



**Commercial Facilities Company S.A.K.P.
and Subsidiaries
State of Kuwait**

**Interim Condensed Consolidated Financial Information
and Independent Auditors' Review Report
for the nine-month period ended 30 September 2019
(Unaudited)**



Commercial Facilities Company S.A.K.P.
and Subsidiaries
State of Kuwait

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and Independent Auditors' Review Report
for the nine-month period ended 30 September 2019
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Deloitte & Touche
Al-Wazzan & Co.

Ahmed Al-Jaber Street, Sharq
Dar Al-Awadi Complex, Floors 7 & 9
P.O. Box 20184, Safat 13062
Kuwait
Tel : + 965 22408844, 22438060
Fax: + 965 22408855, 22452080
www.deloitte.com

Rödl
Middle East
Burgan - International Accountants

Ali Al Hassawi & Partners

P.O. Box: 22351 Safat 13084 Kuwait
Sharq – Dasman Complex – Block 2 – 9
Floor
Tel 22464574-6 /22426862-3 Fax: 22414956
Email: info-kuwait@rodlme.com

Commercial Facilities Company S.A.K.P.

State of Kuwait

INDEPENDENT AUDITORS' REVIEW REPORT TO THE BOARD OF DIRECTORS

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Commercial Facilities Company S.A.K.P. ("the Parent Company") and its subsidiaries (collectively referred to as "the Group") as at 30 September 2019, 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-month 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 the 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 condensed 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.

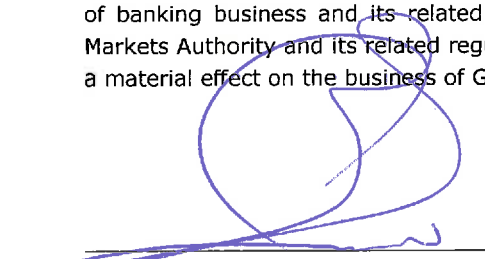
Conclusion

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

Report on Other Legal and Regulatory Requirements

Further, based on our review, the interim condensed consolidated financial information is in agreement with the books of the Parent Company. To the best of our knowledge and belief, no violations of the Companies Law No. 1 of 2016, and its executive regulations, as amended, or of the Parent Company's Memorandum and Articles of Association, as amended, have occurred during the nine-month period ended 30 September 2019 that might have had a material effect on the business of the Group 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 regulation or of the provisions of Law No. 7 of 2010, concerning the Capital Markets Authority and its related regulations during the nine-month period ended 30 September 2019, that might had a material effect on the business of Group or on its consolidated financial position.



Bader A. Al-Wazzan
License No. 62A
Deloitte & Touche
Al-Wazzan & Co.

Abdulhussain M. Al-Rasheed
License No. 67A
Rödl Middle East
Burgan-International Accountants

Kuwait 24 October 2019

Interim Condensed Consolidated Statement of Financial Position as at 30 September 2019
(Unaudited)

(All amounts are in Kuwaiti Dinar Thousand)

	Notes	30 September 2019	31 December 2018 (Audited)	30 September 2018
Assets				
Cash and bank balances	5	26,590	29,557	38,040
Other receivables and prepayments		1,346	1,729	2,353
Instalment debtors	6	220,719	227,923	237,787
Investments in securities	7	49,983	45,695	45,652
Investment in associates	8	13,731	13,485	13,246
Investment properties		4,854	4,206	4,239
Property and equipment		2,722	2,633	2,433
Total assets		319,945	325,228	343,750
Liabilities and equity				
Liabilities				
Due to banks		-	-	3,594
Trade creditors and other liabilities		6,707	5,536	5,601
Term loans	9	148,218	156,959	162,623
Provision for staff indemnity		4,226	4,173	4,519
Total liabilities		159,151	166,668	176,337
Equity				
Share capital		53,676	53,676	53,676
Share premium		1,433	1,433	1,433
Legal reserve		49,394	49,394	48,344
Voluntary reserve		48,093	48,093	48,093
Fair value reserve		2,305	2,164	3,509
Foreign currency translation reserve		511	657	731
Land revaluation reserve		915	915	915
Treasury shares	11	(11,271)	(11,232)	(11,209)
Gain on sale of treasury shares		14	14	14
Retained earnings		15,700	13,423	21,884
Equity attributable to the shareholders of the Parent Company		160,770	158,537	167,390
Non-controlling interests		24	23	23
Total equity		160,794	158,560	167,413
Total liabilities and equity		319,945	325,228	343,750

