



شركة التسهيلات التجارية ش.م.ك  
COMMERCIAL FACILITIES CO. s.a.k

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

**Consolidated Interim Financial Information  
and Independent Auditors' Review Report  
for the six-month period ended 30 June 2021  
(Unaudited)**



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

Consolidated Interim Financial Information  
and Independent Auditors' Review Report  
for the six-month period ended 30 June 2021  
(Unaudited)

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**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 June 2021, and the related interim condensed consolidated statements of profit or loss, profit or loss and other comprehensive income, for the three month and six month periods then ended, and changes in equity and cash flows for the six-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 six-month period ended 30 June 2021 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, to the best of our knowledge and belief, 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 six-month period ended 30 June 2021, that might had a material effect on the business of Group or on its consolidated financial position.



**Talal Yousef Al-Muzaini**  
License No. 209 A  
Deloitte & Touche - Al-Wazzan & Co.



**Rashed Ayoub Alshadad**  
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Consolidated Interim Statement of Financial Position as at 30 June 2021  
(Unaudited)

(All amounts are in Kuwaiti Dinar Thousand)

	Notes	30 June 2021	31 December 2020 (Audited)	30 June 2020
<b>Assets</b>				
Cash and bank balances	5	20,047	22,287	25,107
Other receivables and prepayments		4,002	1,046	1,336
Finance receivables	6	163,795	173,498	191,869
Investments in securities	7	53,851	47,717	51,715
Investment in associates	8	13,938	13,880	14,173
Investment properties		4,087	4,087	4,244
Property and equipment		2,353	2,454	2,648
<b>Total assets</b>		<b>262,073</b>	<b>264,969</b>	<b>291,092</b>
<b>Liabilities and equity</b>				
<b>Liabilities</b>				
Trade creditors and other liabilities		3,781	4,131	15,507
Term loans	9	98,873	103,122	128,920
Provision for staff indemnity		4,536	4,589	4,525
<b>Total liabilities</b>		<b>107,190</b>	<b>111,842</b>	<b>148,952</b>
<b>Equity</b>				
Share capital		53,676	53,676	53,676
Share premium		1,433	1,433	1,433
Legal reserve		50,788	50,788	50,788
Voluntary reserve		48,093	48,093	48,093
Fair value reserve		697	1,030	2,834
Foreign currency translation reserve		888	985	786
Land revaluation reserve		852	852	965
Treasury shares	11	(11,271)	(11,271)	(11,271)
Gain on sale of treasury shares		14	14	14
Retained earnings/ (Accumulated losses)		9,668	7,485	(5,213)
Equity attributable to the shareholders of the Parent Company		154,838	153,085	142,105
Non-controlling interests		45	42	35
<b>Total equity</b>		<b>154,883</b>	<b>153,127</b>	<b>142,140</b>
<b>Total liabilities and equity</b>		<b>262,073</b>	<b>264,969</b>	<b>291,092</b>

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

Ali Ibrahim Marafi  
Chairman

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



**Consolidated Interim Statement of Profit or Loss for the six-month period ended 30 June 2021  
(Unaudited)**

(All amounts are in Kuwaiti Dinar Thousand)

