



Kuwait Pillars for Financial Investment K.S.C.C

And its subsidiaries

State of Kuwait

Interim Condensed Consolidated Financial Information

And Review Report For the three-month period ended 31 March 2020

(Unaudited)

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Kuwait Pillars for Financial Investment K.S.C.C

State of Kuwait

Report on Review of Interim Condensed Consolidated Financial Information to the Board of Directors

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Kuwait Pillars For Financial Investment – K.S.C.C (the "Parent Company") and its subsidiaries (the "Group") as at 31 March 2020, and the related interim condensed consolidated statements of income, comprehensive income, changes in equity and 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 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 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 basis of preparation as disclosed in (Note 2).

Report on Other Legal and Regulatory Requirements

Furthermore, based on our review, the interim condensed consolidated financial information is in agreement with the books of the Parent Company. To the extent of information made available to us, 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 of Incorporation and Articles of Association, as amended during the three-months period ended 31 March 2020 that might have had a material effect on the business of the Group or on its consolidated financial position.

We further report that, during the course of our review, we have not become aware of any material violations of the provisions of Law No. 32 of 1968 as amended, concerning currency, the Central Bank of Kuwait and the organization of banking business and its related regulations or of the provisions of Law No. 7 of 2010, concerning the Capital Markets Authority and its related regulations during the three-months period ended 31 March 2020, that might have had a material effect on the business of Group or its consolidated financial position.



Bader A. Al-Wazzan

Licence No. 62 A

Deloitte & Touche – Al-Wazzan & Co.

Kuwait, 27 August 2020

Interim Condensed Consolidated Statement of Financial Position as at 31 March 2020
(Unaudited)

(All amounts are in Kuwaiti Dinar)

	Note	31 March 2020	31 December 2019 (Audited)	31 March 2019
Assets				
Cash and cash equivalents	5	318,938	543,006	286,825
Financial assets at fair value through profit or loss	6	2,132,221	2,654,002	45,561
Financial assets at fair value through OCI	6	3,504,956	3,679,930	3,595,017
Investments at amortized cost	7	1,689,244	1,689,244	1,689,244
Receivables and other debit balances	8	301,781	308,315	1,336,642
Finance receivables	9	6,123,470	6,070,697	6,133,883
Investment in an associate and joint venture	10	20,696,487	23,998,608	23,824,806
Investment properties		3,851,149	3,631,880	3,122,810
Other assets		146,656	122,693	23,409
Total assets		38,764,902	42,698,375	40,058,197
Liabilities and equity				
Liabilities				
Payables and other credit balances		1,030,969	981,091	891,203
Due to Banks	11	6,007,000	5,522,800	3,271,700
		<u>7,037,969</u>	<u>6,503,891</u>	<u>4,162,903</u>
Equity				
Share capital		30,000,000	30,000,000	30,000,000
Share premium		697,235	697,235	697,235
Statutory reserve		724,425	724,425	565,398
Voluntary reserve		72,441	72,441	56,538
Foreign currency translation reserve		5,554	13,453	11,828
Change in fair value reserve		(157,595)	17,378	22,935
Group's share of an associate's reserves		(2,073,780)	(2,195,407)	(2,050,104)
Treasury shares		(268)	(268)	-
Gain from sale of treasury shares		146,663	146,663	146,663
Retained earnings		<u>2,312,258</u>	<u>6,718,564</u>	<u>6,444,801</u>
Total equity		31,726,933	36,194,484	35,895,294
Total liabilities and equity		38,764,902	42,698,375	40,058,197

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


Ghazi Ahmed Al Osaimi
Chairman


Mishal Nasser Habib
Vice chairman & CEO

Kuwait Pillars for Financial Investment K.S.C.C
And its subsidiaries
State of Kuwait

Interim Condensed Consolidated Statement of Income for the three-months period ended 31 March 2020
(Unaudited)

(All amounts are in Kuwaiti Dinar)