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

Ali Ibrahim Marafi
Chairman



Abdallah Saud Abdulaziz Al-Humaidhi
Vice Chairman and Chief Executive Officer

Interim Condensed Consolidated Statement of Profit or Loss for the nine-month period ended 30 September 2019 (Unaudited)

(All amounts are in Kuwaiti Dinar Thousand)

	Notes	Three-month period ended 30 September		Nine-month period ended 30 September	
		2019	2018	2019	2018
Income from instalment credit		4,558	4,466	13,391	13,057
Share of results of associates	8	182	197	529	516
Other income		247	354	768	967
Net gain from investments	12	183	948	3,243	2,547
Rental income from investment property		69	79	171	174
Total other income		681	1,578	4,711	4,204
Finance costs		(1,455)	(1,634)	(4,382)	(4,773)
Staff costs and related expenses		(672)	(675)	(2,002)	(2,024)
General and administrative expenses		(240)	(240)	(765)	(713)
Net Foreign Exchange Losses		(1)	(4)	(6)	(200)
Total other expenses		(2,368)	(2,553)	(7,155)	(7,710)
Profit before provision for credit losses and impairment losses		2,871	3,491	10,947	9,551
Reverse/ (provide) expected credit loss		(495)	(688)	390	(1,936)
Profit before taxation and Directors' remuneration		2,376	2,803	11,337	7,615
Provision for KFAS		(24)	(28)	(114)	(76)
Provision for NLST and Zakat		(81)	(96)	(380)	(254)
Provision for Directors' remuneration		(30)	(26)	(90)	(79)
Profit for the period		2,241	2,653	10,753	7,206
Attributable to:					
Shareholders of the Parent Company		2,241	2,653	10,752	7,205
Non-controlling interests		-	-	1	1
		2,241	2,653	10,753	7,206
Earnings per share	13	4 Fils	5 Fils	21 Fils	14 Fils

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

Interim Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
for the nine-month period ended 30 September 2019
(Unaudited)

(All amounts are in Kuwaiti Dinar Thousand)

	Three-month period ended		Nine-month period ended	
	30 September		30 September	
	2019	2018	2019	2018
Profit for the period	<u>2,241</u>	<u>2,653</u>	<u>10,753</u>	<u>7,206</u>
Other comprehensive income				
<i>Items that may be reclassified subsequently to profit or loss</i>				
Foreign exchange translation	(91)	4	(146)	(23)
Change in fair value of investments at FVOCI	<u>121</u>	<u>-</u>	<u>302</u>	<u>41</u>
Other comprehensive (loss)/ income for the period	<u>30</u>	<u>4</u>	<u>156</u>	<u>18</u>
Total comprehensive income for the period	<u>2,271</u>	<u>2,657</u>	<u>10,909</u>	<u>7,224</u>
Attributable to:				
Shareholders of the Parent Company	2,271	2,657	10,908	7,223
Non-controlling interests	<u>-</u>	<u>-</u>	<u>1</u>	<u>1</u>
	<u>2,271</u>	<u>2,657</u>	<u>10,909</u>	<u>7,224</u>

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-month period ended 30 September 2019
(Unaudited)**

(All amounts are in Kuwaiti Dinar Thousand)

