

Interim condensed consolidated financial information and review report

Noor Financial Investment Company – KPSC and Subsidiaries

Kuwait

30 June 2016 (Unaudited)

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Report on review of interim condensed consolidated financial information to the Board of Directors of Noor Financial Investment Company – KPSC

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Noor Financial Investment Company KPSC (the "Parent Company") and its subsidiaries (together "the Group") as of 30 June 2016 and the related interim condensed consolidated statement of profit or loss, profit or loss and other comprehensive income, statement of changes in equity and statements of cash flows for the six month period then ended. Management 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.

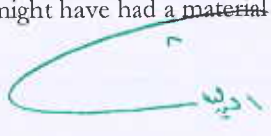
Conclusion

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 review of other legal and regulatory requirements

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, no violation of the Companies Law No. 1 of 2016, the Executive Regulations of Law No. 25 of 2012, as amended, or of the Parent Company's Memorandum of Incorporation and Articles of Association, as amended, have occurred during the six-month period ended 30 June 2016 that might have had a material effect on the business or financial position of the Group.

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 organisation of banking business, and its related regulations, or of the provision of law no 7 of 2010 concerning the Capital Market Authority and its related regulations during the six-months period ended 30 June 2016 that might have had a material effect on the business or financial position of the Group.



Anwar Y. Al-Qatami, F.C.C.A.
(Licence No. 50-A)
of Grant Thornton – Al-Qatami, Al-Aiban & Partners

Kuwait
17 August 2016

Interim condensed consolidated statement of profit or loss

	Note	Three months ended		Six months ended	
		30 June 2016 (Unaudited) KD	30 June 2015 (Unaudited) KD	30 June 2016 (Unaudited) KD	30 June 2015 (Unaudited) KD
Income					
Revenue from hotel operations and IT Services		3,459,128	3,785,411	7,584,188	8,021,442
Realised gain on investments at fair value through profit or loss		50,261	140,354	25,050	623,370
Unrealised gain/(loss) on investments at fair value through profit or loss		14,553	(56,432)	(1,214,180)	(225,576)
Realised gain/(loss) on sale of available for sale investments		-	61,416	(447,496)	681,157
Dividend income		840,220	1,624,188	1,063,921	2,067,526
Share of results of associates		2,071,220	2,435,355	4,193,578	4,287,393
Rental Income		481,444	320,005	940,377	566,259
Realised gain on sale of investment property		50,000	-	50,000	-
Management and placement fees		22,879	17,078	29,750	24,918
Total income		6,989,705	8,327,375	12,225,188	16,046,489
Cost of sales and services		(2,866,973)	(3,348,059)	(6,397,310)	(7,103,390)
General, administrative and other expenses		(1,332,762)	(1,488,467)	(2,286,391)	(2,769,307)
Operating profit		2,789,970	3,490,849	3,541,487	6,173,792
Interest and other income		101,768	158,238	194,535	250,070
Foreign exchange (loss)/ gain		(15,538)	30,939	(52,265)	(557)
Finance costs		(1,009,293)	(1,135,036)	(2,085,061)	(2,227,488)
Impairment in value of available for sale investments	8	(761,253)	(1,220,251)	(1,172,206)	(2,024,301)
Impairment in value of accounts receivables and other assets		(536,943)	(6,347)	(536,943)	(6,347)
Profit/(loss) before taxes		568,711	1,318,392	(110,453)	2,165,169
Provision for KFAS contribution		(223)	(8,880)	(223)	(11,133)
Provision for Zakat		-	(3,953)	-	(11,402)
Provision for National Labour Support Tax		-	(15,029)	-	(39,111)
Profit /(loss)for the period		568,488	1,290,530	(110,676)	2,103,523
Attributable to:					
Owners of the Parent Company		671,705	1,031,532	56,645	2,040,544
Non-controlling interests		(103,217)	258,998	(167,321)	62,979
Profit /(loss) for the period		568,488	1,290,530	(110,676)	2,103,523
BASIC AND DILUTED EARNINGS PER SHARE (FILS)	4	1.67	2.56	0.14	5.07

The notes set out on pages 8 to 23 form an integral part of this interim condensed consolidated financial information.

Interim condensed consolidated statement of profit or loss and other comprehensive income

	Three months ended		Six months ended	
	30 June 2016 (Unaudited) KD	30 June 2015 (Unaudited) KD	30 June 2016 (Unaudited) KD	30 June 2015 (Unaudited) KD
Profit/(loss) for the period	568,488	1,290,530	(110,676)	2,103,523
Other comprehensive income:				
Items to be reclassified to profit or loss in subsequent periods:				
Exchange differences arising from translation of foreign operations	(63,099)	371,962	(380,292)	989,655
Available for sale investments:				
-Net changes in fair value arising during the period	602,284	(2,479,383)	(4,917,973)	(3,316,716)
-Transferred to interim condensed consolidated statement of profit or loss on sale	-	(61,416)	447,496	(681,157)
-Transferred to interim condensed consolidated statement of profit or loss on impairment	761,253	1,220,251	1,172,206	2,024,301
Share of other comprehensive income of associates	575,751	379,948	256,796	208,750
Total other comprehensive income /(loss) for the period	1,876,189	(568,638)	(3,421,767)	(775,167)
Total comprehensive income income/(loss) for the period	2,444,677	721,892	(3,532,443)	1,328,356
Total comprehensive income/ (loss) attributable to:				
Owners of the Parent Company	2,317,843	722,052	(1,673,221)	1,924,090
Non-controlling interests	126,834	(160)	(1,859,222)	(595,734)
	2,444,677	721,892	(3,532,443)	1,328,356

The notes set out on pages 8 to 23 form an integral part of this interim condensed consolidated financial information.

