



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

**Interim Condensed Consolidated Financial Information  
and Independent Auditors' Review Report  
for the three-month period ended 31 March 2022  
(Unaudited)**



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

Interim condensed Consolidated Financial Information  
and Independent Auditors' Review Report  
for the three-month period ended 31 March 2022  
(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 31 March 2022, and the related interim condensed consolidated statements of profit or loss, profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the three-months period then ended. The Parent Company's management is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with 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. We further report that, to the best of our knowledge and belief, we have not become aware of any violations of the Companies Law No. 1 of 2016, and its executive regulations, as amended, or of the Parent Company's Memorandum and Articles of Association, as amended, have occurred during the three-month period ended 31 March 2022, 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, as amended, concerning the Capital Markets Authority and its related regulations during the three-month period ended 31 March 2022, that might have had a material effect on the business of the Group or on its consolidated financial position.



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Kuwait  
9 May 2022



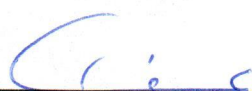
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Interim Condensed Consolidated Statement of Financial Position as at 31 March 2022  
(Unaudited)

(All amounts are in Kuwaiti Dinar Thousand)

	Notes	31 March 2022	31 December 2021 (Audited)	31 March 2021
<b>Assets</b>				
Cash and bank balances	3	39,607	23,627	25,505
Other receivables and prepayments		3,182	2,697	1,125
Finance receivables	4	167,830	171,131	167,078
Investments in securities	5	55,174	54,533	50,671
Investment in associates	6	14,426	14,216	14,007
Investment properties		4,001	4,001	4,087
Property and equipment		2,600	2,653	2,384
<b>Total assets</b>		<b>286,820</b>	<b>272,858</b>	<b>264,857</b>
<b>Liabilities and equity</b>				
<b>Liabilities</b>				
Due to banks	3	1,052	-	-
Trade creditors and other liabilities		11,629	4,553	3,475
Term loans	7	114,178	105,883	99,058
Provision for staff indemnity		4,387	4,388	4,640
<b>Total liabilities</b>		<b>131,246</b>	<b>114,824</b>	<b>107,173</b>
<b>Equity</b>				
Share capital		53,676	53,676	53,676
Share premium		1,433	1,433	1,433
Legal reserve		52,293	52,293	50,788
Voluntary reserve		48,093	48,093	48,093
Fair value reserve		(3,161)	(3,434)	1,042
Foreign currency translation reserve		865	872	937
Revaluation reserve		898	898	852
Treasury shares	9	(11,271)	(11,271)	(11,271)
Gain on sale of treasury shares		14	14	14
Retained earnings		12,685	15,413	12,075
Equity attributable to the shareholders of the Parent Company		155,525	157,987	157,639
Non-controlling interests		49	47	45
<b>Total equity</b>		<b>155,574</b>	<b>158,034</b>	<b>157,684</b>
<b>Total liabilities and equity</b>		<b>286,820</b>	<b>272,858</b>	<b>264,857</b>

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 three-month period ended 31 March 2022  
(Unaudited)**

(All amounts are in Kuwaiti Dinar Thousand)

	Notes	Three-month period ended 31 March	
		2022	2021
Financing income		3,085	3,447
Share of results of associates	6	210	126
Interest income		80	92
Other income		19	10
Rental income from investment property		44	51
Net gain from investments	10	3,003	960
Net foreign exchange gains		43	-
<b>Total other income</b>		<b>3,399</b>	<b>1,239</b>
Finance cost		(648)	(594)
Staff costs and related expenses		(561)	(812)
General and administrative expenses		(363)	(365)
Net foreign exchange losses		-	(32)
<b>Total other expenses</b>		<b>(1,572)</b>	<b>(1,803)</b>
<b>Profit before provision for credit losses and impairment losses</b>		<b>4,912</b>	<b>2,883</b>
(Provision)/ reversal of provision for expected credit loss		(423)	1,908
<b>Profit Taxes and Directors' remuneration</b>		<b>4,489</b>	<b>4,791</b>
Provision for KFAS		(45)	(48)
Provision for NLST and Zakat		(156)	(162)
Provision for Directors' remuneration		(36)	(36)
<b>Profit for the period</b>		<b>4,252</b>	<b>4,545</b>
<b>Attributable to:</b>			
Shareholders of the Parent Company		4,250	4,542
Non-controlling interests		2	3
		<b>4,252</b>	<b>4,545</b>
<b>Earnings per share – Fils</b>	11	<b>8</b>	<b>9</b>

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 three-month period ended 31 March 2022**  
**(Unaudited)**

(All amounts are in Kuwaiti Dinar Thousand)

