</i> <i>KD 000's</i>	<i>(Audited)</i> <i>31 December</i> <i>2021</i> <i>KD 000's</i>	<i>31 March</i> <i>2021</i> <i>KD 000's</i>
Quoted securities (including loaned security)*	59,637	42,705	38,693
Unquoted equity investments (includes private equity investments)	4,904	5,649	7,194
Unquoted mutual fund investments (investing in quoted and unquoted securities)	69,901	62,855	51,092
	134,442	111,209	96,979

* The Group has entered in a security lending agreement ('Contract') with an external party in which shares of a quoted security with a carrying value of KD 1,355 thousand (31 December 2021: KD 1,010 thousand and 31 March 2021: KD 566 thousand) are lent for a period for one year. The external party is required to return the shares at the end or on the termination of the Contract whichever is earlier. Management has determined that as the derecognition criteria as per the IFRS 9 *Financial Instruments* was not met, the shares have not been derecognised.

Unquoted equity investments are fair valued using fair valuation techniques which resulted in a gain due to change in fair value of KD 32 thousand during the period recorded in interim condensed consolidated income statement (31 December 2021: loss due to change in fair value of KD 866 thousand and 31 March 2021: loss due to change in fair value of KD 46 thousand).

The unquoted mutual fund investments are carried at the latest net asset value provided by the respective fund managers based on the underlying assets of the funds.

The hierarchy for determining and disclosing the fair values of financial instruments by valuation technique are presented in Note 13.

6 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	<i>31 March</i> <i>2022</i> <i>KD 000's</i>	<i>(Audited)</i> <i>31 December</i> <i>2021</i> <i>KD 000's</i>	<i>31 March</i> <i>2021</i> <i>KD 000's</i>
Quoted equity investments	91,181	69,568	53,202
Unquoted equity investments	12,746	12,480	12,665
	103,927	82,048	65,867

7 BANK BORROWINGS

	<i>31 March</i> <i>2022</i> <i>KD 000's</i>	<i>Audited</i> <i>31 December</i> <i>2021</i> <i>KD 000's</i>	<i>31 March</i> <i>2021</i> <i>KD 000's</i>
Secured borrowings:			
- Due within one year	6,793	6,453	4,249
- Due after one year	33,690	34,030	14,200
	40,483	40,483	18,449

Bank borrowings carry interest rates ranging from 2.45% to 3.25%.

National Investments Company K.S.C.P. and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2022

7 BANK BORROWINGS (continued)

The bank borrowings are secured by a charge over certain financial assets at fair value through profit and loss, financial assets at fair value through other comprehensive income, investment in associates and investment properties of the Parent Company.

8 DIVIDEND DISTRIBUTIONS

On 30 March 2022, the Board of Directors of the Parent Company proposed the distribution of cash dividend from retained earnings and partly from voluntary reserves representing 45% of the paid-up share capital for the financial year ended 31 December 2021 amounting to KD 35,904 thousand. This proposal is subject to the approval of the Parent Company's shareholders at the Annual General Assembly.

9 RELATED PARTIES DISCLOSURES

Related parties represent associated companies, managed funds, major shareholders, directors and key management personnel of the Group, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Parent Company's management.

Transactions with related parties are as follows:

	<i>Three months ended</i>		
	<i>31 March</i>		
	<i>2022</i>		<i>2021</i>
	<i>KD 000's</i>		<i>KD 000's</i>
Included in the interim condensed consolidated income statement:			
Management and advisory fees (other related parties)	757		572
Management and advisory fees (associates)	18		15
Rental income (associates)	-		2
Management, incentive, brokerage and advisory fees (shareholder)	(16)		-
		<i>(Audited)</i>	
	<i>31 March</i>	<i>31 December</i>	<i>31 March</i>
	<i>2022</i>	<i>2021</i>	<i>2021</i>
	<i>KD 000's</i>	<i>KD 000's</i>	<i>KD 000's</i>
Included in interim condensed consolidated statement of financial position:			
Other assets (other related parties)	782	3,500	572
Other assets (associates)	39	1,344	7