	Note	Three months ended 31 March	
		2020	2019
Revenues			
Management fees		8,532	10,523
Investments (loss)/ income	12	(820,546)	190,571
Group's share of result from an associate	10	(3,423,748)	1,051,094
Interest income		107,782	121,462
Rent income		20,051	19,400
Other income		30,026	18,216
		<u>(4,077,903)</u>	<u>1,411,266</u>
Expenses			
Staff costs		197,849	154,324
General and administrative expenses		68,450	68,322
Depreciation		14,799	10,417
Interest expense		47,305	34,527
Provision		-	196
		<u>328,403</u>	<u>267,786</u>
(Loss)/ Profit before deductions		<u>(4,406,306)</u>	<u>1,143,480</u>
Contribution to KFAS		-	(831)
Zakat		-	(1,072)
Net (loss)/profit for the period		<u><u>(4,406,306)</u></u>	<u><u>1,141,577</u></u>

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

**Interim Condensed Consolidated Statement of Comprehensive Income for the three-months ended 31 March 2020
(Unaudited)**

(All amounts are in Kuwaiti Dinar)

	Three months ended 31 March	
	2020	2019
Net (loss)/profit for the period	(4,406,306)	1,141,577
Other comprehensive income items:		
<i>Items that may be reclassified subsequently to the consolidated statement of income:</i>		
Foreign currency translation differences	(7,899)	(1,260)
Group's share of an associate's reserves	121,627	41,698
<i>Items that will not be reclassified subsequently to interim condensed consolidated statement of income:</i>		
Change in fair value of equity investments at fair value through other comprehensive income	(174,973)	151,572
Total other comprehensive (loss) / income items	(61,245)	192,010
Total comprehensive (loss) / income for the period	(4,467,551)	1,333,587

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

Kuwait Pillars for Financial Investment K.S.C.C
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Interim Condensed Consolidated Statement of Changes in Equity for the three-months ended 31 March 2020
(Unaudited)

(All amounts are in Kuwaiti Dinar)

	Share capital	Share premium	Statutory reserve	Voluntary reserve	Foreign currency translation reserve	Change in fair value reserve	Group's share of an associate's reserves	Treasury shares	Gain on sale of treasury shares	Retained earnings	Total
Balance as at 1 January 2019	30,000,000	697,235	565,398	56,538	13,088	64,992	(2,091,802)	-	146,663	5,109,595	34,561,707
Net profit for the period	-	-	-	-	-	-	-	-	-	1,141,577	1,141,577
Other comprehensive income items	-	-	-	-	(1,260)	151,572	41,698	-	-	-	192,010
Total comprehensive income	-	-	-	-	(1,260)	151,572	41,698	-	-	1,141,577	1,333,587
Profit on sale of investments	-	-	-	-	-	(193,629)	-	-	-	193,629	-
Balance as at 31 March 2019	30,000,000	697,235	565,398	56,538	11,828	22,935	(2,050,104)	-	146,663	6,444,801	35,895,294
Balance as at 1 January 2020	30,000,000	697,235	724,425	72,441	13,453	17,378	(2,195,407)	(268)	146,663	6,718,564	36,194,484
Net loss for the period	-	-	-	-	-	-	-	-	-	(4,406,306)	(4,406,306)
Other comprehensive loss items	-	-	-	-	(7,899)	(174,973)	121,627	-	-	-	(61,245)
Total comprehensive loss	-	-	-	-	(7,899)	(174,973)	121,627	-	-	(4,406,306)	(4,467,551)
Profit on sale of investments	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2020	30,000,000	697,235	724,425	72,441	5,554	(157,595)	(2,073,780)	(268)	146,663	2,312,258	31,726,933

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

**Interim Condensed Consolidated Statement of Cash Flows for the three-months ended 31 March 2020
(Unaudited)**

(All amounts are in Kuwaiti Dinar)