	Notes	Three-month period ended 30 June		Six-month period ended 30 June	
		2021	2020	2021	2020
Financing income		3,244	2,734	6,691	6,813
Share of results of associates	8	19	(16)	145	116
Other income		8	204	18	434
Interest income		99	-	191	-
Net gain/ (losses) from investments	12	1,441	1,548	2,401	(1,129)
Rental income from investment property		52	17	103	82
Net foreign exchange gains		-	-	-	98
<b>Total other income</b>		<b>1,619</b>	<b>1,753</b>	<b>2,858</b>	<b>(399)</b>
Finance costs		(568)	(826)	(1,162)	(1,979)
Staff costs and related expenses		(417)	(427)	(1,229)	(1,131)
General and administrative expenses		(364)	(505)	(729)	(616)
Net foreign exchange loss		(63)	(36)	(95)	-
Loss on deferment of instalment credit	17	-	(3,207)	-	(3,207)
<b>Total expenses</b>		<b>(1,412)</b>	<b>(5,001)</b>	<b>(3,215)</b>	<b>(6,933)</b>
<b>Profit/ (loss) before provision for credit losses and impairment losses</b>		<b>3,451</b>	<b>(514)</b>	<b>6,334</b>	<b>(519)</b>
Reversal/ (provision) on expected credit loss	17	(535)	(5,045)	1,373	(12,330)
<b>Profit/ (loss) before taxation and Directors' remuneration</b>		<b>2,916</b>	<b>(5,559)</b>	<b>7,707</b>	<b>(12,849)</b>
Provision for KFAS		(29)	-	(77)	-
Provision for NLST and Zakat		(98)	-	(260)	-
Provision for Directors' remuneration		(36)	36	(72)	-
<b>Profit/ (loss) for the period</b>		<b>2,753</b>	<b>(5,523)</b>	<b>7,298</b>	<b>(12,849)</b>
<b>Attributable to:</b>					
Shareholders of the Parent Company		2,753	(5,525)	7,295	(12,852)
Non-controlling interests		-	2	3	3
		<b>2,753</b>	<b>(5,523)</b>	<b>7,298</b>	<b>(12,849)</b>
<b>Earnings/ (loss) per share – Fils</b>	13	<b>5</b>	<b>(11)</b>	<b>14</b>	<b>(25)</b>

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

**Consolidated Interim Statement of Profit or Loss and Other Comprehensive Income  
for the six-month period ended 30 June 2021  
(Unaudited)**

(All amounts are in Kuwaiti Dinar Thousand)

	Three-month period ended 30 June		Six-month period ended 30 June	
	2021	2020	2021	2020
<b>Profit/ (loss) for the period</b>	<u>2,753</u>	<u>(5,523)</u>	<u>7,298</u>	<u>(12,849)</u>
<b>Other comprehensive income</b>				
<i>Items that may be reclassified subsequently to profit or loss</i>				
Foreign exchange translation	(83)	(76)	(97)	66
<i>Items that will not be reclassified subsequently to consolidated profit or loss</i>				
Change in fair value of investments at FVOCI	(427)	(12)	(367)	73
<b>Other comprehensive (loss)/ income for the period</b>	<u>(510)</u>	<u>(88)</u>	<u>(464)</u>	<u>139</u>
<b>Total comprehensive income/ (losses) for the period</b>	<u>2,243</u>	<u>(5,611)</u>	<u>6,834</u>	<u>(12,710)</u>
<b>Attributable to:</b>				
Shareholders of the Parent Company	2,243	(5,613)	6,831	(12,713)
Non-controlling interests	-	2	3	3
	<u>2,243</u>	<u>(5,611)</u>	<u>6,834</u>	<u>(12,710)</u>

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

**Consolidated Interim Statement of Changes in Equity for the six-month period ended 30 June 2021  
(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, accumulated losses		
<b>Balance at 31 December 2020</b>	53,676	1,433	50,788	48,093	1,030	985	852	(11,271)	14	7,485	42	153,127
Profit for the period	-	-	-	-	-	-	-	-	-	7,295	3	7,298
Foreign exchange translation adjustments	-	-	-	-	-	(97)	-	-	-	-	-	(97)
Change in fair value of investments at FVOCI	-	-	-	-	(367)	-	-	-	-	-	-	(367)
Loss on sale of investments	-	-	-	-	34	-	-	-	-	(34)	-	-
Total comprehensive income for the period	-	-	-	-	(333)	(97)	-	-	-	7,261	3	6,834
Dividends (Note 16)	-	-	-	-	-	-	-	-	-	(5,078)	-	(5,078)
<b>Balance at 30 June 2021</b>	53,676	1,433	50,788	48,093	697	888	852	(11,271)	14	9,668	45	154,883
<b>Balance at 1 January 2020</b>	53,676	1,433	50,788	48,093	2,779	720	965	(11,271)	14	16,761	32	163,990
Loss for the period	-	-	-	-	-	-	-	-	-	(12,852)	3	(12,849)
Foreign exchange translation adjustments	-	-	-	-	-	66	-	-	-	-	-	66
Change in fair value of investments at FVOCI	-	-	-	-	73	-	-	-	-	-	-	73
Profit on sale of investments	-	-	-	-	(18)	-	-	-	-	18	-	-
Total comprehensive income/ (loss) for the period	-	-	-	-	55	66	-	-	-	(12,834)	3	(12,710)
Dividends (Note 16)	-	-	-	-	-	-	-	-	-	(9,140)	-	(9,140)
<b>Balance at 30 June 2020</b>	53,676	1,433	50,788	48,093	2,834	786	965	(11,271)	14	(5,213)	35	142,140