Interim condensed consolidated statement of financial position

	Note	30 June 2016 (Unaudited) KD	31 Dec. 2015 (Audited) KD	30 June 2015 (Unaudited) KD
Assets				
Cash and bank balances	5	13,228,922	7,737,506	5,193,343
Short-term deposits	5	1,728,918	2,613,255	6,396,308
Murabaha and wakala investments	5	-	1,000,000	3,003,875
Investments at fair value through profit or loss	6	10,291,078	11,699,191	10,573,106
Accounts receivable and other assets	7	14,904,916	15,266,515	15,836,993
Inventories		927,778	884,878	223,424
Available for sale investments	8	34,636,882	43,989,767	52,612,904
Investment in associates		55,697,195	53,076,227	54,057,772
Investment properties	9	43,836,149	39,755,699	35,600,130
Property and equipment		3,990,723	4,395,216	6,652,148
Goodwill and Intangible asset		5,449,581	5,597,375	10,160,321
Total assets		184,692,142	186,015,629	200,310,324
Liabilities and equity				
Liabilities				
Due to banks	5	987,499	2,016,195	920,268
Accounts payable and other liabilities		9,960,789	7,568,953	10,608,519
Borrowings from banks and other financial institutions	10	109,027,539	111,898,284	118,944,520
Provision for end of service indemnity		656,046	592,841	633,481
Total liabilities		120,631,873	122,076,273	131,106,788
Equity				
Share capital	11	41,316,276	41,316,276	41,316,276
Share premium		3,410,573	3,410,573	3,410,573
Treasury shares	12	(3,410,573)	(3,410,573)	(3,410,573)
Legal reserve		1,644,912	1,644,912	1,507,907
Voluntary reserve		1,644,912	1,644,912	1,507,907
Cumulative changes in fair value		2,436,234	3,848,484	4,891,825
Foreign currency translation reserve		(10,125,155)	(9,807,539)	(8,536,413)
Retained earnings		4,122,698	4,847,152	5,828,439
Equity attributable to the owners of the Parent Company		41,039,877	43,494,197	46,515,941
Non-controlling interests		23,020,392	20,445,159	22,687,595
Total equity		64,060,269	63,939,356	69,203,536
Total liabilities and equity		184,692,142	186,015,629	200,310,324

Fahad Sulaiman Al-Khaled
Chairman

Abdulghani M.S. Behbehani
Vice Chairman

The notes set out on pages 8 to 23 form an integral part of this interim condensed consolidated financial information.

Interim condensed consolidated statement of changes in equity (Unaudited)

	Equity attributable to owners of the Parent Company										
	Share capital KD	Share premium KD	Treasury shares KD	Legal reserve KD	Voluntary reserve KD	Cumulative changes in fair value KD	Foreign currency translation reserve KD	Retained earnings KD	Sub-total KD	Non-controlling interests KD	Total KD
Balance as at 1 January 2016	41,316,276	3,410,573	(3,410,573)	1,644,912	1,644,912	3,848,484	(9,807,539)	4,847,152	43,494,197	20,445,159	63,939,356
Increase in non-controlling interest of a subsidiary (note 11b)	-	-	-	-	-	-	-	(781,099)	(781,099)	5,781,099	5,000,000
Redemption of units by non-controlling interests of subsidiary	-	-	-	-	-	-	-	-	-	(6,554)	(6,554)
Dividend paid to non-controlling interests by a subsidiary	-	-	-	-	-	-	-	-	-	(1,340,090)	(1,340,090)
Transactions with owners	-	-	-	-	-	-	-	(781,099)	(781,099)	4,434,455	3,653,356
Profit/(loss) for the period	-	-	-	-	-	-	-	56,645	56,645	(167,321)	(110,676)
Total other comprehensive loss for the period	-	-	-	-	-	(1,412,250)	(317,616)	-	(1,729,866)	(1,691,901)	(3,421,767)
Total comprehensive (loss)/income for the period	-	-	-	-	-	(1,412,250)	(317,616)	56,645	(1,673,221)	(1,859,222)	(3,532,443)
Balance as at 30 June 2016	41,316,276	3,410,573	(3,410,573)	1,644,912	1,644,912	2,436,234	(10,125,155)	4,122,698	41,039,877	23,020,392	64,060,269

The notes set out on pages 8 to 23 form an integral part of this interim condensed consolidated financial information.

Interim condensed consolidated statement of changes in equity (Unaudited) (continued)

	Equity attributable to owners of the Parent Company										Total KD
	Share capital KD	Share premium KD	Treasury shares KD	Legal reserve KD	Voluntary reserve KD	Cumulative changes in fair value KD	Foreign currency translation reserve KD	Retained earnings KD	Sub- total KD	Non- controlling interests KD	
Balance as at 1 January 2015	41,316,276	3,410,573	(3,410,573)	1,507,907	1,507,907	6,009,404	(9,537,538)	4,495,457	45,299,413	18,379,788	63,679,201
Increase in non-controlling interest of a subsidiary (note 11b)	-	-	-	-	-	-	-	(707,562)	(707,562)	5,107,562	4,400,000
Redemption of units by non-controlling interests of a subsidiary	-	-	-	-	-	-	-	-	-	(3,621)	(3,621)
Dividend paid to non-controlling interests by a subsidiary	-	-	-	-	-	-	-	-	-	(200,400)	(200,400)
Transactions with owners	-	-	-	-	-	-	-	(707,562)	(707,562)	4,903,541	4,195,979
Profit for the period	-	-	-	-	-	-	-	2,040,544	2,040,544	62,979	2,103,523
Total other comprehensive (loss)/income for the period	-	-	-	-	-	(1,117,579)	1,001,125	-	(116,454)	(658,713)	(775,167)
Total comprehensive (loss)/income for the period	-	-	-	-	-	(1,117,579)	1,001,125	2,040,544	1,924,090	(595,734)	1,328,356
Balance as at 30 June 2015	41,316,276	3,410,573	(3,410,573)	1,507,907	1,507,907	4,891,825	(8,536,413)	5,828,439	46,515,941	22,687,595	69,203,536

The notes set out on pages 8 to 23 form an integral part of this interim condensed consolidated financial information.