	Equity attributable to shareholders of the Parent Company											Non- Controlling Interest	Total
	Share capital	Share premium	Legal reserve	Voluntary reserve	Fair value reserve	Foreign currency translation reserve	Land revaluation reserve	Treasury shares	Gain on sale of treasury shares	Retained earnings	Total		
Restated balance at 31 December 2018	53,676	1,433	49,394	48,093	2,164	657	915	(11,232)	14	13,423	158,537	23	158,560
Profit for the period	-	-	-	-	-	-	-	-	-	10,752	10,752	1	10,753
Foreign exchange translation adjustments	-	-	-	-	-	(146)	-	-	-	-	(146)	-	(146)
Change in fair value	-	-	-	-	302	-	-	-	-	-	302	-	302
Profit on sale of FVOCI	-	-	-	-	(161)	-	-	-	-	161	-	-	-
Total comprehensive income for the period	-	-	-	-	141	(146)	-	-	-	10,913	10,908	1	10,909
Purchase of treasury shares	-	-	-	-	-	-	-	(39)	-	-	(39)	-	(39)
Dividends (Note 16)	-	-	-	-	-	-	-	-	-	(8,636)	(8,636)	-	(8,636)
Balance at 30 September 2019	53,676	1,433	49,394	48,093	2,305	511	915	(11,271)	14	15,700	160,770	24	160,794
Balance at 31 December 2017	53,676	1,433	48,344	48,093	3,837	754	915	(11,209)	14	22,809	168,666	22	168,688
Impact of adopting IFRS9 at 1 January 2018	-	-	-	-	-	-	-	-	-	(368)	(368)	-	(368)
Restated balance at 1 January 2018	53,676	1,433	48,344	48,093	3,837	754	915	(11,209)	14	22,441	168,298	22	168,320
Profit for the period	-	-	-	-	-	-	-	-	-	7,205	7,205	1	7,206
Foreign exchange translation adjustments	-	-	-	-	-	(23)	-	-	-	-	(23)	-	(23)
Change in fair value	-	-	-	-	41	-	-	-	-	-	41	-	41
Profit on sale of investments	-	-	-	-	(369)	-	-	-	-	369	-	-	-
Total comprehensive income for the period	-	-	-	-	(328)	(23)	-	-	-	7,574	7,223	1	7,224
Dividends (Note 16)	-	-	-	-	-	-	-	-	-	(8,131)	(8,131)	-	(8,131)
Balance at 30 September 2018	53,676	1,433	48,344	48,093	3,509	731	915	(11,209)	14	21,884	167,390	23	167,413

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

**Interim Condensed Consolidated Statement of Cash Flows for the nine-month period ended 30 September 2019
(Unaudited)**

(All amounts are in Kuwaiti Dinar Thousand)

	Note	Nine-month period ended 30 September	
		2019	2018
Operating activities			
Profit before provisions for contribution to KFAS, NLST, Zakat and Directors' remuneration		11,337	7,615
Adjustments for:			
Depreciation		92	37
Increase in fair value of financial assets at FVTPL		(1,952)	(1,117)
Realised loss/ (gain) on financial assets at FVTPL		541	(25)
Interest income		(737)	(936)
Dividend income		(1,832)	(1,405)
Share of results of associates		(529)	(516)
Provision for staff indemnity		148	149
Provision for credit loss expense		(390)	1,936
Foreign currency exchange gain on investment securities		-	(3)
		6,678	5,735
Decrease in instalment debtors		8,638	8,594
Increase/ (decrease) in other receivables and prepayments		561	(723)
Decrease in trade creditors and other liabilities		472	(605)
Cash from operations		16,349	13,001
Staff indemnity paid		(95)	(34)
Interest received		1,655	936
Dividends received		737	1,238
Net cash from operating activities		18,646	15,141
Investing activities			
Decrease/ (increase) in deposits		4,765	(5,730)
Purchase of financial assets at FVTPL		(281)	(183)
Purchase of financial assets at FVOCI		(5,054)	(6,675)
Additional purchase of associate		(207)	(152)
Purchase of property and equipment		(181)	(221)
Purchase of investment property		(648)	-
Proceeds from sale of financial assets at FVTPL		625	263
Proceeds from sale of financial assets at FVOCI		1,926	3,026
Proceeds from sale of property and equipment		-	14
Dividends from associate		490	517
Net cash from/ (used in) investing activities		1,435	(9,141)
Financing activities			
(Repayment)/ proceeds of term loans		(8,741)	3,117
Dividends paid		(8,521)	(8,131)
Purchase of treasury shares		(39)	-
Net cash used in financing activities		(17,301)	(5,014)
Net (decrease)/ increase in cash and cash equivalents		2,780	986
Cash and cash equivalents at beginning of the period		14,027	10,085
Cash and cash equivalents at end of the period	5	16,807	11,071