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

**Consolidated Interim Statement of Cash Flows for the six-month period ended 30 June 2021  
(Unaudited)**

(All amounts are in Kuwaiti Dinar Thousand)

	Note	Six-month period ended 30 June	
		2021	2020
<b>Operating activities</b>			
Profit/ (loss) before provisions for contribution to KFAS, NLST, Zakat and Directors' remuneration		7,707	(12,849)
Adjustments for:			
Depreciation		101	57
Unrealised (gain)/ loss on financial assets at FVTPL		(1,213)	2,367
Realised gain on financial assets at FVTPL		88	-
Interest income		(191)	(416)
Dividend income		(1,100)	(1,238)
Share of results of associates		(145)	(116)
Borrowing cost		1,162	1,979
Provision for staff indemnity		111	99
(Reversal)/ provision for credit loss expense		(1,373)	12,330
		4,971	2,213
Finance receivables		15,241	13,300
Other receivables and prepayments		(2,956)	391
Trade creditors and other liabilities		(449)	328
<b>Cash from operations</b>		16,807	16,232
Staff indemnity paid		(164)	(133)
Interest received		191	416
Dividends received		1,100	1,157
<b>Net cash from operating activities</b>		17,934	17,672
<b>Investing activities</b>			
Decrease in deposits		(4,046)	(1,250)
Purchase of financial assets at FVTPL		(6,079)	(427)
Purchase of financial assets at FVOCI		(3,046)	(1,331)
Proceeds from sale of financial assets at FVTPL		1,358	-
Proceeds from sale of financial assets at FVOCI		2,328	475
Dividend received from associate		87	-
<b>Net cash used in investing activities</b>		(9,398)	(2,533)
<b>Financing activities</b>			
Repayment of term loans		(4,249)	(13,029)
Dividends paid		(5,367)	(22)
Borrowing cost paid		(1,183)	(1,594)
<b>Net cash used in financing activities</b>		(10,799)	(14,645)
<b>Net (decrease)/ increase in cash and cash equivalents</b>		(2,263)	494
Cash and cash equivalents at beginning of the period		12,459	14,178
<b>Cash and cash equivalents at end of the period</b>	5	10,196	14,672

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



**Notes to the Consolidated interim Financial Information for the six-month period ended 30 June 2021  
(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 consolidated interim financial information was approved for issue by the Board of Directors on 11 August 2021.

**2. Basis of preparation and significant accounting policies**

**2.1 Basis of presentation**

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

The consolidated financial statements have been 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 financial institutions regulated by CBK to adopt the International Financial Reporting Standards ("IFRS") with the following amendment:

- Expected credit loss ("ECL") on credit facilities to be measured at the higher of ECL computed under IFRS 9 in accordance to the CBK guidelines or the provisions as required by CBK instructions along with its consequent impact on related disclosures.

The above framework is hereinafter referred to as 'IFRS as adopted by CBK for use by the State of Kuwait'.

The condensed interim consolidated financial information does not contain all information and disclosures required for the annual consolidated financial statements prepared in accordance with International Financial Reporting Standards, and should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2020.

In the management's opinion, all necessary adjustments, including recurring accruals have been included in the consolidated interim financial information for fair presentation. The operating results for the period ended 30 June 2021 are not necessarily indicative of results that may be expected for the year ending 31 December 2021.