Interim condensed consolidated statement of cash flows

	Note	Six months ended 30 June 2016 (Unaudited) KD	Six months ended 30 June 2015 (Unaudited) KD
OPERATING ACTIVITIES			
(Loss)/profit before taxes		(110,453)	2,165,169
Adjustments:			
Realised loss/(gain) on sale of available for sale investments		447,496	(681,157)
Dividend income		(1,063,921)	(2,067,526)
Share of results of associates		(4,193,578)	(4,287,393)
Interest income and income from murabaha and wakala investments		(29,209)	(17,983)
Depreciation		265,437	113,989
Amortization of intangible assets		147,794	154,339
Realised gain on sale of investment properties		(50,000)	-
Provision for end of service indemnity		110,045	183,771
Finance costs		2,085,061	2,227,488
Impairment in value of available for sale investments and receivable		1,709,149	2,030,648
		(682,179)	(178,655)
Changes in operating assets and liabilities:			
Investments at fair value through profit or loss		1,408,113	6,799,536
Accounts receivable and other assets		(1,225,091)	(1,412,767)
Accounts payable and other liabilities		1,517,282	288,794
Inventories		(42,900)	87,676
Cash from operation		975,225	5,584,584
Payment of end of service indemnity		(46,840)	(76,533)
KFAS, Zakat and NLST paid		(20,633)	(2,317)
Net cash from operating activities		907,752	5,505,734
INVESTING ACTIVITIES			
Change in short term deposits maturing after three months		-	(684,863)
Change in blocked deposits		(740)	1,405,044
Decrease/(increase) in Murabaha and wakala investments		1,000,000	(2,405,521)
Proceeds from sale of available for sale investments		4,445,206	2,626,928
Purchase of available for sale investments		(10,295)	(349,131)
Acquisition /improvement of investment properties		(4,880,788)	(2,759,618)
Proceeds from disposal of investment property		1,750,000	-
Investment in associate		-	(50,000)
Net disposal proceeds/(acquisition) of property, plant and equipment		139,056	(133,741)
Dividend received from associate		1,599,200	1,635,164
Dividend received from other investments		1,063,921	2,067,526
Interest income & income from murabaha and wakala investments received		29,209	17,983
Net cash from investing activities		5,134,769	1,369,771
FINANCING ACTIVITIES			
Repayments of borrowings (net)		(2,870,745)	(5,982,562)
Redemption of units by non-controlling interests		(6,554)	(3,621)
Payment to subsidiaries shareholders on capital reduction		(254,824)	(114,860)
Dividend paid to non-controlling interests by subsidiary		(240,480)	(200,400)
Investment made by non-controlling interest in the capital of a subsidiary		5,000,000	4,400,000
Finance costs paid		(2,034,883)	(1,784,057)
Net cash used in financing activities		(407,486)	(3,685,500)
Net increase in cash and cash equivalents		5,635,035	3,190,005
Cash and cash equivalents at beginning of the period		8,009,500	6,245,901
Cash and cash equivalents at end of the period	5	13,644,535	9,435,906

The notes set out on pages 8 to 23 form an integral part of this interim consolidated financial information.

Notes to the interim condensed consolidated financial information

1 Incorporation and activities

Noor Financial Investment Company KPSC (“the Parent Company”) was incorporated in Kuwait on 1 February 1997 and during May 2006 its shares were listed on the Kuwait Stock Exchange. The Parent Company and its subsidiaries are together referred to as “the Group”. The Parent Company is regulated by the Central Bank of Kuwait and also by the Capital Market Authority (CMA), as an investment company and is a subsidiary of National Industries Group Holding KPSC (“the Ultimate Parent Company”).

The principal objectives of the Parent Company are as follows:

- Invest in various economic sectors through contribution to the establishment of specialized companies or purchase of shares or stakes in those companies;
- Perform the functions of investment trustees and manage all kinds of investment portfolios for third parties;
- Facilitate in lending and borrowing transactions for commission or remuneration;
- Fund and facilitate in international trade operations;
- Conduct research, studies and other technical services related to investment operations and manage funds for third parties;
- Create and manage various investment funds according to the law;
- Perform the functions of lead manager for the bonds issued by companies and bodies;
- Prepare studies and provide financial advice related to investment for privatization projects.
- Carry out all the services and activities that help developing the financial and monetary market in the State of Kuwait;
- Trade, by selling and buying, in shares, bonds, Sukuks and other securities listed and unlisted in Kuwait stock exchange market and foreign stock exchange markets for the Company’s account or the account of its clients for commission or remuneration;
- Invest in real estate, industrial and agricultural sectors of the economy in all types of investment;
- Facilitate in selling or buying financial assets and other assets for commission or remuneration;
- Provide funding operations to third parties to buy or lease fixed assets and movables through contracts.
- Provide technical services for the incorporation of companies and restructure, merge or dispose of the existing companies;
- Prepare studies and research and provide the necessary consultation in all matters relating to the objectives of the company;
- Acquire industrial property rights, patents, trade and industrial marks, literary and intellectual property right;
- Represent foreign companies the objectives of which are identical with the objectives of the company in order to market their products and services in accordance with the relevant Kuwaiti legislation.
- To act as an investment controller.

Notes to the interim condensed consolidated financial information (continued)

1 Incorporation and activities (continued)

The Parent Company has the right to perform the above mentioned activities inside and outside the State of Kuwait directly or through an agent. The Parent Company may have an interest or participate in any aspect with the entities performing similar works or which might assist it in the achievement of its objectives in Kuwait or abroad. The Parent Company may also purchase these entities or affiliate them therewith. Further, the Parent Company may practice works similar or complementary or necessary or related to its above mentioned objectives and may utilize its surplus funds by investing same in portfolios and funds managed by specialized companies and bodies.

The address of the Parent Company's registered office is NIG Building, Ground Floor, Shuwaikh, Kuwait (PO Box 3311, Safat 13034, State of Kuwait).

The new Companies Law No. 1 of 2016 was issued on 24 January 2016 and published in the Official Gazette on 1 February 2016 in which they have cancelled Law No. 25 of 2012 and its amendments thereto, as stipulated in article (5) thereto. The new Law will be effective retrospectively from 26 November 2012 and the Executive Regulations of Law No. 25 of 2012 will remain effective pending the issuance of the new Executive Regulations.

The Board of Directors of the Parent Company approved this interim condensed consolidated financial information for issue on 17 August 2016.

The Parent Company's annual consolidated financial statements for the year ended 31 December 2015 were approved by the shareholders at the Annual General Meeting (AGM) held on 09 May 2016.

2 Basis of preparation and significant accounting policies

Basis of preparation and presentation

The interim condensed consolidated financial information of the Group for the six-month period ended 30 June 2016 has been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting".

As disclosed in Note 10.1 the management of the Parent Company is actively engaged with all its lenders to restructure its loans and is confident that based on the constructive discussions held to date they will be able to achieve an acceptable debt rescheduling within a short period of time.

