

**KUWAIT PROJECTS COMPANY HOLDING  
K.S.C.P. AND SUBSIDIARIES**

**INTERIM CONDENSED CONSOLIDATED  
FINANCIAL INFORMATION**

**31 MARCH 2017 (UNAUDITED)**



Building a better  
working world

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## **REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF KUWAIT PROJECTS COMPANY HOLDING K.S.C.P.**

### *Introduction*

We have reviewed the accompanying interim condensed consolidated statement of financial position of Kuwait Projects Company Holding K.S.C.P. (the "Parent Company") and its subsidiaries (collectively the "Group") as at 31 March 2017, and the related interim condensed consolidated income statement, interim condensed consolidated statement of comprehensive income, interim condensed consolidated cash flow statement and interim condensed consolidated statement of changes in equity for the three months period then ended. The management of the Parent Company is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with International Accounting Standard 34: Interim Financial Reporting ("IAS 34"). 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 IAS 34.

### **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. 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, or of the articles of association and memorandum of incorporation of the Parent Company during the three months period ended 31 March 2017 that might have had a material effect on the business of the Parent Company or on its financial position.

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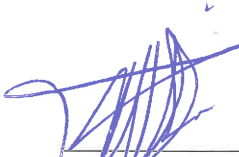
3 May 2017  
Kuwait

# Kuwait Projects Company Holding K.S.C.P. and Subsidiaries

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

As at 31 March 2017

		<i>(Audited)</i>	<i>(Restated)*</i>
	<i>31 March</i>	<i>31 December</i>	<i>31 March</i>
<i>Notes</i>	<i>2017</i>	<i>2016</i>	<i>2016</i>
	<i>KD 000's</i>	<i>KD 000's</i>	<i>KD 000's</i>
<b>ASSETS</b>			
Cash in hand and at banks	3	1,699,263	1,458,008
Treasury bills and bonds		637,212	675,251
Loans and advances		5,006,436	5,285,283
Financial assets at fair value through profit or loss		66,724	59,237
Financial assets available for sale		418,652	438,453
Financial assets held to maturity		81,061	70,880
Other assets		393,289	355,130
Properties held for trading		55,486	54,114
Investment in associates		459,366	442,460
Investment in a media joint venture	4	163,027	149,647
Investment properties		427,518	428,914
Property, plant and equipment		263,221	255,586
Intangible assets		307,851	309,152
<b>TOTAL ASSETS</b>		<b>9,979,106</b>	<b>9,982,115</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Liabilities</b>			
Due to banks and other financial institutions		2,044,498	2,309,103
Deposits from customers		5,001,363	4,819,784
Loans payable	5	422,350	454,920
Bonds	6	222,281	222,221
Medium term notes	7	667,630	604,528
Other liabilities		383,731	355,174
<b>Total liabilities</b>		<b>8,741,853</b>	<b>8,765,730</b>
<b>Equity</b>			
Equity attributable to equity holders of the Parent			
Company	8	481,088	471,471
Perpetual capital securities	8	146,440	146,440
Non controlling interest		609,725	598,474
<b>Total equity</b>		<b>1,237,253</b>	<b>1,216,385</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>9,979,106</b>	<b>9,982,115</b>

  
Faisal Hamad Al Ayyar  
Vice Chairman (Executive)

\* Certain amounts shown here do not correspond to interim condensed consolidated financial information as at 31 March 2016 and reflect adjustments made as detailed in Note 4.

The attached notes 1 to 16 form part of these interim condensed consolidated financial information.

**Kuwait Projects Company Holding K.S.C.P. and Subsidiaries**  
**INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT (UNAUDITED)**  
For the period ended 31 March 2017