**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. Amendments to IFRSs which are effective for annual accounting period starting from 1 January 2021 did not have any material impact on the accounting policies, financial position or performance of the Group.

**3. Financial risk management**

**3.1 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.

**Notes to the Consolidated interim Financial Information for the six-month period ended 30 June 2021  
(Unaudited)**

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

**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 June 2021	31 December 2020 (Audited)	30 June 2020		
Financial assets at FVTPL - Quoted securities	12,499	10,148	10,060	Level 1	Financial Institutions
	12,499	10,148	10,060		
Financial assets at FVTPL - Debt securities	4,817	1,146	1,186	Level 2	Financial Institutions
Financial assets at FVOCI - Unquoted funds	5,039	5,076	-	Level 2	Financial Institutions
Financial assets at FVOCI - Unquoted debt	2,989	3,831	11,437	Level 2	Financial Institutions
	1,250	1,250	1,250	Level 2	Conglomerate
	2,500	2,500	2,500	Level 2	Real estate
	16,595	13,803	16,373		
Financial assets at FVOCI - Unquoted securities	20,534	19,586	20,899	Level 3	Real Estate
	1,683	2,331	1,787	Level 3	Conglomerate
	-	1,394	-	Level 3	Services
	1,564	-	1,378	Level 3	Financial Institutions
	524	-	756	Level 3	Services
Financial assets at FVOCI - Unquoted debt	452	455	462	Level 3	Financial Institutions
	24,757	23,766	25,282		
	53,851	47,717	51,715		

Movement in level 3 is as follows:

	30 June 2021	31 December 2020 (Audited)	30 June 2020
Opening balance	23,766	24,288	24,288
Change in fair value	(427)	(443)	134
Purchases/ transfers	2,844	3,111	1,330
Sales	(1,426)	(3,190)	(470)
Closing balance	24,757	23,766	25,282

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.

**Notes to the Consolidated interim Financial Information for the six-month period ended 30 June 2021  
(Unaudited)**

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

**3.2 Financial Risk**

The Group has exposure to credit risk, market risk, liquidity risk and operational risk related to its activities. The interim condensed consolidated Financial Statements do not include all financial risk management information and disclosures required in the Annual Consolidated Financial Statements and should be read in conjunction with the Group's Annual Consolidated Financial Statements as at 31 December 2020.

**4. Critical judgments and key sources of estimation uncertainty**

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 17.

**5. Cash and bank balances**

	30 June 2021	31 December 2020 (Audited)	30 June 2020
Cash on hand	22	25	37
Bank balances	13,859	12,434	14,635
Deposits	6,166	9,828	10,435
	20,047	22,287	25,107
Less: Deposits with original maturity over six months	(9,851)	(9,828)	(10,435)
Cash and cash equivalents for the purpose of consolidated statement of cash flows	10,196	12,459	14,672

The Group's term deposits denominated in USD and Lebanese Pound are with banks in Lebanon. The Group management believes that these amounts are recoverable. The Expected credit losses related to bank balances and term deposits is KD 5,382 thousand (KD 1,360 thousand - 31 December 2020 and KD 2,154 thousand - 30 June 2020).

**6. Instalment debtors**

The average interest rate earned from instalment credit for the six-month period ended 30 June 2021 was 4.06% (3.86% - 31 December 2020 and 1.98% - 30 June 2020) per annum.

**7. Investment securities**

	30 June 2021	31 December 2020 (Audited)	30 June 2020
Financial investments at FVTPL	17,316	11,294	11,245
Investments at FVOCI	36,535	36,423	40,470
	53,851	47,717	51,715

**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	30.21%	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 145 thousand for the period ended 30 June 2021 (KD 116 thousand - 30 June 2020). These financial information have been prepared based on the financial information prepared by the associates' managements.