The interim condensed consolidated financial information has been presented in Kuwaiti Dinars which is the functional and presentation currency of the Parent Company.

The interim condensed consolidated financial information does not include all information and disclosures required for complete financial statements prepared in accordance with the International Financial Reporting Standards. In the opinion of the Parent Company's management, all adjustments consisting of normal recurring accruals considered necessary for a fair presentation have been included.

Notes to the interim condensed consolidated financial information (continued)

2 Basis of preparation and significant accounting policies (continued)

The annual consolidated financial statements for the year ended 31 December 2015 were prepared in accordance with the regulations of the Government of Kuwait for financial services institutions regulated by the Central Bank of Kuwait (CBK). These regulations require adoption of all IFRS except for the IAS 39 requirements for a collective provision, which has been replaced by the Central Bank of Kuwait's requirement for a minimum general provision as described under the accounting policy for impairment of financial assets.

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. 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 2015.

Operating results for the six-months period ended 30 June 2016 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2016. For further details, refer to the consolidated financial statements and its related disclosures for the year ended 31 December 2015.

The subsidiaries are consolidated and share of results of associates are recorded based on the management accounts for the period ended 30 June 2016.

3 Significant accounting policies

The interim condensed consolidated financial information have been prepared in accordance with the accounting policies adopted in the Group's most recent annual consolidated financial statements for the year ended 31 December 2015. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The Group has adopted new accounting pronouncements which have become effective for the first time in 2016, none of which had any significant impact on the Group's results or financial position. These are:

<i>Standard or Interpretation</i>	<i>Effective for annual periods beginning</i>
IFRS 11 Accounting for Acquisitions of Interests in Joint Operations - Amendments	1 January 2016
IAS 1 'Disclosure Initiative - Amendments	1 January 2016
IAS 16 and IAS 41 Agriculture: Bearer Plants - Amendments	1 January 2016
IAS 16 and IAS 38 Clarification of Acceptable Methods of Depreciation and Amortisation - Amendments	1 January 2016
IAS 27 Equity Method in Separate Financial Statements - Amendments	1 January 2016
IFRS 10, IFRS 12 and IAS 28 Investment Entities: Applying the Consolidation Exception - Amendments	1 January 2016
Annual Improvements to IFRSs 2012–2014 Cycle	1 January 2016

Notes to the interim condensed consolidated financial information (continued)

4 Basic & diluted earnings per share

Basic and diluted earnings per share is calculated by dividing the profit for the period attributable to the owners of the Parent Company by the weighted average number of shares outstanding during the period as follows:

	Three months ended		Six months ended	
	30 June 2016 (Unaudited)	30 June 2015 (Unaudited)	30 June 2016 (Unaudited)	30 June 2015 (Unaudited)
Profit for the period attributable to the owners of the Parent Company (KD)	671,705	1,031,532	56,645	2,040,544
Weighted average number of shares outstanding during the period	413,162,761	413,162,761	413,162,761	413,162,761
Less: Weighted average number of treasury shares outstanding during the period	(10,359,065)	(10,359,065)	(10,359,065)	(10,359,065)
	402,803,696	402,803,696	402,803,696	402,803,696
Basic and diluted earnings per share (Fils)	1.67	2.56	0.14	5.07

5 Cash and cash equivalents and murabaha and wakala investments

a. Cash and cash equivalents for the purpose of the interim condensed consolidated statement of cash flows are made up as follows:

	30 June 2016 (Unaudited) KD	31 Dec. 2015 (Audited) KD	30 June 2015 (Unaudited) KD
Cash and bank balances	13,228,922	7,737,506	5,193,343
Short term deposits	1,728,918	2,613,255	6,396,308
	14,957,840	10,350,761	11,589,651
Less: Due to banks	(987,499)	(2,016,195)	(920,268)
Less: Blocked balances	(325,806)	(325,066)	(324,497)
Less: Short term deposits maturing after three months	-	-	(908,980)
Cash and cash equivalents as per statement of cash flows	13,644,535	8,009,500	9,435,906

Cash and bank balances include call accounts which earn interests. The short term deposits mature within three months from the reporting date and are placed with local banks.

Due to banks represent bank overdraft facilities utilised by subsidiary and are secured by short term deposit of KD970,545 (31 December 2015: KD970,545 and 30 June 2015: KD 970,545).

Cash and cash equivalents include bank balances of KD1,946,371 (31 December 2015: KD1,193,334 and 30 June 2015: KD1,120,455) which are designated for the purpose of payment on account of capital reduction and dividend payments to non controlling interest of two subsidiaries.

Notes to the interim condensed consolidated financial information (continued)

5 Cash and cash equivalents and murabaha and wakala investments (continued)

b. Murabaha and wakala investments

	30 June 2016 (Unaudited) KD	31 Dec. 2015 (Audited) KD	30 June 2015 (Unaudited) KD
Placed with local islamic banks	-	1,000,000	3,003,875
Due from a local Islamic investment company	14,324,160	14,324,160	14,324,160
Less: Provision for impairment in value	(14,324,160)	(14,324,160)	(14,324,160)
	-	-	-
	-	1,000,000	3,003,875

No profit was recognised on impaired wakala investments during the current period (31 December 2015: KD Nil and 30 June 2015: KD Nil)

Wakala investments of KD14,324,160 (31 December 2015: KD14,324,160 and 30 June 2015: KD14,324,160) placed with a local Islamic investment company matured in the last quarter of 2008. The investee company defaulted on settlement of these balances on the maturity date. However revised maturity dates were stipulated by the court. The investee company again defaulted the payment of 2nd, 3rd and 4th instalments due in June 2014, 2015 and 2016 respectively. Full provision is made for receivable in accordance with the Central Bank of Kuwait provisioning rules.

During the previous years, the Group assumed the financial and legal obligations on wakala investments of KD9,968,250 (in violation of the Commercial Companies Law of 1960) that the Group had placed with the above investment company in a fiduciary capacity under a wakala agreement with certain related parties, despite having no such obligation under the wakala agreement. The Group has initiated legal proceedings against the parties to recover the amount including profits thereon. During the year 2014, the Court of Appeal has ordered the related parties to pay KD8,285,000 with 7% of profit thereon to the Group which had been overturned by the Court of Cassation in favor of the related party during the year 2015. The legal proceeding relating to the remaining amount of KD1,683,250 is still in process.