		<i>Three months ended</i>	
		<b>31 March</b>	
		<b>2017</b>	<b>2016</b>
		<b>KD 000's</b>	<b>KD 000's</b>
<b>Income:</b>	<i>Notes</i>		
Interest income		<b>90,003</b>	94,915
Investment income	9	<b>4,769</b>	6,050
Fee and commission income		<b>13,717</b>	11,981
Share of results of associates		<b>9,197</b>	9,527
Share of results of a media joint venture	4	<b>(4,070)</b>	483
Digital satellite network services income		<b>2,646</b>	5,861
Hospitality and real estate income		<b>22,679</b>	18,327
Manufacturing and distribution income		<b>4,600</b>	8,217
Other income		<b>4,092</b>	5,017
Foreign exchange gain		<b>3,905</b>	3,980
<b>Income</b>		<b>151,538</b>	164,358
<b>Expenses:</b>			
Interest expense		<b>56,732</b>	56,881
Digital satellite network services expense		<b>2,527</b>	4,483
Hospitality and real estate expenses		<b>14,623</b>	10,122
Manufacturing and distribution expense		<b>3,937</b>	7,029
General and administrative expenses		<b>42,796</b>	39,637
Depreciation and amortisation		<b>7,337</b>	6,098
<b>Expenses</b>		<b>127,952</b>	124,250
<b>Operating profit before provisions</b>		<b>23,586</b>	40,108
Provision for credit losses		<b>(1,818)</b>	(9,568)
Provision for impairment of investments		<b>(412)</b>	(2,691)
<b>Profit before taxation</b>		<b>21,356</b>	27,849
Taxation		<b>(4,205)</b>	(5,011)
<b>Profit for the period</b>		<b>17,151</b>	22,838
<b>Attributable to:</b>			
Equity holders of the Parent Company		<b>5,067</b>	13,502
Non controlling interest		<b>12,084</b>	9,336
		<b>17,151</b>	22,838
<b>EARNINGS PER SHARE:</b>		<i>Fils</i>	<i>Fils</i>
Basic - attributable to the equity holders of the Parent Company	10	<b>1.11</b>	7.45
Diluted - attributable to the equity holders of the Parent Company	10	<b>1.11</b>	7.44

The attached notes 1 to 16 form part of these interim condensed consolidated financial information.

Kuwait Projects Company Holding K.S.C.P. and Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE  
INCOME (UNAUDITED)

For the period ended 31 March 2017

	<i>Three months ended</i>	
	<i>31 March</i>	
	<i>2017</i>	<i>2016</i>
	<i>KD 000's</i>	<i>KD 000's</i>
<b>Profit for the period</b>	<b>17,151</b>	22,838
<i>Other comprehensive income</i>		
<i>Items that are or may be reclassified to interim condensed consolidated income statement in subsequent periods:</i>		
Financial assets available for sale:		
- Net fair value gain	4,218	1,187
- Net transfer to interim condensed consolidated income statement	(443)	2,627
Change in fair value of cashflow hedge	1,408	(6,764)
Foreign currency translation adjustment	(3,998)	(5,643)
Share of other comprehensive income /(loss) from associates and joint venture	5,356	(164)
<b>Other comprehensive income /(loss) for the period</b>	<b>6,541</b>	(8,757)
<b>Total comprehensive income for the period</b>	<b>23,692</b>	14,081
<b>Attributable to:</b>		
Equity holders of the Parent Company	10,297	7,260
Non controlling interest	13,395	6,821
	<b>23,692</b>	14,081

The attached notes 1 to 16 form part of these interim condensed consolidated financial information.