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

Notes to the Interim Condensed Consolidated Financial Information for the nine-month period ended 30 September 2019 (Unaudited)*(All amounts are in Kuwaiti Dinar Thousand unless otherwise stated)***1. Incorporation and principal activities**

Commercial Facilities Company S.A.K.P. ("the Parent Company") was incorporated on 16 January 1977 in accordance with the Commercial Companies Law in the State of Kuwait. The Parent Company's shares were listed on the Kuwait Stock Exchange on 29 September 1984.

The main activities of the Group represents in financing activities, investments and brokerage.

The address of the Parent Company's registered office is P.O. Box 24284, Safat 13103, State of Kuwait.

This interim condensed consolidated financial information was approved for issue by the Board of Directors on 24 October 2019.

2. Basis of preparation 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 2018 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 2019 are not necessarily indicative of results that may be expected for the year ending 31 December 2019. For further information, refer to the consolidated financial statements and its related notes for the year ended 31 December 2018.

2.2 Significant accounting policies

The accounting policies used in the preparation of this condensed interim financial information are consistent with those used in the preparation of the Company's annual financial statements for the year ended 31 December 2018, and the notes attached thereto, except for the adoption of certain new and revised standards, that became effective in the current period as set out below.

2.2.1 New and amended standards adopted by the Group

The Group has adopted the new and amended standards and interpretations that became effective in the current period. The adoption of these standards and interpretations has no material impact on the financial statements of the Group, except as mentioned below:

IFRS 16 "Leases"**General impact**

IFRS 16 'Leases' replaces the existing guidance on leases, including IAS 17 'Leases', IFRIC 4 'Determining whether an Arrangement contains a Lease', SIC 15 'Operating Leases – Incentives' and SIC 27 'Evaluating the Substance of Transactions in the Legal Form of a Lease'.

IFRS 16 was issued in January 2016 and is effective for annual periods commencing on or after 1 January 2019. IFRS 16 stipulates that all leases and the associated contractual rights and obligations should generally be recognized in the Group's financial position, unless the term is 12 months or less or the lease for low value asset. Thus, the classification required under IAS 17 "Leases" into operating or finance leases is eliminated for Lessees.

The Group has opted for the modified retrospective application permitted by IFRS 16 upon adoption of the new standard. During the first time application of IFRS 16, the right to use the leased assets was generally measured at the amount of lease liability, using the interest rate at the time of first time application, thus no impact was recorded on the opening retained earnings. The Group presents right-of-use assets in 'property and equipment' and lease liabilities in 'other liabilities' in the interim condensed consolidated statement of financial position.

Notes to the Interim Condensed Consolidated Financial Information for the nine-month period ended 30 September 2019 (Unaudited)

(All amounts are in Kuwaiti Dinar Thousand unless otherwise stated)

Impact on accounting policy:

Until the 2018 financial year, leases were classified as either finance or operating leases. Payments made under operating leases (net of any incentives received from the lessor) were charged to income statement on a straight-line basis over the period of the lease.

From 1 January 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group unless the term is 12 months or less or the lease for low value asset.

Assets and liabilities arising from a lease are initially measured on a present value basis. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to income statement over the lease period.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in income statement. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT-equipment and small items of office furniture.