	Three months ended 31 March	
	2020	2019
Cash flows from Operating activities		
Net (loss)/profit for the period	(4,406,306)	1,141,577
<i>Adjustments:</i>		
Depreciation	14,799	10,417
Investment (loss) / income	831,063	(190,571)
Group's share of result from an associate	3,423,748	(1,051,094)
Interest income	(107,782)	(121,462)
Interest expense	47,305	34,527
Provision expense	46,210	196
Operating losses before changes in working capital	(150,963)	(176,410)
Receivables and other debit balances	(3,983)	(1,004,245)
Finance receivables	(153,883)	(47,492)
Payables and other credit balances	11,963	9,241
Net cash used in operating activities	(296,866)	(1,218,906)
Cash flows from investing activities		
Paid for purchase of investments	(309,282)	(206,299)
Proceeds from sale of investments	-	747,000
Paid for purchase of additional shares in an associate	-	(55,187)
Paid for purchase of investment properties	(234,621)	(231,389)
Paid for purchase of property and equipment	(31,309)	-
Dividends received	10,517	187,324
Interest income received	162,682	121,462
Net cash (used in) / generated from investing activities	(402,013)	562,911
Cash Flow from financing activities		
Due to banks	484,200	(1,477,200)
Finance cost paid	(9,389)	(34,527)
Net cash generated from / (used in) financing activities	474,811	(1,511,727)
Decrease in cash and cash equivalents	(224,068)	(2,167,722)
Cash and cash equivalents at the beginning of the period	543,006	2,454,547
Cash and cash equivalents at the end of the period	318,938	286,825

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-months ended 31 March 2020
(Unaudited)**

(All amounts are in Kuwaiti Dinar unless otherwise stated)

1. Incorporation and activities

Kuwait Pillars for Financial Investment-KSCC, the "Parent Company" is a Kuwaiti Shareholding Company incorporated in Kuwait in 1998 and is regulated by the Central Bank of Kuwait and Capital Markets Authority. The Parent Company was listed in the Kuwait Stock Exchange on 3 December 2008. On 8 July 2015 based on the shareholders extraordinary General Assembly meeting, the Company has voluntarily elected to delist from Kuwait stock exchange effective from 1 March 2016. The Company has obtained the approval from CMA to delist on 31 August 2015.

The objectives of the Parent Company are:

Financial investment operations in all economic sectors by all legal means deemed appropriate by the Parent Company to achieve its objectives inside and outside Kuwait for its benefit or others, including:

- Sale and purchase of financial securities for the Company and others with no violation to provisions of law.
- Lending or borrowing and issuing bonds as per Law and financing the foreign trade operations.
- Carrying out financial brokerage operations and managing investments for others.
- Providing and preparing studies and technical, economic and revaluation consultancies, as well as studying the related investment projects and preparing the necessary studies for those institutions and companies (provided the necessary conditions should be met).
- Establishing or participating in the establishing of companies of all types, objectives and nationalities and deal in selling and purchasing of shares, bonds and financial rights of those companies.
- Managing financial and real estate portfolios for the Company and for others and investing and developing its customers' funds through placing them in all aspects of local and global investment.
- Investing in real estate, industrial, agricultural and other economic sectors either directly or by contributing in the establishment of specialized companies or purchasing shares or bonds of those companies in different sectors.
- Establishing, managing and marketing investment funds of all types as per Law.
- Carrying out the function of bonds issuing manager, which are issued by companies and authorities, and investment custodian's functions.
- Dealing and trading in the foreign exchange market and precious metals market inside and outside Kuwait for the company's benefit only.
- Providing all services that assist developing and supporting the ability of the financial and monetary market in Kuwait within limits of Law and as per CBK's instructions and procedures through offering new trading financial instruments or providing consulting services to Kuwait Stock Exchange's management and other services.

The Parent Company may have an interest or participate in any way in any entity that conducts similar business or which may assist it to achieve its objectives inside and outside Kuwait and it may also purchase such entities or affiliate thereof to it.

The Parent Company's registered office is at Qibla Tower, Al-Qibla Area- Block 13, P.O. Box 1346 Kuwait.

The interim condensed consolidated financial information includes the financial information of the Parent Company and its subsidiaries, which are fully owned and mentioned below together referred to as "the Group".

Company Name	Country of incorporation	Principal activity	Equity interest (%)
Strategia Investors Inc.	United States	Investment manager and advisor	100
Marquee Fund	United Kingdom	Investment manager and advisory services	100
Strategia Investors Service Limited	Antigua and Barbuda	Investment manager and advisor to real estate funds	100
Strategia Private Equity Limited	Cayman Islands	Investments	100

On 05 May 2020, the General Assembly for Shareholders of the Parent Company approved the Financial Statement for the year ended 31 December 2019 and also approved the Board of Director's recommendation not to distribute dividends.