# Kuwait Projects Company Holding K.S.C.P. and Subsidiaries

## INTERIM CONDENSED CONSOLIDATED CASH FLOW STATEMENT (UNAUDITED)

For the period ended 31 March 2017

	Notes	<i>Three months ended</i>	
		<i>31 March</i>	
		<i>2017</i>	<i>2016</i>
		<i>KD 000's</i>	<i>KD 000's</i>
<b>OPERATING ACTIVITIES</b>			
Profit before taxation		21,356	27,849
<i>Adjustments to reconcile profit before taxation to net cash flows:</i>			
Interest income		(90,003)	(94,915)
Investment income	9	(4,769)	(6,050)
Share of results of associates		(9,197)	(9,527)
Share of results of a media joint venture	4	4,070	(483)
Interest expense		56,732	56,881
Depreciation and amortisation		7,337	6,098
Provision for credit losses		1,818	9,568
Provision for impairment of investments		412	2,691
Foreign exchange income on loans payable and medium term notes		(877)	(1,368)
Provision for employee stock option plan		(75)	(3)
		<u>(13,196)</u>	<u>(9,259)</u>
Changes in operating assets and liabilities:			
Deposits with original maturities exceeding three months		(11,565)	95
Treasury bills and bonds		38,039	(22,425)
Loans and advances		277,029	(185,376)
Financial assets at fair value through profit or loss		(4,642)	(9,053)
Financial assets available for sale		23,268	36,786
Other assets		(64,958)	(34,421)
Properties held for trading		(1,372)	1,525
Due to banks and other financial institutions		(264,605)	215,876
Deposits from customers		181,579	31,350
Other liabilities		40,610	(8,516)
Dividends received		1,238	816
Interest received		88,424	74,952
Interest paid		(70,402)	(56,124)
Taxation paid		(2,513)	(3,888)
Net cash from operating activities		<u>216,934</u>	<u>32,338</u>
<b>INVESTING ACTIVITIES</b>			
Purchase of investment properties		(194)	(2,038)
Proceed from sale of investment properties		496	-
(Purchase of) proceeds from financial assets held to maturity, net		(10,181)	-
(Acquisition of) proceeds from investment in associates, net		(4,850)	2,021
Net cash inflow from sale of a subsidiary	9	-	6,633
Dividends from associates		305	303
Net cash (used in) from investing activities		<u>(14,424)</u>	<u>6,919</u>
<b>FINANCING ACTIVITIES</b>			
Repayment of loans payable, net		(32,570)	(13,201)
Proceeds from medium term notes, net		65,265	145,622
Repayment of bonds, net	6	-	(7,167)
Purchase of treasury shares		(2,320)	(9,071)
Proceeds from sale of treasury shares		4,920	3,206
Dividends paid to equity holders of the Parent Company		(71)	(47)
Interest payment on perpetual capital securities		(5,526)	(5,486)
Proceeds from issue of perpetual capital securities	8	-	2,415
Dividends paid to non controlling interest		(3,594)	-
Proceed from sale of non controlling interest		3,543	(604)
Net cash from financing activities		<u>29,647</u>	<u>115,667</u>
Net foreign exchange difference		<u>(2,467)</u>	<u>(2,974)</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>229,690</b>	<b>151,950</b>
Cash and cash equivalents at 1 January		<u>1,455,043</u>	<u>1,584,616</u>
<b>CASH AND CASH EQUIVALENTS AT 31 MARCH</b>	<b>3</b>	<u><b>1,684,733</b></u>	<u><b>1,736,566</b></u>

The attached notes 1 to 16 form part of these interim condensed consolidated financial information.

# Kuwait Projects Company Holding K.S.C.P. and Subsidiaries

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the period ended 31 March 2017

	Attributable to equity holders of the Parent Company													
	Share capital KD 000's	Share premium KD 000's	Treasury shares KD 000's	Statutory reserve KD 000's	Voluntary reserve KD 000's	Cumulative changes in fair values KD 000's	Foreign currency translation reserve KD 000's	ESOP reserve KD 000's	Other reserve KD 000's	Retained earnings KD 000's	Total KD 000's	Perpetual capital securities KD 000's	Non controlling interest KD 000's	Total equity KD 000's
As at 1 January 2017	147,357	3,111	(86,216)	106,821	106,546	(3,620)	(64,448)	1,534	(1,306)	261,692	471,471	146,440	598,474	1,216,385
Profit for the period	-	-	-	-	-	-	-	-	-	5,067	5,067	-	12,084	17,151
Other comprehensive income/(loss)	-	-	-	-	-	7,887	(2,657)	-	-	-	5,230	-	1,311	6,541
Total comprehensive income/(loss)	-	-	-	-	-	7,887	(2,657)	-	-	5,067	10,297	-	13,395	23,692
Purchase of treasury shares	-	-	(2,320)	-	-	-	-	-	-	-	(2,320)	-	-	(2,320)
Sale of treasury shares	-	-	4,870	-	-	-	-	-	-	50	4,920	-	-	4,920
Employees' share based payment	-	-	-	-	-	-	-	17	-	(92)	(75)	-	-	(75)
Dividends paid to non controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	(3,594)	(3,594)
Interest payment on perpetual capital securities	-	-	-	-	-	-	-	-	-	(3,568)	(3,568)	-	(1,958)	(5,526)
Ownership changes in subsidiaries	-	-	-	-	-	-	-	-	363	-	363	-	3,408	3,771
<b>As at 31 March 2017</b>	<b>147,357</b>	<b>3,111</b>	<b>(83,666)</b>	<b>106,821</b>	<b>106,546</b>	<b>4,267</b>	<b>(67,105)</b>	<b>1,551</b>	<b>(943)</b>	<b>263,149</b>	<b>481,088</b>	<b>146,440</b>	<b>609,725</b>	<b>1,237,253</b>

The attached notes 1 to 16 form part of these interim condensed consolidated financial information.