6 Investments at fair value through profit or loss

	30 June 2016 (Unaudited) KD	31 Dec. 2015 (Audited) KD	30 June 2015 (Unaudited) KD
Held for trading:			
Quoted shares	8,672,579	9,334,848	10,573,106
- Local	4,612,791	5,265,476	6,069,303
- Foreign	4,059,788	4,069,372	4,503,803
Designated on initial recognition:			
-Unquoted foreign shares	1,618,499	2,364,343	-
	10,291,078	11,699,191	10,573,106

Quoted shares with a fair value of KD925,970 (31 December 2015: KD1,131,470 and 30 June 2015: KD1,446,131) are secured against bank loans (refer note 10).

Notes to the interim condensed consolidated financial information (continued)

7 Accounts receivable and other assets

	30 June 2016 (Unaudited) KD	31 Dec. 2015 (Audited) KD	30 June 2015 (Unaudited) KD
Financial assets:			
Accounts receivable	3,999,180	4,352,489	3,543,749
Due from the Ultimate Parent Company	-	3,784	56,147
Due from other related parties	2,023,799	1,101,764	1,209,485
Due from investment brokerage companies	3,270,860	1,698,255	1,967,990
Due from future trade customers	3,440,825	4,845,544	4,857,540
Due on sale of foreign investment properties (a)	-	972,085	986,387
Accrued income	821,174	937,446	1,686,069
Other financial assets	797,374	1,111,222	962,634
	14,353,212	15,022,589	15,270,001
Non-financial assets			
Other assets	551,704	243,926	566,992
	14,904,916	15,266,515	15,836,993

- a) The consideration due on sale of the Group's investment property in the Kingdom of Saudi Arabia amounting to KD12,404,655 (sold during 2011) was due in instalments. In settlement of the consideration due as of 31 December 2015, Noor UK Holding Company Limited (a subsidiary of the Parent Company in United Kingdom) received an investment property located in London valued at GBP 2Mn (equivalent to KD880,511) during the three month period ended 30 June 2016. The difference between the consideration received in the form of property and the due balance as at 31 December 2015 amounting to KD91,574 has been treated as impairment in value of receivable and which has been recognised during the six months period ended 30 June 2016.

8 Available for sale investments

	30 June 2016 (Unaudited) KD	31 Dec. 2015 (Audited) KD	30 June 2015 (Unaudited) KD
Quoted shares	9,902,802	13,926,441	20,141,990
- Local	7,217,704	12,013,402	18,109,616
- Foreign	2,685,098	1,913,039	2,032,374
Unquoted shares	19,835,073	23,372,486	24,235,108
- Local	7,998,080	7,886,209	9,574,630
- Foreign	11,836,993	15,486,277	14,660,478
Foreign funds	4,899,007	6,690,840	8,235,806
	34,636,882	43,989,767	52,612,904

- a) Available for sale investments include investments in unquoted shares and foreign funds whose fair values cannot be reliably determined and as a result investments with a carrying value of KD2,835,639 (31 December 2015: KD2,835,639 and 30 June 2015: KD1,643,215) are carried at cost or cost less impairment. The Group's management is not aware of any circumstance that would indicate impairment/ further impairment in value of these investments.

Notes to the interim condensed consolidated financial information (continued)

8 Available for sale investments (continued)

- b) Quoted shares with a fair value of KD4,522,986 (31 December 2015: KD8,783,999 and 30 June 2015: KD14,894,252) and unquoted shares with a fair value of KD6,600,000 (31 December 2015: KD6,600,000 and 30 June 2015: KD8,300,000) are secured against bank loans (refer note 10).
- c) During the period, the Group recognised an impairment loss of KD416,661 (31 December 2015: KD2,797,488 and 30 June 2015: KD1,649,616) for certain local and foreign quoted shares, as the market value of these shares declined significantly below their cost. Further the Group also recognised an impairment loss of KD755,545 (31 December 2015: KD5,455,335 and 30 June 2015: KD374,685) against certain unquoted shares, local and foreign funds based on independent valuations, estimate and the net asset values reported by the investment managers at the reporting date.

9 Investment properties

The movement of investment properties is as follows:

	30 June 2016 (Unaudited) KD	31 Dec. 2015 (Audited) KD	30 June 2015 (Unaudited) KD
Fair value as at beginning of the period/year	39,755,699	32,840,512	32,840,512
Acquisition of properties	3,006,667	1,905,599	2,759,618
Addition due to settlement of receivable (note 7 a)	899,662	-	-
Developments and construction costs	1,874,121	1,769,789	-
Reclassification from property & equipment	-	2,280,290	-
Disposals	(1,700,000)	-	-
Changes in fair value	-	959,509	-
	43,836,149	39,755,699	35,600,130

Investment properties comprise land and buildings in the following countries:

	30 June 2016 (Unaudited) KD	31 Dec. 2015 (Audited) KD	30 June 2015 (Unaudited) KD
Kuwait	41,919,353	39,325,000	35,171,979
Outside Kuwait	1,916,796	430,699	428,151
	43,836,149	39,755,699	35,600,130

Investments properties amounting to KD 9,535,000 (31 December 2015: KD9,535,000 and 30 June 2015: KD9,432,000) and KD13,188,000 (31 December 2015: KD13,188,000 and 30 June 2015: KD11,681,723) are secured against bank loans and Ijara Financing facilities respectively (refer note 10).

The above investment properties include jointly controlled investment properties with a carrying value of KD10,675,875 (31 December 2015: KD8,852,000 and 30 June 2015: KD7,185,484) which are partly financed from Ijara financing arrangement.

During the period/year, borrowing cost of KD58,592 (31 December 2015: KD263,003 and 30 June 2015: KD33,473) has been capitalised to investment properties under development.