**Notes to the Consolidated interim Financial Information for the six-month period ended 30 June 2021  
(Unaudited)**

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

**9. Term loans**

	30 June 2021	31 December 2020 (Audited)	30 June 2020
Loans denominated in KD	98,873	100,595	123,790
Loans denominated in USD	-	2,527	5,130
	<u>98,873</u>	<u>103,122</u>	<u>128,920</u>

During the period, the Group signed KD loan agreements amounting to KD 34 (KD Nil - 31 December 2020 and KD Nil - 30 June 2020).

The effective interest rate on KD loans outstanding at 30 June 2021 was 2.43% per annum and on USD loans was 2.91% per annum (2.66% per annum and 3.23% per annum respectively - 31 December 2020 and 2.86% per annum and 3.51% per annum respectively - 30 June 2020).

The Group's outstanding term loans at 30 June 2021 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 103,646 thousand (KD 132,575 thousand - 31 December 2020 and KD 119,136 thousand - 30 June 2020) as security over 12 term loans (15 term loans - 31 December 2020 and 17 term loans - 30 June 2020) with balances outstanding of KD 98,873 thousand (KD 103,122 thousand - 31 December 2020 and KD 128,920 thousand - 30 June 2020).

**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 consolidated interim financial information are as follows:

**a) Compensation of key management personnel of the Parent Company**

	Three-month period ended 30 June		Six-month period ended 30 June	
	2021	2020	2021	2020
Salaries and other short-term benefits	105	134	209	269
Post-employment benefits	17	20	(98)	51
	<u>122</u>	<u>154</u>	<u>111</u>	<u>320</u>

**b) Instalment debtors**

Balance at 1 January	21	32	21	32
Loan advanced during the period	-	-	69	-
Instalment repayment received	(3)	(2)	(6)	(3)
Balance at 30 June	<u>18</u>	<u>30</u>	<u>84</u>	<u>29</u>

**11. Treasury shares**

	30 June 2021	31 December 2020 (Audited)	30 June 2020
Number of shares purchased (000's)	-	-	-
Cost of shares purchased during the period/ year (KD'000)	-	-	-
Market value of total treasury shares (KD'000)	5,499	5,296	5,296
Percentage of issued shares	5.39	5.39	5.39
Total number of shares (000's)	28,942	28,942	28,942

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.



**Notes to the Consolidated Interim Financial Information for the six-month period ended 30 June 2021  
(Unaudited)**

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

**12. Net gains/ (loss) from investments**

	Three-month period ended 30 June		Six-month period ended 30 June	
	2021	2020	2021	2020
Unrealised gain/ (loss) on financial assets at FVTPL	879	1,038	1,213	(2,367)
Realised gain on sale of financial assets at FVTPL	88	-	88	-
Dividend income	474	510	1,100	1,238
	<u>1,441</u>	<u>1,548</u>	<u>2,401</u>	<u>(1,129)</u>

**13. Earnings/ (loss) per share**

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

	Three-month period ended 30 June		Six-month period ended 30 June	
	2021	2020	2021	2020
Profit/ (loss) for the period	<u>2,753</u>	<u>(5,525)</u>	<u>7,295</u>	<u>(12,852)</u>
	<b>Shares</b>			
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>(28,942)</u>	<u>(28,942)</u>	<u>(28,942)</u>	<u>(28,942)</u>
Weighted average number of the Parent Company's outstanding shares (000's)	<u>507,822</u>	<u>507,822</u>	<u>507,822</u>	<u>507,822</u>
Earnings/ (loss) per share – Fils	<u>5</u>	<u>(11)</u>	<u>14</u>	<u>(25)</u>