Compensation of key management personnel

The compensation of key management personnel of the Group during the period were as follows:

	<i>Three months ended</i>	
	<i>31 March</i>	
	<i>2022</i>	<i>2021</i>
	<i>KD 000's</i>	<i>KD 000's</i>
Salaries and short-term benefits	245	337
Employees' end of service benefits	29	33
	274	370

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10 SEGMENT INFORMATION

For management purposes the Group is organized into four major business segments. The principal activities and services under these segments are as follows:

- ▶ Investment segment represents trading in equities including investment in associates and other strategic investments;
- ▶ Treasury segment represents liquidity management and trading in foreign currencies;
- ▶ Real estate segment represents rental operations, buying, selling and investing in real estate; and
- ▶ Asset management, advisory and brokerage represents managing discretionary and non-discretionary investment portfolio, managing of investment funds, brokerage services, providing advisory services, and other related financial services.

Management monitors the operating segment separately for the purpose of making decisions about the resource allocation and performance assessment. The segment performance is evaluated based on segment result before taxes in the management and reporting systems.

The following table presents revenue, results for the period, total assets and total liabilities information regarding the Group's reportable segments.

	<i>Investment KD 000's</i>	<i>Treasury KD 000's</i>	<i>Real estate KD 000's</i>	<i>Asset management, advisory and brokerage KD 000's</i>	<i>Unallocated KD 000's</i>	<i>Total KD 000's</i>
31 March 2022						
Segment revenues	16,962	92	380	2,485	-	19,919
Segment results	16,145	(279)	11	1,837	(742)	16,972
Segment assets	271,633	18,062	30,687	7,663	583	328,628
Segment liabilities	1,580	36,804	4,676	2,400	11,283	56,743
31 December 2021 (Audited)						
Segment assets	224,136	27,190	30,709	7,971	568	290,574
Segment liabilities	1,345	35,866	4,830	2,400	10,561	55,002
31 March 2021						
Segment revenues	6,988	90	(1,450)	1,472	-	7,100
Segment results	6,280	(141)	(1,797)	546	-	4,888
Segment assets	191,016	2,065	29,828	5,143	548	228,600
Segment liabilities	1,205	13,031	5,646	2,400	7,087	29,369

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11 CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

	<i>31 March</i> <i>2022</i> <i>KD 000's</i>	<i>(Audited)</i> <i>31 December</i> <i>2021</i> <i>KD 000's</i>	<i>31 March</i> <i>2021</i> <i>KD 000's</i>
Capital commitments towards investments and other assets	11,059	11,817	12,643
Bank guarantees	268	149	154
Unsold borrowed shares	729	436	-
	12,056	12,402	12,797

The Group has contingent liabilities in respect of bank guarantees arising in the ordinary course of business from which it is anticipated that no material liabilities will arise.

Unsold borrowed shares relate to shares borrowed from a related party for Market Maker activity. As of the reporting period, the total borrowed shares are being held by the Parent Company.

12 FIDUCIARY ACCOUNTS

The Group manages portfolios on behalf of others and maintains cash balances and securities in fiduciary accounts without recourse to the Group which are not included in the interim condensed consolidated statement of financial position. As at the reporting date, total fiduciary assets managed by the Group amount to KD 1,310,743 thousand (31 December 2021: KD 1,088,237 thousand and 31 March 2021: KD 1,048,743 thousand). The total income earned from trust and other fiduciary activities amount to KD 1,004 thousand (31 December 2021: KD 4,790 thousand and 31 March 2021: KD 724 thousand).

13 FAIR VALUE MEASUREMENT

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 in the principal, or in its absence, the most advantageous market to which the Group has access at that date.

Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair values of financial instruments by valuation technique;

Level 1: quoted (unadjusted) prices in active markets.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and

Level 3: other techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

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13 FAIR VALUE MEASUREMENT (continued)

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

	<i>Fair value measurement using</i>			
	<i>Total</i> <i>KD 000's</i>	<i>Quoted</i> <i>prices in</i> <i>active</i> <i>markets</i> <i>(Level 1)</i> <i>KD 000's</i>	<i>Significant</i> <i>observable</i> <i>inputs</i> <i>(Level 2)</i> <i>KD 000's</i>	<i>Significant</i> <i>unobservable</i> <i>inputs</i> <i>(Level 3)</i> <i>KD 000's</i>
31 March 2022				
Assets measured at fair value				
<i>Financial assets at fair value through profit or loss</i>				
Quoted securities (including loaned security)	59,637	59,637	-	-
Unquoted equity investments (includes private equity investments)	4,904	-	-	4,904
Unquoted mutual fund investments (investing in quoted and unquoted investments)	69,901	-	53,875	16,026
<i>Financial assets at fair value through other comprehensive income</i>				
Quoted equity investments	91,181	40,214	50,967	-
Unquoted equity investments	12,746	-	-	12,746
<i>Investment properties</i>	29,671	-	-	29,671
<i>Forward foreign exchange contracts</i>	82	-	82	-
Assets measured at cost while fair value is disclosed				
<i>Trading properties*</i>	284	-	284	-
	<u>268,406</u>	<u>99,851</u>	<u>105,208</u>	<u>63,347</u>
Liabilities measured at fair value				
<i>Forward foreign exchange contracts</i>	84	-	84	-
	<u>84</u>	<u>-</u>	<u>84</u>	<u>-</u>

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13 FAIR VALUE MEASUREMENT (continued)

Fair value hierarchy (continued)

	<i>Fair value measurement using</i>			
	<i>Total</i>	<i>Quoted prices</i>	<i>Significant</i>	<i>Significant</i>
		<i>in active</i>	<i>observable</i>	<i>unobservable</i>
		<i>markets</i>	<i>inputs</i>	<i>inputs</i>
		<i>(Level 1)</i>	<i>(Level 2)</i>	<i>(Level 3)</i>
	<i>KD 000's</i>	<i>KD 000's</i>	<i>KD 000's</i>	<i>KD 000's</i>
<i>31 December 2021 (Audited)</i>				
Assets measured at fair value				
<i>Financial assets at fair value through profit or loss:</i>				
Quoted securities	42,705	42,705	-	-
Unquoted equity investments (including private equity investments)	5,649	-	-	5,649
Unquoted mutual fund investments (investing in quoted and unquoted investments)	62,855	-	47,601	15,254
<i>Financial assets at fair value through other comprehensive income:</i>				
Quoted equity investments	69,568	31,589	37,979	-
Unquoted equity investments	12,480	-	-	12,480
<i>Investment properties</i>	29,671	-	-	29,671
Assets measured at cost while fair value is disclosed				
<i>Trading properties*</i>	284	-	284	-
	<u>223,212</u>	<u>74,294</u>	<u>85,864</u>	<u>63,054</u>

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13 FAIR VALUE MEASUREMENT (continued)

Fair value hierarchy (continued)

	<i>Fair value measurement using</i>			
	<i>Total</i> <i>KD 000's</i>	<i>Quoted</i> <i>prices in</i> <i>active</i> <i>markets</i> <i>(Level 1)</i> <i>KD 000's</i>	<i>Significant</i> <i>observable</i> <i>inputs</i> <i>(Level 2)</i> <i>KD 000's</i>	<i>Significant</i> <i>unobservable</i> <i>inputs</i> <i>(Level 3)</i> <i>KD 000's</i>
<i>31 March 2021</i>				
Assets measured at fair value				
<i>Financial assets at fair value through profit or loss</i>				
Quoted securities	38,693	38,693	-	-
Unquoted equity investments (including private equity investments)	7,194	-	-	7,194
Unquoted mutual fund investments (investing in quoted and unquoted investments)	51,092	-	40,235	10,857
<i>Financial assets at fair value through other comprehensive income</i>				
Quoted equity investments	53,203	31,914	21,289	-
Unquoted equity investments	12,664	-	-	12,664
<i>Investment properties</i>	28,871	-	-	28,871
<i>Forward foreign exchange contracts</i>	26	-	26	-
Assets measured at cost while fair value is disclosed				
<i>Trading properties*</i>	283	-	283	-
	<u>192,026</u>	<u>70,607</u>	<u>61,833</u>	<u>59,586</u>
Liabilities measured at fair value				
<i>Forward foreign exchange contracts</i>	<u>28</u>	<u>-</u>	<u>28</u>	<u>-</u>