The interim condensed consolidated financial information for the three-months ended 31 March 2020 was authorized for issuance by the Parent Company Board of Directors on 27 August 2020.

**Notes to the Interim Condensed Consolidated Financial Information for the three-months ended 31 March 2020
(Unaudited)**

(All amounts are in Kuwaiti Dinar unless otherwise stated)

2. Basis of presentation and significant accounting policies

2.1 Basis of presentation

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

The interim condensed consolidated financial information does not include all information and disclosures required for complete financial statements in accordance with International Financial Reporting Standards.

The annual consolidated financial statements for the year ended 31 December 2019 were prepared in accordance with the regulations for financial services institutions as issued by the Central Bank of Kuwait ("CBK") and the Capital Market Authority "CMA" in the State of Kuwait. These regulations require expected credit loss ("ECL") to be measured at the higher of the ECL on credit facilities computed under IFRS 9 according to the CBK guidelines or the provisions as required by CBK instructions; the consequent impact on related disclosures; and the adoption of all other requirements of International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). (Collectively referred to as IFRS, as adopted for use by the State of Kuwait).

In the management's opinion, all necessary adjustments, including recurring accruals have been included in the interim condensed consolidated financial information for fair presentation. The operating results for the period ended 31 March 2020 are not necessarily indicative of results that may be expected for the year ending 31 December 2020. For further information, it is possible to refer to the consolidated financial statements and its related notes for the year ended 31 December 2019.

2.2 Significant accounting policies

The accounting policies used in the preparation of this interim condensed financial information are consistent with those used in the preparation of the Group's annual financial statements for the year ended 31 December 2019, and the notes attached thereto, except for the adoption of certain new and revised standards, that became effective in the current period as set out below.

2.1.1 New and amended standards adopted by the Group

Effective for annual periods beginning on or after January 1, 2020

New and amended IFRSs standards

Definition of Material - Amendments to IAS 1 *Presentation of Financial Statements* and IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*

The new definition states that, 'Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity'.

Definition of a Business – Amendments to IFRS 3 *Business Combinations*

The amendments clarify that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. IASB also clarify that a business can exist without including all of the inputs and processes needed to create outputs. That is, the inputs and processes applied to those inputs must have 'the ability to contribute to the creation of outputs' rather than 'the ability to create outputs'.

Amendments to References to the Conceptual Framework in IFRS Standards

Amendments to References to the Conceptual Framework in IFRS Standards related IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22, and SIC-32 to update those pronouncements with regard to references to and quotes from the framework or to indicate where they refer to a different version of the Conceptual Framework.

IFRS 7 Financial Instruments: Disclosures and IFRS 9 – Financial Instruments
Amendments regarding pre-replacement issues in the context of the IBOR reform

Amendments to IFRSs which are effective for annual accounting period starting from 1 January 2020 did not have any material impact on the accounting policies, financial position or performance of the Group.

**Effective for
annual periods
beginning on or after
January 1, 2020**

January 1, 2020

January 1, 2020

January 1, 2020

Notes to the Interim Condensed Consolidated Financial Information for the three-months ended 31 March 2020 (Unaudited)

(All amounts are in Kuwaiti Dinar unless otherwise stated)

3. Fair value estimation

The fair values of financial assets and financial liabilities are determined as follows:

- Level one: Quoted prices in active markets for Identical assets or liabilities.
- Level two: Quoted prices in an active market for similar instruments. Quoted prices for identical assets or liabilities in market that is not active. Inputs other than quoted prices that are observable for assets and liabilities.
- Level three: valuation techniques that are not based on observable market data.

The table below gives information about how the fair values of the significant financial assets and liabilities are determined:

Financial assets	Fair value as at			Fair value hierarchy	Valuation technique(s) and Key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
	31/3/2020	31/12/2019	31/3/2019				
Equity instruments designated as FVTPL							
Quoted Shares	2,132,221	2,654,002	45,561	1	Last bid price	-	-
Equity instruments designated as FVTOCI							
Quoted Shares	2,203,663	2,389,361	2,306,490	1	Last bid price	-	-
Unquoted shares	1,301,293	1,290,569	1,288,527	3	Net book value	Book value adjusted with market risk	The higher market risk the lower the fair value

The fair values of other financial assets and financial liabilities which are not measured at fair value on ongoing basis equal approximately their carrying values.