# Kuwait Projects Company Holding K.S.C.P. and Subsidiaries

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED) (continued)

For the period ended 31 March 2017

	<i>Attributable to equity holders of the Parent Company</i>													
	<i>Share capital KD 000's</i>	<i>Share premium KD 000's</i>	<i>Treasury shares KD 000's</i>	<i>Statutory reserve KD 000's</i>	<i>Voluntary reserve KD 000's</i>	<i>Cumulative changes in fair values KD 000's</i>	<i>Foreign currency translation reserve KD 000's</i>	<i>ESOP reserve KD 000's</i>	<i>Other reserve KD 000's</i>	<i>Retained earnings KD 000's</i>	<i>Total KD 000's</i>	<i>Perpetual capital securities KD 000's</i>	<i>Non controlling interest KD 000's</i>	<i>Total equity KD 000's</i>
As at 31 December 2015 (as previously reported)	147,357	3,111	(84,876)	106,821	106,546	2,198	(32,760)	1,361	(4,114)	262,377	508,021	144,025	608,100	1,260,146
Effect of restatement (note 4)	-	-	-	-	-	-	-	-	-	(3,745)	(3,745)	-	-	(3,745)
As at 1 January 2016 (restated)	147,357	3,111	(84,876)	106,821	106,546	2,198	(32,760)	1,361	(4,114)	258,632	504,276	144,025	608,100	1,256,401
Profit for the period	-	-	-	-	-	-	-	-	-	13,502	13,502	-	9,336	22,838
Other comprehensive loss	-	-	-	-	-	(2,317)	(3,925)	-	-	-	(6,242)	-	(2,515)	(8,757)
Total comprehensive (loss) income	-	-	-	-	-	(2,317)	(3,925)	-	-	13,502	7,260	-	6,821	14,081
Dividends for 2015 at 25 fils per share (note 8)	-	-	-	-	-	-	-	-	-	(34,282)	(34,282)	-	-	(34,282)
Purchase of treasury shares	-	-	(9,071)	-	-	-	-	-	-	-	(9,071)	-	-	(9,071)
Sale of treasury shares	-	-	3,327	-	-	-	-	-	-	(121)	3,206	-	-	3,206
Employees' share based payment	-	-	-	-	-	-	-	21	-	(24)	(3)	-	-	(3)
Issuance of perpetual capital securities (Note 8)	-	-	-	-	-	-	-	-	-	-	-	2,415	-	2,415
Interest payment on perpetual capital securities	-	-	-	-	-	-	-	-	-	(3,543)	(3,543)	-	(1,943)	(5,486)
Ownership changes in subsidiaries	-	-	-	-	-	-	-	-	1,171	-	1,171	-	(31)	1,140
As at 31 March 2016 (restated) *	147,357	3,111	(90,620)	106,821	106,546	(119)	(36,685)	1,382	(2,943)	234,164	469,014	146,440	612,947	1,228,401

\* Certain amounts shown here do not correspond to interim condensed consolidated financial information as at 31 March 2016 and reflect adjustments made as detailed in Note 4.

The attached notes 1 to 16 form part of these interim condensed consolidated financial information.



# Kuwait Projects Company Holding K.S.C.P. and Subsidiaries

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at 31 March 2017

### 1 CORPORATE INFORMATION

Kuwait Projects Company Holding K.S.C.P. (the “Parent Company”) is a public shareholding company registered and incorporated under the laws of the State of Kuwait on 2 August 1975, and listed in Boursa Kuwait. The address of the Parent Company’s registered office is P.O. Box 23982, Safat 13100 - State of Kuwait.

The interim condensed consolidated financial information of the Parent Company and its subsidiaries (collectively the “Group”) for the three months period ended 31 March 2017 were authorised for issue in accordance with a resolution of the Board of Directors on 3 May 2017.