* The fair value of the trading properties measured at cost is KD 323 thousand (31 December 2021: KD 323 thousand and 31 March 2021: KD 323 thousand).

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13 FAIR VALUE MEASUREMENT (continued)

The following table shows a reconciliation of the opening and closing amount of level 3 financial assets and liabilities which are recorded at fair value.

	<i>As at 1 January 2022 KD 000's</i>	<i>(Loss) gain recorded in the interim condensed consolidated income statement KD 000's</i>	<i>Loss recorded in other comprehensive income KD 000's</i>	<i>Net purchases, transfer, (sales) and settlements KD 000's</i>	<i>As at 31 March 2022 KD 000's</i>
31 March 2022					
<i>Financial assets at fair value through profit or loss:</i>					
Unquoted equity investments	5,649	(26)	-	(719)	4,904
Unquoted mutual fund investments	15,254	(459)	-	1,231	16,026
<i>Financial assets at fair value through other comprehensive income:</i>					
Unquoted equity investments	12,480	-	(93)	359	12,746
<i>Investment properties</i>	29,671	-	-	-	29,671
	<u>63,054</u>	<u>(485)</u>	<u>(93)</u>	<u>871</u>	<u>63,347</u>
	<i>As at 1 January 2021 KD 000's</i>	<i>(Loss) gain recorded in the interim condensed consolidated income statement KD 000's</i>	<i>Loss recorded in other comprehensive income KD 000's</i>	<i>Net purchases, transfer, (sales) and settlements KD 000's</i>	<i>As at 31 December 2021 KD 000's</i>
31 December 2021 (Audited)					
<i>Financial assets at fair value through profit or loss:</i>					
Unquoted equity investments	7,240	(664)	-	(927)	5,649
Unquoted mutual fund investments	10,405	2,113	-	2,736	15,254
<i>Financial assets at fair value through other comprehensive income:</i>					
Unquoted equity investments	12,637	-	(290)	133	12,480
<i>Investment properties</i>	32,054	(225)	-	(2,158)	29,671
	<u>62,336</u>	<u>1,224</u>	<u>(290)</u>	<u>(216)</u>	<u>63,054</u>

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13 FAIR VALUE MEASUREMENT (continued)

	<i>As at 1 January 2021 KD 000's</i>	<i>(Loss) gain recorded in the interim condensed consolidated income statement KD 000's</i>	<i>Loss recorded in other comprehen- sive income KD 000's</i>	<i>Net purchases, transfer, sales and settlements KD 000's</i>	<i>As at 31 March 2021 KD 000's</i>
<i>31 March 2021</i>					
<i>Financial assets at fair value through profit or loss:</i>					
Unquoted equity investments	7,240	(46)	-	-	7,194
Unquoted mutual fund investments	10,405	141	-	311	10,857
<i>Financial assets at fair value through other comprehensive income:</i>					
Unquoted equity investments	12,637	-	-	27	12,664
<i>Investment properties</i>	32,054	(1,876)	-	(1,307)	28,871
	<u>62,336</u>	<u>(1,781)</u>	<u>-</u>	<u>(969)</u>	<u>59,586</u>

14 SUBSEQUENT EVENTS

Subsequent to the reporting period, on 5 May 2022, the Group sold a majority of its stake in an investment in associate.