Notes to the interim condensed consolidated financial information (continued)

10 Borrowings from banks and financial institutions

	Effective interest/ profit rate p.a %	Security	30 June 2016 (Unaudited) KD	31 Dec. 2015 (Audited) KD	30 June 2015 (Unaudited) KD
Short term					
Ijara financing - Kuwaiti Dinnar	4.5	Secured	6,075,075	4,325,000	4,325,000
Loan Payable - Kuwaiti Dinnar	4.5	Secured	1,080,000	1,080,000	1,080,000
Murabaha and Tawaruq payables	4.5		-	-	906,907
			7,155,075	5,405,000	6,311,907
Long term					
Loans payable – Kuwaiti Dinar	3.75-4.00	Secured	69,193,625	73,508,000	73,845,500
Wakala payable – Kuwaiti Dinar	3.75	Secured	27,500,000	27,500,000	33,000,000
Ijara financing - Kuwaiti Dinnar	4.5-5.0	Secured	5,178,839	5,485,284	5,787,113
			101,872,464	106,493,284	112,632,613
Total			109,027,539	111,898,284	118,944,520

- 10.1 During 2011 and 2012, the Parent Company restructured its financing arrangements with some local banks and accordingly loans amounting to KD154,710,000 (out of which KD58,016,375 has been paid till reporting date) were converted into secured long term facilities. As per loan restructuring agreements, these loans are required to be 100% secured. As of 30 June 2016, 31 December 2015 and 30 June 2015, these are partly secured (notes 6,8 and 9) and the identification and securitization of the required balance is still in process.

The third instalment of the loan of KD38,677,500 fell due in 2014 and 2015 and the lenders agreed for payment of 50% of that amount within four months from the original due date. KD15,024,500 was paid in 2015 and the balance KD4,314,250 was settled during the 1st quarter of 2016.

The process of rescheduling the Parent Company's loans amounting to KD96,693,625 as of the reporting date comprising of the remaining 50% (KD19,338,750) of the third instalment and KD77,354,875 for the final instalment is ongoing.

The Parent Company had submitted a debt rescheduling plan to all its lenders and had, also requested from all of the lenders to extend the standstill as the restructuring is still in process and to continue negotiations to reach an acceptable debt rescheduling solution. The lenders have confirmed that they will continue to negotiate the terms and conditions of the restructuring to bring it to a successful closure. Accordingly, the Parent Company's management expects to finalize the debt rescheduling within the next few months.

- 10.2 Ijara financing contracts amounting to KD11,253,914 (31 December 2015: KD9,810,284 and 30 June 2015: KD10,112,113) are secured by investments properties (Note 9) and Property and equipment of KD Nil (31 December 2015: KD Nil, 30 June 2015: KD 2,222,000).
- 10.3 Long term loans and wakala amounting to KD 96,693,625 (31 December 2015: KD101,008,000 and 30 June 2015: KD106,845,500) are secured by investment at fair value through profit or loss (note 6), available for sale investments (note 8) and investment properties (note 9) and against shares of two unlisted subsidiaries of the Parent Company.

Notes to the interim condensed consolidated financial information (continued)

10 Borrowings from banks and financial institutions (continued)

10.4. The above loans are due as follows:

	30 June 2016 (Unaudited) KD	31 Dec. 2015 (Audited) KD	30 June 2015 (Unaudited) KD
Short term Ijara Financing	6,075,075	4,325,000	4,325,000
Short term loans	1,080,000	1,080,000	1,080,000
Short term Murabaha and Tawaruq payable	-	-	906,907
Long term loans and Wakala payable			
- Current portion due within one year	12,375,000	5,689,375	11,526,875
- Due after more than one year	84,318,625	95,318,625	95,318,625
Long term ijara financing			
- Current portion due within one year	861,283	861,283	866,220
- Due after more than one year	4,317,556	4,624,001	4,920,893
	109,027,539	111,898,284	118,944,520

11 Share capital and non-controlling interests

- a) The authorised, issued and paid up share capital of the Parent Company comprise of 413,162,761 shares of 100 Fils each (31 December 2015: 413,162,761 and 30 June 2015: 413,162,761 of 100 Fils each), fully paid in cash.
- b) During the period, one of the subsidiaries of the Group (Noor Al-Salhiya Real Estate Company KSCC) increased its share capital from KD15,000,000 to KD20,000,000 (50,000,000 shares with a par value of 100 fils per each share)(during the six months priod ended 30 June 2015 from KD11,000,000 to KD15,000,0000). The Parent Company did not subscribe for this increase and consequently the Parent Company's shareholding in this subsidiary diluted from 73.32%. to 54.99% (30 June 2015: from 100% to 73.32%). The proportionate carrying value of net assets on the date of dilution amounting to KD5,781,099 (30 June 2015: KD5,107,562) relating non-controlling interests has been transferred to non-controlling interest in the interim condensed consolidated statement of changes in equity. Consequently the difference between cash proceeds received and non- controlling interests share of net assets on the date of dilution amounting to KD781,099 (30 June 2015: KD707,562) has been recognized as a dilution loss in the interim condensed consolidated statement of changes in equity as of 30 June 2016.
- c) On 1st September 2015, the shareholders of one of the subsidiaries of the Group, (Kuwait India Holding Company - KSCC) decided to further decrease its share capital by KD4,000,000 out of which KD1,732,882 pertains to non-controlling interests. After completing its necessary formalities an amount of KD1,915,296 including prior capital reductions (31 December 2015: KD1,726,223 and 30 June 2015: KD4,012,167) has been paid to non-controlling interests and the balance amount is shown under accounts payable and other liabilities.
- d) Furthermore an amount of KD877,630 (31 December 2014: KD943,381 and 30 June 2015: KD908,440) is due to non- controlling interest for decrease in the share capital of another subsidiary (Noor Telecommunication Company KSCC) during 2012 and is included under accounts payable and other liabilities.

Notes to the interim condensed consolidated financial information (continued)

12 Treasury shares

The Group holds treasury shares as follows:

	30 June 2016 (Unaudited)	31 Dec. 2015 (Audited)	30 June 2015 (Unaudited)
Number of shares	10,359,065	10,359,065	10,359,065
Percentage of issued shares	2.51%	2.51%	2.51%
Market value (KD)	398,824	481,697	818,366
Cost (KD)	3,410,573	3,410,573	3,410,573

Reserves equivalent to the cost of treasury shares held are not distributable. The treasury shares are not held as collateral against any financial liability.

13 Segment analysis

The Group activities are concentrated in four main segments: investments, real estate, IT services and Hotel operations. These segments are regularly reviewed by the Chief Operating Decision Maker (CODM) for resource allocation and performance assessment. In addition, the segments results, assets and liabilities are reported based on the geographical location in which the Group operates in. Segment results include revenue and expense directly attributable to each reporting segment as the Group does not have any inter segment charges. Segment assets comprise those operating assets that are directly attributable to the segment.