	<b>Three-month period ended</b>	
	<b>31 March</b>	
	<b>2022</b>	<b>2021</b>
<b>Profit for the period</b>	<b>4,252</b>	<b>4,545</b>
<b>Other comprehensive income</b>		
<i>Items that may be reclassified subsequently to profit or loss</i>		
Foreign exchange translation loss	(7)	(48)
<i>Items that may not be reclassified subsequently to consolidated profit or loss</i>		
Change in fair value of financial assets at FVTOCI	912	60
<b>Other comprehensive income for the period</b>	<b>905</b>	<b>12</b>
<b>Total comprehensive income for the period</b>	<b>5,157</b>	<b>4,557</b>
<b>Attributable to:</b>		
Shareholders of the Parent Company	5,155	4,554
Non-controlling interests	2	3
	<b>5,157</b>	<b>4,557</b>

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

**Interim Condensed Consolidated Statement of Changes in Equity for the three-month period ended 31 March 2022**  
(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	Retained earnings	Total		
<b>Balance at 31 December 2021</b>	53,676	1,433	52,293	48,093	(3,434)	872	898	(11,271)	14	15,413	47	158,034
Profit for the period	-	-	-	-	-	-	-	-	-	-	-	-
Foreign exchange translation adjustments	-	-	-	-	-	(7)	-	-	4,250	4,250	2	4,252
Change in fair value of financial assets at FVTOCI	-	-	-	-	912	-	-	-	-	-	-	(7)
Profit on sale of financial assets at FVTOCI	-	-	-	-	(639)	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-	(7,617)	(7,617)	-	(7,617)
Total comprehensive income for the period	-	-	-	-	273	(7)	-	-	(2,728)	(2,462)	2	(2,460)
<b>Balance at 31 March 2022</b>	53,676	1,433	52,293	48,093	(3,161)	865	898	(11,271)	14	12,685	49	155,574
<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	-	-	-	-	-	-	-	-	-	-	-	-
Foreign exchange translation adjustments	-	-	-	-	-	(48)	-	-	4,542	4,542	3	4,545
Change in fair value of financial assets at FVTOCI	-	-	-	-	-	-	-	-	-	(48)	-	(48)
Profit on sale of financial assets at FVTOCI	-	-	-	-	60	-	-	-	-	60	-	60
Total comprehensive income for the period	-	-	-	-	(48)	-	-	-	48	-	-	-
<b>Balance at 31 March 2021</b>	53,676	1,433	50,788	48,093	1,042	937	852	(11,271)	14	12,075	45	157,684

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

**Interim Condensed Consolidated Statement of Cash Flows for the three-month period ended 31 March 2022  
(Unaudited)**

(All amounts are in Kuwaiti Dinar Thousand)

Note	Three-month period ended 31 March	
	2022	2021
<b>Operating activities</b>		
Profit before provisions for contribution to KFAS, NLST, Zakat and Directors' remuneration	4,489	4,791
Adjustments for:		
Interest income	(80)	(92)
Provision/ (reversal of provision) for expected credit losses	423	(1,908)
Unrealized gain on financial assets at FVTPL	(1,817)	(334)
Realized gain on financial assets at FVTPL	(545)	-
Dividend income	(642)	(626)
Share of results of associates	(210)	(126)
Depreciation	53	70
Finance cost	648	594
Provision for staff indemnity	23	55
	2,342	2,424
Finance receivables	3,622	8,646
Other receivables and prepayments	(1,636)	(31)
Trade creditors and other liabilities	(765)	(599)
<b>Cash inflow from operations</b>	3,563	10,440
Staff indemnity paid	(24)	(4)
Interest received	80	92
Dividends received	612	577
<b>Net cash generated from operating activities</b>	4,231	11,105
<b>Investing activities</b>		
Proceeds from term deposits	33,313	12,692
Term deposit placed	(30,050)	(13,000)
Purchase of financial assets at FVTPL	(23)	(3,355)
Proceeds from sale of financial assets at FVTPL	1,182	906
Purchase of financial assets at FVOTCI	(456)	(947)
Proceeds from sale of financial assets at FVTOCI	1,921	784
<b>Net cash from/ (used in) investing activities</b>	5,887	(2,920)
<b>Financing activities</b>		
Proceeds from term loans	15,575	15,000
Repayment of term loans	(7,280)	(19,064)
Dividend paid	(22)	(291)
Finance cost – paid	(639)	(606)
<b>Net cash from/ (used in) financing activities</b>	7,634	(4,961)
<b>Net increase in cash and cash equivalents</b>	17,752	3,224
Cash and cash equivalents at beginning of the period	12,207	12,459
<b>Cash and cash equivalents at end of the period</b>	3 29,959	15,683

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



**Notes to the Interim Condensed Consolidated Financial Information for the three-month period ended 31 March 2022 (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 represent in financing activities, investment 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 9 May 2022.