The principal activities of the Parent Company comprise the following:

1. Owning stocks and shares in Kuwaiti or non-Kuwaiti companies and shares in Kuwaiti or non-Kuwaiti limited liability companies and participating in the establishment of, lending to and managing of these companies and acting as a guarantor for these companies.
2. Lending money to companies in which it owns shares, guaranteeing them with third parties where the holding parent company owns 20% or more of the capital of the borrowing company.
3. Owning industrial equities such as patents, industrial trademarks, royalties, or any other related rights and franchising them to other companies or using them within or outside the state of Kuwait.
4. Owning real estate and moveable properties to conduct its operations within the limits as stipulated by law.
5. Employing excess funds available with the Parent Company by investing them in investment and real estate portfolios managed by specialized companies.

The major shareholder of the Parent Company is Al Futtooh Holding Company K.S.C. (Closed).

### 2 SIGNIFICANT ACCOUNTING POLICIES

#### **Basis of presentation**

The interim condensed consolidated financial information of the Group have been prepared in accordance with International Accounting Standard (“IAS”) 34: Interim Financial Reporting.

The accounting policies used in the preparation of the interim condensed consolidated financial information are consistent with those used in the preparation of the annual consolidated financial statements for the year ended 31 December 2016, except for the adoption of the amendments and annual improvements to IFRSs, relevant to the Group which are effective for annual reporting period starting from 1 January 2017 and which did not result in any material impact on the accounting policies, financial position or performance of the Group. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

The interim condensed consolidated financial information does not include all the information and disclosures required for complete consolidated financial statements prepared in accordance with International Financial Reporting Standards (“IFRS”). In the opinion of management, all adjustments considered necessary for a fair presentation have been included in the interim condensed consolidated financial information. Operating results for the interim period are not necessarily indicative of the results that may be expected for the year ending 31 December 2017. For further information, refer to the annual audited consolidated financial statements and notes thereto for the year ended 31 December 2016.

The interim condensed consolidated financial information is presented in Kuwaiti Dinars (“KD”) and all values are rounded to the nearest KD thousand except when otherwise indicated.

# Kuwait Projects Company Holding K.S.C.P. and Subsidiaries

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at 31 March 2017

### 3 CASH IN HAND AND AT BANKS

	<i>31 March</i> <i>2017</i> <i>KD 000's</i>	<i>(Audited)</i> <i>31 December</i> <i>2016</i> <i>KD 000's</i>	<i>31 March</i> <i>2016</i> <i>KD 000's</i>
Cash and bank balances	<b>898,087</b>	920,694	1,134,138
Deposits with original maturities up to three months	<b>786,646</b>	534,349	602,428
Cash and cash equivalents	<b>1,684,733</b>	1,455,043	1,736,566
Add: deposits with original maturities exceeding three months	<b>14,530</b>	2,965	5,697
	<b>1,699,263</b>	1,458,008	1,742,263

### 4 INVESTMENT IN A MEDIA JOINT VENTURE

The Group owns 60.50% equity interest in Panther Media Group Limited (“PMGL”) known as “OSN”, a jointly controlled entity incorporated in Dubai and registered in the Dubai International Financial Center, engaged in providing satellite encrypted pay television services across the Middle East and North Africa region.

PMGL’s comparative information as at 31 December 2015 have been restated in accordance with IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors. As a result, the Group’s investment in a media joint venture and retained earnings decreased by KD 3,745 thousand as at 31 December 2015 and 31 March 2016.

The Group’s interest in PMGL is accounted for using the equity method. Summarized financial information of PMGL before inter-company eliminations is as follows:

	<i>31 March</i> <i>2017</i> <i>KD 000's</i>	<i>(Audited)</i> <i>31 December</i> <i>2016</i> <i>KD 000's</i>	<i>(Restated)</i> <i>31 March</i> <i>2016</i> <i>KD 000's</i>
Current assets	<b>89,891</b>	84,838	113,136
Non-current assets	<b>431,920</b>	434,109	430,096
Current liabilities	<b>(127,702)</b>	(113,031)	(109,606)
Non-current liabilities	<b>(40,526)</b>	(44,125)	(65,207)
<b>Equity</b>	<b>353,583</b>	361,791	368,419
<b>Group’s carrying value</b>	<b>163,027</b>	149,647	160,364