Notes to the interim condensed consolidated financial information (continued)

13 Segment analysis (continued)

Segmental information for the period ended 30 June 2016 and 30 June 2015 are as follows:

	Investments		Real Estate		IT services		Hotel operations		Total
	30 June 2016 KD	30 June 2015 KD	30 June 2016 KD	30 June 2015 KD	30 June 2016 KD	30 June 2015 KD	30 June 2016 KD	30 June 2015 KD	
Revenue from hotel operations and IT services	-	-	-	-	6,476,859	7,050,339	1,107,329	971,103	8,021,442
Investments related income (realised, unrealised and dividend income)	(572,705)	3,146,477	-	-	-	-	-	-	3,146,477
Rental income	-	-	940,377	566,259	-	-	-	-	566,259
Management and placement fee	29,750	24,918	-	-	-	-	-	-	24,918
Realised gain on investment property	-	-	50,000	-	-	-	-	-	-
Share of results of associates	4,118,664	4,187,311	74,914	100,082	-	-	-	-	4,287,393
Segment income	3,575,709	7,358,706	1,065,291	666,341	6,476,859	7,050,339	1,107,329	971,103	16,046,489
Cost of sales and services	-	-	-	-	(5,504,156)	(6,106,198)	(893,154)	(997,192)	(7,103,390)
General and administrative expenses	(839,910)	(1,058,596)	(385,152)	(188,485)	(886,134)	(1,391,172)	(175,195)	(131,054)	(2,769,307)
Operating profit or loss	2,735,799	6,300,110	680,139	477,856	86,569	(447,031)	38,980	(157,143)	6,173,792
Interest income, other income and foreign exchange gain	142,270	249,513	-	-	-	-	-	-	249,513
Impairments	(1,239,155)	(2,030,648)	(95,959)	-	(374,035)	-	-	-	(2,030,648)
Finance cost	(1,902,565)	(2,117,821)	(91,024)	(109,667)	(91,472)	-	-	-	(2,227,488)
Segment (loss) /profit before taxes	(263,651)	2,401,154	493,156	368,189	(378,938)	(447,031)	38,980	(157,143)	2,165,169
Investment									
Real Estate									
IT services									
Hotel operation									
Total	184,692,142	184,692,142	(120,631,873)	64,060,269	186,015,629	(122,076,273)	63,939,356	200,310,324	69,203,536

31 December 2015 (Audited)

30 June 2015 (Unaudited)

	Assets		Liabilities		Net assets		Assets		Liabilities		Net assets	
	30 June 2016 KD	30 June 2015 KD	30 June 2016 KD	30 June 2015 KD	30 June 2016 KD	30 June 2015 KD	30 June 2016 KD	30 June 2015 KD	30 June 2016 KD	30 June 2015 KD	30 June 2016 KD	30 June 2015 KD
Investment												
Real Estate												
IT services												
Hotel operation												
Total	184,692,142	184,692,142	(120,631,873)	64,060,269	186,015,629	(122,076,273)	63,939,356	200,310,324	(131,106,788)	69,203,536	69,203,536	69,203,536

Notes to the interim condensed consolidated financial information (continued)

14 Related party transactions

Related parties represent the Ultimate Parent Company, associates, directors and key management personnel of the Group, and other related parties such as subsidiaries of the Ultimate Parent Company (fellow subsidiaries), major shareholders and companies in which directors and key management personnel of the Group are principal owners or over which they are able to exercise significant influence or joint control. Pricing policies and terms of these transactions are approved by the Group's management.

Details of significant related party transactions and balances are as follows:

	30 June 2016 (Unaudited) KD	31 Dec. 2015 (Audited) KD	30 June 2015 (Unaudited) KD
Interim condensed consolidated statement of financial position			
Due from related parties and the Ultimate Parent Company			
- Due from Ultimate Parent Company (note 7)	-	3,784	56,147
- Due from associates (note 7)	427,502	166,730	169,635
- Due from other related parties (note 7)	1,596,297	935,034	1,039,850
- Accrued management fees	676,514	680,063	677,921
Due to related parties			
- Due to Ultimate Parent Company	2,954	-	-
- Due to other related parties	486,711	62,000	32,000
Transactions with related parties			
Transfer of investments at fair value through profit or loss	-	2,200,042	-
Purchase of investment properties	2,356,667	-	-
Participation of capital increase in a subsidiary by related parties	3,350,000	-	-
Development and construction costs	1,877,686	1,257,586	435,436
Investments in related parties			
- Investments at fair value through profit or loss	865,431	926,163	1,229,823
- Available for sale investments	4,597,877	5,591,016	5,999,369

	Three months ended		Six months ended	
	30 June 2016 (Unaudited) KD	30 June 2015 (Unaudited) KD	30 June 2016 (Unaudited) KD	30 June 2015 (Unaudited) KD
Interim condensed consolidated statement of profit or loss				
Management and placement fees				
- earned from Ultimate Parent Company	111	156	226	310
- earned from other related parties	267	338	684	839
- Dividend income	261,615	-	261,615	-
Compensation of key management personnel of the Group				
Short term employee benefits	142,725	31,388	198,733	75,085
End of service benefits	2,191	1,232	5,480	2,425
	144,916	32,620	204,213	77,510

Notes to the interim condensed consolidated financial information (continued)

15 Summary of financial assets and liabilities by category and fair value measurement

15.1 Categories of financial assets and liabilities

The carrying amounts of the Group's financial assets and liabilities as stated in the interim condensed consolidated statement of financial position may also be categorized as follows:

	30 June 2016 (Unaudited) KD	31 Dec. 2015 (Audited) KD	30 June 2015 (Unaudited) KD
Loans and receivables(at amortised cost):			
• Cash and bank balances	13,228,922	7,737,506	5,193,343
• Short term deposits	1,728,918	2,613,255	6,396,308
• Murabaha and wakala investments	-	1,000,000	3,003,875
• Accounts receivable and other assets (note 7)	14,353,212	15,022,589	15,270,001
	29,311,052	26,373,350	29,863,527
Investments at fair value through profit or loss: (note 6)			
• - Held for trading	8,672,579	9,334,848	10,573,106
• - Designated on initial recognition	1,618,499	2,364,343	-
	10,291,078	11,699,191	10,573,106
Available for sale investments (note 8)			
• At fair value	31,801,243	41,154,128	50,969,689
• At cost / cost less impairment (refer note 8(a))	2,835,639	2,835,639	1,643,215
	34,636,882	43,989,767	52,612,904
Total financial assets	74,239,012	82,062,308	93,049,537
Financial liabilities (at amortised costs) :			
• Due to banks	987,499	2,016,195	920,268
• Accounts payable and other liabilities	9,960,789	7,568,953	10,608,519
• Borrowings from banks and financial institutions (note 10)	109,027,539	111,898,284	118,944,520
	119,975,827	121,483,432	130,473,307

Fair value represents the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at measurement date. The Group measures financial instruments such as investments at fair value through profit or loss and available for sale investments (excluding certain available for sale investments which are carried at cost/cost less impairment) at fair value. In the opinion of the Group's management, except and certain long term borrowing (Note 10) the carrying amounts of financial assets and liabilities which are carried of amortised cost are approximate to their fair values.

Notes to the interim condensed consolidated financial information (continued)

15 Summary of financial assets and liabilities by category (continued)

15.2 Fair value hierarchy for financial instruments measured at fair value

The following table presents the financial assets which are measured at fair value in the interim condensed consolidated statement of financial position in accordance with the fair value hierarchy.

This hierarchy groups financial assets and liabilities into six levels based on the significance of inputs used in measuring the fair value of the financial assets and liabilities. The fair value hierarchy has the following levels:

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: Inputs for assets or liabilities that are not based on observable market data (unobservable inputs).

The level within which the financial asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement.

The financial assets and liabilities measured at fair value in the consolidated statement of financial position are grouped into the fair value hierarchy as follows:

30 June 2016	Level 1	Level 2	Level 3	Total
	KD	KD	KD	KD
Financial assets at fair value:				
Investments at fair value through profit or loss				
-Quoted shares	8,672,579	-	-	8,672,579
-Unquoted shares	-	1,618,499	-	1,618,499
Available for sale investments				
-Quoted shares	8,666,415	1,236,387	-	9,902,802
-Unquoted shares	-	3,631,542	15,011,107	18,642,649
-Foreign funds	-	3,255,792	-	3,255,792
Total assets	17,338,994	9,742,220	15,011,107	42,092,321

31 December 2015	Level 1	Level 2	Level 3	Total
	KD	KD	KD	KD
Financial assets at fair value:				
Investments at fair value through profit or loss				
-Quoted shares	9,334,848	-	-	9,334,848
-Unquoted shares	-	2,364,343	-	2,364,343
Available for sale investments				
-Quoted shares	13,064,544	861,897	-	13,926,441
-Unquoted shares	-	14,268,132	7,911,930	22,180,062
-Foreign funds	-	5,047,625	-	5,047,625
Total assets	22,399,392	22,541,997	7,911,930	52,853,319

Notes to the interim condensed consolidated financial information (continued)

15 Summary of financial assets and liabilities by category (continued)

15.2 Fair value hierarchy for financial instruments measured at fair value (continued)

30 June 2015	Level 1 KD	Level 2 KD	Level 3 KD	Total KD
Financial assets at fair value:				
Investments at fair value through profit or loss				
- Quoted shares	10,573,106	-	-	10,573,106
Available for sale investments				
- Quoted shares	20,141,990	-	-	20,141,990
- Unquoted shares	-	13,441,665	10,793,443	24,235,108
- Foreign funds	-	6,592,591	-	6,592,591
Total assets	30,715,096	20,034,256	10,793,443	61,542,795

There were no transfers between the levels during the current period.

16 Contingent liabilities and Capital commitments

Contingent liabilities

On 1 December 2011, the Parent Company's Jordanian subsidiary, Noor Jordanian Kuwaiti Financial Investment Company Limited ("the Seller") disposed of its entire equity interest in one of its Jordanian subsidiary (Noor Jordan Kuwait Transport Company JSCC) to nine individual buyers ("the Buyers"). Subsequent to the transfer of shares and control to the Buyers, they have filed a case against the seller claiming misrepresentation in valuing the subsidiary's assets at JD4,500,000 (KD1,923,867). The subsidiary's management and legal advisor believe that the favorable decision of the court is probable; hence, no provision for any effects that may result has been made in the interim condensed consolidated financial information.

In addition to the above, the Parent Company had contingent liabilities with respect to outstanding legal cases amounting to KD265,397 and the Parent Company's management and legal adviser believe that the case can be successfully resisted. No provision for any effects that may result has been made in the interim condensed consolidated financial information.

Guarantees and capital commitments

At the reporting date, the Group had capital commitments of KD1,830,070 (31 December 2015: KD1,791,430 and 30 June 2015: KD1,839,936) towards purchase of investments and guarantees amounting to KD7,259,920 (31 December 2015: KD7,296,552 and 30 June 2015: KD7,264,430).

17 Fiduciary assets

The Group manages mutual funds and portfolios on behalf of its Ultimate Parent Company, other related parties and outsiders, and maintains securities in fiduciary accounts which are not reflected in the Group's interim condensed consolidated statements of financial position. Assets under management at 30 June 2016 amounted to KD46,685,735 (31 December 2015: KD54,230,073 and 30 June 2015: KD55,923,807) of which assets managed on behalf of its Ultimate Parent Company and other related parties amounted to KD44,253,481 (31 December 2015: KD52,230,986 and 30 June 2015: KD53,412,920).

Notes to the interim condensed consolidated financial information (continued)

18 Distributions and directors' remuneration

The shareholders at their Annual General Meeting held on 9 May 2016 approved not to make any distributions for the year ended 31 December 2015. (2014: Nil).

The shareholders of the Parent Company at the Annual General Meeting held on 9 May 2016, approved to distribute a total amount of KD30,000 as remuneration to the Board of Directors for the year ended 31 December 2015, which is in excess of the amount stipulated in the Companies Law. Consequently, this has been recorded as an expense under the general, administrative and other expenses during the 2nd quarter of 2016.

19 Comparative information

Certain comparative amounts for the previous period have been reclassified to be consistent with the presentation for the current period. Such classification did not affect previously reported results, total assets or equity.