3. Fair value estimation

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 Group's financial assets are measured at fair value at the end of each reporting period. The following tables gives information about how the fair values of these financial assets are determined.

Fair value hierarchy

The table below analyses financial instruments carried at fair value by valuation method. The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Financial assets	Fair value as at			Fair value Hierarchy	Sector
	30 September 2019	31 December 2018	30 September 2018		
		(Audited)			
Financial assets at FVTPL - Quoted securities	10,599	9,069	8,947	Level 1	Financial Institutions
	-	490	497	Level 1	Real estate
	10,599	9,559	9,444		
Financial assets at FVTPL - Debt securities	1,179	1,152	1,144	Level 2	Financial Institutions
Financial assets at FVOCI - Unquoted debt	12,553	12,080	6,650	Level 2	Financial Institutions
	3,000	3,000	2,500	Level 2	Real estate
	16,732	16,232	10,294		
Financial assets at FVOCI - Unquoted funds	-	11	-	Level 3	Manufacturing
	-	49	49	Level 3	Real estate
	-	-	-	Level 3	Retail
	-	-	13	Level 3	Media & Technology
Financial assets at FVOCI - Unquoted securities	19,623	16,761	17,164	Level 3	Real estate
	2,282	2,148	7,253	Level 3	Financial Institutions
	747	773	1,271	Level 3	Service
	-	-	-	Level 3	Manufacturing
	-	162	164	Level 3	Media & Technology
	22,652	19,904	25,914		
	49,983	45,695	45,652		

Notes to the Interim Condensed Consolidated Financial Information for the nine-month period ended 30 September 2019 (Unaudited)

(All amounts are in Kuwaiti Dinar Thousand unless otherwise stated)

Movement in level 3 is as follows:

	30 September 2019	31 December 2018 (Audited)	30 September 2018
Opening balance	19,905	24,005	24,005
Change in fair value	74	(3,704)	23
Purchases/ transfers	4,595	2,227	4,210
Sales	(1,855)	(2,624)	(2,324)
ECL	(67)	-	-
Closing balance	<u>22,652</u>	<u>19,904</u>	<u>25,914</u>

The fair values of equity investments are obtained from quoted market prices and other models.

Valuation techniques include observable market information of comparable companies and net asset values. Significant unobservable inputs used in valuation techniques mainly include market multiples such as price to book and price to earnings. The most significant unobservable inputs used is the illiquidity discount in the level 3 hierarchy. A sensitivity analysis on fair value estimations, by varying input assumptions by a reasonable margin, did not indicate any material impact on the consolidated statement of financial position or consolidated statement of profit or loss.

4. Critical judgments and key sources of estimation uncertainty

The preparation of interim condensed consolidated financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. The actual results may differ from these estimates.

In preparing this interim condensed consolidated financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual audited consolidated financial statements as at and for the year ended 31 December 2018, except for the changes below:

Discounting of lease payments

The lease payments are discounted using the Group's incremental borrowing rate ("IBR"). Management has applied judgments and estimates to determine the IBR at the first time application of IFRS 16.

5. Cash and bank balances

	30 September 2019	31 December 2018 (Audited)	30 September 2018
Cash on hand	7	-	6
Bank balances	16,800	14,027	14,659
Deposits	<u>9,783</u>	<u>15,530</u>	<u>23,375</u>
	26,590	29,557	38,040
Less: Deposits with original maturity over nine months	(9,783)	(15,530)	(23,375)
Less: Due to banks (Bank overdrafts)	-	-	(3,594)
Cash and cash equivalents for the purpose of consolidated statement of cash flows	<u>16,807</u>	<u>14,027</u>	<u>11,071</u>

The Group's deposits with local banks and foreign banks, denominated in KD, amount to NIL (Nil - 31 December 2018 and KD 5 million - 30 September 2018) and those denominated in USD and LBP with foreign banks based in the Middle East amount to KD 9,783 thousand (KD 15,530 thousand - 31 December 2018 and KD 18,750 thousand - 30 September 2018). These deposits yield interest ranging from 8% to 9.5% (6.10% to 8% - 31 December 2018 and 2.5% to 6.75% - 30 September 2018) per annum.