4. Estimates

The preparation of interim condensed consolidated financial information requires management to make judgments, 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 judgments 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 consolidated financial statements for the year ended 31 December 2019.

5. Cash and cash equivalents

	31 March 2020	31 December 2019 (Audited)	31 March 2019
Cash on hand and at banks	318,492	542,068	286,386
Time deposits (<i>less than 3 months</i>)	-	500	-
Cash in investment portfolio	446	438	439
	<u>318,938</u>	<u>543,006</u>	<u>286,825</u>

6. Investments

Financial assets at fair value through profit or loss

	31 March 2020	31 December 2019 (Audited)	31 March 2019
Quoted shares	2,132,221	2,654,002	45,561

The Group has pledged quoted through FVTPL securities with carrying amount of KD 963,097 against the credit facilities.

**Notes to the Interim Condensed Consolidated Financial Information for the three-months ended 31 March 2020
(Unaudited)**

(All amounts are in Kuwaiti Dinar unless otherwise stated)

Financial assets at fair value through OCI

	31 March 2020	31 December 2019 (Audited)	31 March 2019
Quoted shares	2,203,663	2,389,361	2,306,490
Unquoted shares	1,301,293	1,290,569	1,288,527
	<u>3,504,956</u>	<u>3,679,930</u>	<u>3,595,017</u>

The Group has pledged quoted through OCI securities with carrying amount of KD 2,007,852 against the credit facilities.

7. Investments at amortized costs

The effective interest rate on these bonds is 5.22% (5.85% - 31 December 2019, 5.85% - 31 March 2019). The bonds have maturity dates ranging between 4 to 9 years as of the period ended 31 March 2020. The balance includes an amount of KD 1,689,244 represented in bonds which have been issued by related parties.

8. Receivables and other debt balances

	31 March 2020	31 December 2019 (Audited)	31 March 2019
Management fees – net	11,899	12,668	11,631
Receivables – net of provision	263,471	253,026	1,275,883
Prepaid expenses	26,411	42,621	49,128
	<u>301,781</u>	<u>308,315</u>	<u>1,336,642</u>

9. Finance receivables

This represents commercial loans granted to related parties.

	31 March 2020	31 December 2019 (audited)	31 March 2019
Gross balance of commercial loans	6,362,133	6,246,041	6,409,187
Less: deferred revenue	(172,495)	(109,177)	(209,137)
	6,189,638	6,136,864	6,200,050
Less: provision for credit losses - general	(66,168)	(66,167)	(66,167)
Balance as at the end of period/ year	<u>6,123,470</u>	<u>6,070,697</u>	<u>6,133,883</u>

The effective interest rates on these finance receivables is 5.92% as at 31 March 2020 (6.63% - 31 December 2019, 6.63% - 31 March 2019). The fair value of the collaterals held against finance receivables is KD 7,463,507 as at 31 March 2020 (KD 9,203,446 - 31 December 2019, KD 9,479,318 - 31 March 2019).

10. Investment in an associate and Joint Venture

This represents the Group's investment in Kuwait Financial Center by 28.89% as at 31 March 2020. This also includes investment in a joint venture amounted to KD 25,783 as at 31 March 2020 (KD 25,783 as at 31 March 2019).

The Group's share of the associate's results and reserves has been computed based on the reviewed financial information for the period ended 31 March 2020.

Movement of the investment in an associate during the period / year is as follows:

	31 March 2020	31 December 2019 (Audited)	31 March 2019
Balance as at 1 January	23,972,825	22,651,044	22,651,044
Additions during the period/ year	-	112,539	55,187
Cash dividends	-	(687,599)	-
Group's share in associate's results	(3,423,748)	2,000,446	1,051,094
Group's share in associate's reserves	121,627	(103,605)	41,698
	<u>20,670,704</u>	<u>23,972,825</u>	<u>23,799,023</u>
Group ownership (%)	<u>28.89</u>	<u>28.89</u>	<u>28.76</u>

The Group has pledged 115 Mio shares (95 Mio–2019) of its associate as of 31 March 2020 with carrying amount of KD 10,235,000 (KD 8,170,000–2019) against the credit facilities.