**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
<b>At 30 June 2021</b>			
Profit before provisions for contribution to KFAS, NLST, Zakat and Directors' remuneration	<u>6,776</u>	<u>931</u>	<u>7,707</u>
Total assets	<u>224,640</u>	<u>37,433</u>	<u>262,073</u>
Total liabilities	<u>(107,190)</u>	<u>-</u>	<u>(107,190)</u>
Net assets employed	<u>117,450</u>	<u>37,433</u>	<u>154,883</u>
<b>At 31 December 2020 (Audited)</b>			
Profit/ (loss) before provisions for contribution to KFAS, NLST, Zakat and Directors' remuneration	<u>(2,462)</u>	<u>1,822</u>	<u>(640)</u>
Total assets	<u>222,996</u>	<u>41,973</u>	<u>264,969</u>
Total liabilities	<u>(109,315)</u>	<u>(2,527)</u>	<u>(111,842)</u>
Net assets employed	<u>113,681</u>	<u>39,446</u>	<u>153,127</u>
<b>At 30 June 2020</b>			
Profit/ (loss) before provisions for contribution to KFAS, NLST, Zakat and Directors' remuneration	<u>(13,823)</u>	<u>974</u>	<u>(12,849)</u>
Total assets	<u>245,856</u>	<u>45,236</u>	<u>291,092</u>
Total liabilities	<u>(143,822)</u>	<u>(5,130)</u>	<u>(148,952)</u>
Net assets employed	<u>102,034</u>	<u>40,106</u>	<u>142,140</u>

**Notes to the Consolidated interim Financial Information for the six-month period ended 30 June 2021  
(Unaudited)**

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

**15. Commitments**

The Group has capital commitments of KD 181 (KD 607 thousand - 31 December 2020 and KD Nil - 30 June 2020) on purchase of investments.

**16. Annual general assembly**

The shareholder's annual general assembly meeting held on 8 April 2021 approved the audited consolidated financial statements of the Group for the year ended 31 December 2020 and they approved to distribute a cash dividends of 10 fils per share (18 fils per share – 2019) amounting to KD 5,078 thousand (KD 9,140 thousand – 2019).

**17. Impact of COVID-19**

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

The Group has performed an assessment of COVID-19 implications on the financial results of the Group, in light of the available guidance of CBK and IFRS, and incorporated the outcome in these interim condensed consolidated financial information and explained the changes below for the period ended 30 June 2021:

*Consumer and other instalment loans deferral scheme - 2021*

The Group announced postponement of payment of consumer and instalment loans to eligible customers, upon request, in accordance with the CBK Circular No. 2/BS/IBS/IS/IIS/FS/476/2021 dated 18 April 2021 concerning the implementing provisions of Article No. (2) of Law No. (3) of 2021 ("the Law") regarding the deferral of the financial obligations for a six-month period with cancellation of interest and profits resulting from this deferral ("the 2021 scheme"). The cost of instalment deferral is fully borne by the Government of Kuwait in accordance with the Law.

The Group implemented the 2021 scheme by postponing the instalments for a six-month period from the customer request date with a corresponding extension of the facility tenure. The instalment deferral resulted in a loss to the Group arising from the modification of contractual cash-flows, provisionally estimated at KD 2,224 thousand in accordance with IFRS 9. This loss was offset by an equivalent amount receivable from the Government of Kuwait as Government Grant in accordance with the Law. The Group has recorded the Government Grant income by setting it off against the modification loss from the 2021 scheme. The Government grant receivable is included in other assets in the interim condensed consolidated statement of financial position.

*Consumer and other instalment loans deferral scheme – 2020*

The board of directors deferred repayment of instalment due in April, May, and September 2020 resulting in extension of the maturity of the finance receivable by three months. The modification loss KD 3,207 thousand is presented in Loss on deferral of loans instalments in the interim condensed consolidated statement of income.

*Expected credit loss estimate*

The Group has updated the inputs and assumptions used for the determination of expected credit losses ("ECLs") as at 30 June 2021. Revised ECLs were estimated based on a range of forecasted economic conditions at the reporting date and considering the fact that situation is fast evolving, the Group has also considered the impact of higher volatility in the forward-looking macro-economic factors, when determining the severity and likelihood of economic scenarios for ECL determination.

*Valuation estimates and judgements*

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.

**Notes to the Consolidated interim Financial Information for the six-month period ended 30 June 2021**  
**(Unaudited)**

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

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*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 Group has sufficient liquid assets 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 has been appropriately prepared on a going concern basis.