**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" except as noted below.

The interim condensed 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 - Financial Instruments ("IFRS") in accordance with 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 interim condensed 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 2021.

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 31 March 2022 are not necessarily indicative of results that may be expected for the year ending 31 December 2022.

**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 2021. Amendments to IFRSs which are effective for annual periods beginning on or after 1 January 2022 did not have any material impact on the accounting policies, financial position, or performance of the Group.

**3. Cash and bank balances**

	31 March 2022	31 December 2021 (Audited)	31 March 2021
Cash on hand	17	9	29
Bank balances	11,737	8,773	8,968
Deposits	27,853	14,845	16,508
	39,607	23,627	25,505
Less: Deposits with original maturity over three months	(5,838)	(9,843)	(9,822)
Less: Due to banks	(1,052)	-	-
Less: Cash balance with third parties	(2,758)	(1,577)	-
Cash and cash equivalents as per consolidated statement of cash flows	29,959	12,207	15,683

**Notes to the Interim Condensed Consolidated Financial Information for the three-month period ended 31 March 2022  
(Unaudited)**

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

The Group's term deposits denominated in USD and Lebanese Pound amounting to KD 11,197 thousand (KD 11,141 thousand - 31 December 2021 and KD 11,182 thousand - 31 March 2021) 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 9,184 thousand (KD 8,442 thousand -31 December 2021 and 1,674 thousand - 31 March 2021).

**4. Finance Receivables**

	31 March 2022	31 December 2021 (Audited)	31 March 2021
Commercial loans	29,451	28,537	24,931
Personal loans	191,574	196,926	203,950
	221,025	225,463	228,881
Less: deferred income	(16,875)	(17,683)	(18,087)
	204,150	207,780	210,794
Less: provision for expected credit losses - ECL	(36,320)	(36,649)	(43,716)
	167,830	171,131	167,078

As at 31 March 2022, provisions for credit losses in accordance with the requirements of the Central Bank of Kuwait amounted to KD 28,214 thousand (KD 28,512 thousand - 31 December 2021 and KD 31,052 thousand - 31 March 2021), less than the expected credit losses for credit facilities which were calculated in accordance with the requirements of IFRS 9 in accordance with the Central Bank of Kuwait guidelines.

The average interest rate earned from instalment credit for the three-month period ended 31 March 2022 was 4.27% (3.62% - 31 December 2021 and 4.74% - 31 March 2021) per annum.

**5. Investment securities**

	31 March 2022	31 December 2021 (Audited)	31 March 2021
Financial assets at FVTPL	21,203	20,000	14,077
Financial assets at FVTOCI	33,971	34,533	36,594
	55,174	54,533	50,671

**6. Investments in associates**

Investments in associated companies are as follows:

	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 210 thousand for the period ended 31 March 2022 (KD 126 thousand - 31 March 2021). This financial information has been prepared based on the financial information prepared by the associates' managements.

**7. Term loans**

	31 March 2022	31 December 2021 (Audited)	31 March 2021
Loans denominated in KD	106,580	105,883	97,798
Loans denominated in USD	7,598	-	1,260
	114,178	105,883	99,058

**Notes to the Interim Condensed Consolidated Financial Information for the three-month period ended 31 March 2022 (Unaudited)**

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

During the period, the Group signed new financing KD loan agreements amounting to KD 40 million (KD 36 million - 31 December 2021 and KD 30 million - 31 March 2021) and USD 25 million (31 December 2021 - Nil and 31 March 2021 - Nil).

The weighted average interest rate on KD loans outstanding at 31 March 2022 was 2.48% per annum and on USD loans was 3.07% per annum (2.43% per annum and 2.91% per annum respectively - 31 December 2021 and 2.43% per annum and 2.88% per annum respectively - 31 March 2021).

The Group's outstanding term loans at 31 March 2022 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 114,006 thousand (KD 115,557 thousand - 31 December 2021 and KD 95,365 thousand - 31 March 2021) as security over 12 term loans (12 term loans - 31 December 2021 and 15 term loans - 31 March 2021) with balances outstanding of KD 114,178 thousand (KD 105,883 thousand - 31 December 2021 and KD 99,058 thousand - 31 March 2021).

**8. 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 31 March	
	2022	2021
Salaries and other short-term benefits	124	104
Post-employment benefits	167	(115)
	<u>291</u>	<u>(11)</u>

**b) Instalment debtors**

Balance at 1 January	76	21
Loan advanced during the period	-	69
Instalment repayments received	(5)	(3)
Balance at 31 March	<u>71</u>	<u>87</u>

**9. Treasury shares**

	31 March 2022	31 December 2021 (Audited)	31 March 2021
Market value of total treasury shares (KD'000)	6,338	5,933	5,065
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.