6. Instalment debtors

The average interest rate earned from instalment credit for the nine-month period ended 30 September 2019 was 4.79% (4.60% - 31 December 2018 and 4.63% - 30 September 2018) per annum.

Notes to the Interim Condensed Consolidated Financial Information for the nine-month period ended 30 September 2019 (Unaudited)

(All amounts are in Kuwaiti Dinar Thousand unless otherwise stated)

7. Investment securities

	30 September 2019	31 December 2018 (Audited)	30 September 2018
Financial investments at FVTPL	11,778	10,711	10,588
Investments at FVOCI	38,205	34,984	35,064
	<u>49,983</u>	<u>45,695</u>	<u>45,652</u>

8. Investments in associates

	Place of incorporation and operation	Proportion of ownership interest	Principal activity
Real Estate Facilities and Investment Company K.S.C.C	Kuwait	29.19%	Investment in real estate
Priority Automobile Company K.S.C.C.	Kuwait	44.56%	Renting and leasing of luxury cars

Group's share from associates results amount to KD 529 thousand for the period ended 30 September 2019 (KD 516 thousand - 30 September 2018). These financial information have been prepared based on the financial information prepared by the associates' managements.

9. Term loans

	30 September 2019	31 December 2018 (Audited)	30 September 2018
Loans denominated in KD	140,617	130,420	133,576
Loans denominated in USD	7,601	26,539	29,047
	<u>148,218</u>	<u>156,959</u>	<u>162,623</u>

During the period, the Group signed KD loan agreements amounting to KD 69 Million (KD 53 million - 31 December 2018 and KD 53 million - 30 September 2018) and USD loans amounting to Nil (USD 50 million - 31 December 2018 and USD 50 million - 30 September 2018).

The weighted average interest rate on KD loans outstanding at 30 September 2019 was 3.95% per annum and on USD loans was 4.22% per annum (3.92% per annum and 3.55% per annum respectively - 31 December 2018 and 3.91% per annum and 3.46% per annum respectively - 30 September 2018).

The Group's outstanding term loans at 30 September 2019 are borrowed under floating rate agreements. The interest rates were determined at normal commercial rates available from the debt market on an arm's length basis. The Group has assigned customer contracts amounting to KD 200,014 thousand (KD 205,623 thousand - 31 December 2018 and KD 209,259 thousand - 30 September 2018) as security over 18 term loans (18 term loans - 31 December 2018 and 20 term loans - 30 September 2018) with balances outstanding of KD 148,218 thousand (KD 156,958 thousand - 31 December 2018 and KD 162,623 thousand - 30 September 2018).

10. Related party transactions

Related parties comprise associated companies, major shareholders, directors and key management personnel of the Group, their families and companies of which they are the principal owners. The Group enters into transactions with related parties. Pricing policies and terms are approved by the Group's management.

The related party transactions and balances included in this interim condensed consolidated financial information are as follows:

a) Compensation of key management personnel of the Parent Company

	Three-month period ended 30 September		Nine-month period ended 30 September	
	2019	2018	2019	2018
Salaries and other short-term benefits	119	104	356	313
Post-employment benefits	20	19	196	51
	<u>139</u>	<u>123</u>	<u>552</u>	<u>364</u>

Notes to the Interim Condensed Consolidated Financial Information for the nine-month period ended 30 September 2019 (Unaudited)

(All amounts are in Kuwaiti Dinar Thousand unless otherwise stated)

b) Instalment debtors

Balance at 1 January	26	37
Instalment repayments received	(4)	(14)
Loans	10	-
Expenses	2	-
Balance at 30 September	<u>34</u>	<u>23</u>