**Notes to the Interim Condensed Consolidated Financial Information for the three-months ended 31 March 2020
(Unaudited)**

(All amounts are in Kuwaiti Dinar unless otherwise stated)

11. Due to banks

The average interest rate on the credit facilities is 2.75% and the maturity is during 2020. The following assets are pledged against bank facilities as at 31 March 2020;

- 115,000,000 shares investments in associate for the Group.
- 5,215,199 shares of quoted investments through OCI for the Group.
- 3,717,136 shares of quoted investments through FVTPL for the Group

12. Investment (loss) / income

	Three months ended 31 March	
	2020	2019
Cash dividends	10,517	187,324
Gains from change in fair value of financial assets at FVTPL	(831,063)	3,247
	(820,546)	190,571

13. Related party transactions

Related parties are the shareholders of the Parent Company who are represented in Board of Directors as well as major shareholders and the companies in which any of its members is in the same time a board member in the Parent Company's Board of Directors and associated companies. In the ordinary course of business, the Group has carried out some transactions during the period with related parties, transactions and balances are included in the interim condensed consolidated financial information are as follows:

	Three months ended 31 March	
Transactions	2020	2019
Salaries and other benefits	113,764	83,852
End of service indemnity	11,165	10,696
Interest income	93,984	100,946

	31 March 2020	31 December 2019 (Audited)	31 March 2019
Balances			
Investments held to maturity	839,753	839,753	839,753
Finance receivables	6,123,470	6,070,697	6,133,883
Payables and other credit balances	452,697	641,913	558,041

Related parties transactions are subject to approval of shareholders' general assembly.

14. Segment information

In the purpose of management, the Group organizes its operations in main two sectors of business. The following are the main activities and services that are underlined in such two sectors:

Investment activities: Investing in securities, funds, properties lending to corporate and individual customers and managing the Group's liquidity requirements.

Asset management and advisory services: Discretionary and non-discretionary investment portfolio management, managing of local and international investment funds and providing advisory and structured finance services and other related financial services.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on the return on investments. The Group does not have any significant inter-segment transactions.

The following table presents segment revenues, profits, assets and liabilities regarding the Group's business segments:

	31 March 2020		
	Investment activities	Asset management and advisory services	Total
Segment revenue	(4,086,434)	8,531	(4,077,903)
Net profit	(4,414,837)	8,531	(4,406,306)
Segment assets	38,662,758	102,144	38,764,902
Segment liabilities	6,967,014	70,955	7,037,969

**Notes to the Interim Condensed Consolidated Financial Information for the three-months ended 31 March 2020
(Unaudited)**

(All amounts are in Kuwaiti Dinar unless otherwise stated)

	31 March 2019		
	Investment activities	Asset management and advisory services	Total
Segment revenue	1,400,743	10,523	1,411,266
Net profit	1,131,054	10,523	1,141,577
Segment assets	39,970,867	87,330	40,058,197
Segment liabilities	4,089,564	73,339	4,162,903

15. Fiduciary assets

The Group manages portfolios on behalf of customers and maintains cash balances and securities in fiduciary accounts, which are not reflected in the Group's interim condensed consolidated financial information.

The aggregate net asset value held in a fiduciary capacity by the Group amounted to KD 17,393,189 as at 31 March 2020 (KD 21,770,501 - 31 December 2019 and KD 22,829,345 - 31 March 2019).

16. Impact of COVID-19

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

Expected Credit Losses

The Group has reassessed the inputs and assumptions used for the determination of expected credit losses as of 31 March 2020. The Group has updated forward-looking information based on the best estimates and judgement and considering the current economic climate of the respective market in which it operates and its impact on counterparties in various segments.

Other impacts

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. Further information on the relation to fair value measurements is disclosed in Notes 3.

Commitments and contingent liabilities

The Group has assessed the impact of any operational disruptions, including any contractual challenges and changes in business or commercial relationships among the Group and customers, with a view of potential increase in contingent liabilities and commitments and no issues were noted.

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 the Group has ample resources to continue in operational existence and its going concern position remains largely unaffected and unchanged from 31 December 2019. As a result, these interim condensed consolidated financial information have been appropriately prepared on a going concern basis.