**10. Net gains from investments**

	Three-month period ended 31 March	
	2022	2021
Unrealised gain on financial assets at FVTPL	1,817	334
Realized gain on sale of financial assets at FVTPL	545	-
Dividend income	642	626
	<u>3,004</u>	<u>960</u>

**Notes to the Interim Condensed Consolidated Financial Information for the three-month period ended 31 March 2022 (Unaudited)**

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

**11. 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 31 March	
	2022	2021
Profit for the period	4,250	4,542
	Shares	
Weighted average number of the Parent Company's issued and paid-up shares (000's)	536,764	536,764
Weighted average number of the Parent Company's treasury shares (000's)	(28,942)	(28,942)
Weighted average number of the Parent Company's outstanding shares (000's)	507,822	507,822
Earnings per share - Fils	8	9

**12. 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 31 March 2022</b>			
Profit before provisions for contribution to KFAS, NLST, Zakat and Directors' remuneration	3,891	598	4,489
Total assets	242,257	44,563	286,820
Total liabilities	(123,648)	(7,598)	(131,246)
Net assets employed	118,609	36,965	155,574
<b>At 31 March 2021</b>			
Profit before provisions for contribution to KFAS, NLST, Zakat and Directors' remuneration	4,337	454	4,791
Total assets	222,487	42,370	264,857
Total liabilities	(105,913)	(1,260)	(107,173)
Net assets employed	116,574	41,110	157,684

**13. Commitments**

The Group has capital commitments of KD 456 thousand (KD Nil thousand - 31 December 2021 and KD 907 - 31 March 2021) on purchase of investments.

**14. Annual general assembly**

The shareholder's annual general assembly meeting held on 23 March 2022 approved the audited consolidated financial statements of the Group for the year ended 31 December 2021 and they approved to distribute a cash dividend of 15 fils per share (10 fils per share - 2020) amounting to KD 7,617 thousand (KD 5,078 thousand - 2020).

**15. Fair value of financial instruments**

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:

**Notes to the Interim Condensed Consolidated Financial Information for the three-month period ended 31 March 2022 (Unaudited)**

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

- 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).

	Fair value as at			Fair value Hierarchy	Sector
	31 March 2022	31 December 2021 (Audited)	31 March 2021		
<b>Financial assets</b>					
Financial assets at FVTPL - Quoted securities	16,135	14,956	10,826	Level 1	Financial Institutions
	233	232	-	Level 1	Services
	<u>16,368</u>	<u>15,188</u>	<u>10,826</u>		
Financial assets at FVTPL - Unquoted debt securities	4,835	4,812	3,251	Level 2	Financial Institutions
Financial assets at FVTOCI - Unquoted funds	509	-	5,062	Level 2	Financial Institutions
Financial assets at FVTOCI - Unquoted debt	3,768	3,770	3,328	Level 2	Financial Institutions
	1,250	1,250	1,250	Level 2	Conglomerate
	2,500	2,500	2,500	Level 2	Real estate
	<u>12,862</u>	<u>12,332</u>	<u>15,391</u>		
Financial assets at FVTOCI - Unquoted securities	21,761	22,297	20,320	Level 3	Real estate
	1,601	1,633	1,707	Level 3	Conglomerate
	1,630	2,135	1,455	Level 3	Financial Institution
	496	494	518	Level 3	Service
Financial assets at FVTOCI - Unquoted debt	456	454	454	Level 3	Financial Institution
	<u>25,944</u>	<u>27,013</u>	<u>24,454</u>		
	<u>55,174</u>	<u>54,533</u>	<u>50,671</u>		

Movement in level 3 is as follows:

	31 March 2022	31 December 2021 (Audited)	31 March 2021
Opening balance	27,013	28,842	23,766
Change in fair value	903	(4,314)	27
Purchases/ transfers	(51)	5,700	945
Sales	(1,921)	(3,215)	(284)
Closing balance	<u>25,944</u>	<u>27,013</u>	<u>24,454</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 input 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 interim condensed consolidated statement of financial position or interim condensed consolidated statement of profit or loss.

#### 16. Impact of Covid-19

The Group is gradually recovering from the effects of Covid-19 pandemic. High vaccination rates and strict social distancing measures significantly reduced the impact of latest variants of virus. During the years 2020 and 2021, Central Bank of Kuwait (CBK) implemented various measures targeted at reinforcing the banking sectors ability to play a vital role in the economy. Those measures are disclosed in the Group's annual consolidated financial statements for the year ended 31 December 2021 and 31 December 2020.