11. Treasury shares

	30 September 2019	31 December 2018 (Audited)	30 September 2018
Number of shares purchased (000's)	203	131	-
Cost of shares purchased during the period / year (KD'000)	40	23	-
Market value of total treasury shares (KD'000)	5,962	5,029	5,035
Percentage of issued shares	5.39%	5.35%	5.33%
Total number of shares (000's)	28,942	28,739	28,608

The Parent Company is required to retain reserves and retained earnings equivalent to the cost of treasury shares throughout the period, in which they are held by the Parent Company, in accordance with the instructions of the relevant regulatory authorities.

12. Net gains from investments

	Three-month period ended 30 September		Nine-month period ended 30 September	
	2019	2018	2019	2018
Changes in fair value	(314)	643	1,952	1,117
Realised gain on sale of financial investments at FVTPL	-	-	(541)	25
Dividend income	497	305	1,832	1,405
	<u>183</u>	<u>948</u>	<u>3,243</u>	<u>2,547</u>

13. Earnings per share

Earnings per share is computed by dividing profit for the period by the weighted average number of shares outstanding during the period as follows:

	Three-month period ended 30 September		Nine-month period ended 30 September	
	2019	2018	2019	2018
Profit for the period	<u>2,241</u>	<u>2,653</u>	<u>10,752</u>	<u>7,205</u>
	Shares			
Weighted average number of the Parent Company's issued and paid- up shares (000's)	536,764	536,764	536,764	536,764
Weighted average number of the Parent Company's treasury shares (000's)	<u>(28,822)</u>	<u>(28,608)</u>	<u>(28,773)</u>	<u>(28,608)</u>
Weighted average number of the Parent Company's outstanding shares (000's)	<u>507,942</u>	<u>508,156</u>	<u>507,991</u>	<u>508,156</u>
Earnings per share	<u>4 Fils</u>	<u>5 Fils</u>	<u>21 Fils</u>	<u>14 Fils</u>

Notes to the Interim Condensed Consolidated Financial Information for the nine-month period ended 30 September 2019 (Unaudited)

(All amounts are in Kuwaiti Dinar Thousand unless otherwise stated)

14. Revenue and segmental analysis

The Group operates in one principal area of activity, the granting of consumer instalment credit facilities. Its consumer credit operations are carried out entirely in the domestic market in Kuwait. The Group has investments both inside and outside Kuwait.

A segmental analysis of profit from ordinary activities, total assets, total liabilities and net assets employed by geographical location is as follows:

	Kuwait	International	Total
At 30 September 2019			
Profit before provisions for contribution to KFAS, NLST, Zakat and Directors' remuneration	9,626	1,711	11,337
Total assets	277,744	42,201	319,945
Total liabilities	(151,550)	(7,601)	(159,151)
Net assets employed	126,194	34,600	160,794
At 31 December 2018 (Audited)			
Profit before provisions for contribution to KFAS, NLST, Zakat and Directors' remuneration	8,164	2,334	10,498
Total assets	281,257	43,971	325,228
Total liabilities	(140,129)	(26,539)	(166,668)
Net assets employed	141,128	17,432	158,560
At 30 September 2018			
Profit before provisions for contribution to KFAS, NLST, Zakat and Directors' remuneration	6,114	1,501	7,615
Total assets	297,035	46,715	343,750
Total liabilities	(147,290)	(29,047)	(176,337)
Net assets employed	149,745	17,668	167,413

15. Commitments

The Group has capital commitments of KD 445 thousand (KD 2,136 thousand - 31 December 2018 and KD 44 thousand - 30 September 2018) on purchase of investments.

16. Annual general assembly

The shareholder's annual general assembly meeting held on 13 May 2019 approved the audited consolidated financial statements of the Group for the year ended 31 December 2018 and the approved to distribute a cash dividends of 17 fils per share (16 fils per share - 2017) amounting to KD 8,636 thousand (KD 8,131 thousand - 2017).