	<i>Three months ended</i> <i>31 March</i>	
	<i>2017</i> <i>KD 000's</i>	<i>2016</i> <i>KD 000's</i>
Income	<b>47,808</b>	51,088
Expenses	<b>(54,544)</b>	(50,288)
<b>(Loss) profit for the period</b>	<b>(6,736)</b>	800
<b>Total comprehensive (loss) income for the period</b>	<b>(6,669)</b>	348
<b>Group’s share of (loss) profit for the period</b>	<b>(4,070)</b>	483
<b>Group’s share of total comprehensive (loss) income for the period</b>	<b>(4,030)</b>	210

Kuwait Projects Company Holding K.S.C.P. and Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at 31 March 2017

**5 LOANS PAYABLE**

	<i>(Audited)</i>	
	<i>31 March</i>	<i>31 March</i>
	<i>2017</i>	<i>2016</i>
	<i>KD 000's</i>	<i>KD 000's</i>
<i>By the Parent Company:</i>		
Loans with maturity above 1 year	-	40,000
	<u>-</u>	<u>40,000</u>
<i>By the subsidiaries:</i>		
Loans with maturity within 1 year	425,133	289,105
Islamic financing payables with maturity within 1 year	1,655	1,600
Loans with maturity above 1 year	410,457	536,213
Islamic financing payables with maturity above 1 year	56,582	53,345
	<u>893,827</u>	<u>880,263</u>
Less: inter-group borrowings	<u>(471,477)</u>	<u>(497,483)</u>
	<u>422,350</u>	<u>422,780</u>

**6 BONDS**

	<i>(Audited)</i>	
	<i>31 March</i>	<i>31 March</i>
	<i>2017</i>	<i>2016</i>
	<i>KD 000's</i>	<i>KD 000's</i>
<i>Issued by subsidiaries:</i>		
Fixed interest of 5.65% per annum and maturing on 27 December 2022	35,182	35,144
Floating interest of 3.90% per annum above the CBK discount rate (capped at 6.65% per annum) and maturing on 27 December 2022	37,169	37,128
Fixed interest of 5.75% per annum and maturing on 24 June 2018	36,450	36,450
Floating interest of 3.25% per annum above the CBK discount rate and maturing on 24 June 2018	23,550	23,550
Fixed interest of 6% per annum and maturing on 9 March 2026	29,778	29,742
Floating interest of 3.95% per annum above the CBK discount rate (capped at 7% per annum) and maturing on 9 March 2026	69,152	69,068
	<u>231,281</u>	<u>231,082</u>
Less: inter-group eliminations	<u>(9,000)</u>	<u>(9,000)</u>
	<u>222,281</u>	<u>222,082</u>

# Kuwait Projects Company Holding K.S.C.P. and Subsidiaries

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at 31 March 2017

### 7 MEDIUM TERM NOTES

	<i>(Audited)</i>		
	<i>31 March</i>	<i>31 December</i>	<i>31 March</i>
	<i>2017</i>	<i>2016</i>	<i>2016</i>
	<i>KD 000's</i>	<i>KD 000's</i>	<i>KD 000's</i>
<b><i>Euro medium term notes ("EMTN") issued by the Parent Company through an SPE:</i></b>			
Fixed rate notes amounting to US\$ 500 million having a term of 10 years maturing on 23 February 2027 and carrying a coupon interest rate of 4.5% payable on a semi annual basis. The notes are listed on the London Stock Exchange.	<b>148,037</b>	-	-
Fixed rate notes amounting to US\$ 500 million having a term of 7 years maturing on 17 October 2016 and carrying a coupon interest rate of 8.875% per annum payable on a semi annual basis. The notes are listed on the London Stock Exchange. These notes were matured and repaid during 2016.	-	-	150,666
Fixed rate notes amounting to US\$ 500 million having a term of 10 years maturing on 15 July 2020 and carrying a coupon interest rate of 9.375% per annum payable on a semi annual basis. The notes are listed on the London Stock Exchange.	<b>151,507</b>	152,098	149,853
Fixed rate notes amounting to US\$ 233 million (31 December 2016: US\$ 500 million) having a term of 5 years maturing on 5 February 2019 and carrying a coupon interest rate of 4.8% per annum payable on a semi annual basis. The notes are listed on the London Stock Exchange.	<b>70,819</b>	152,881	150,735
Fixed rate notes amounting to US\$ 500 million having a term of 7 years maturing on 15 March 2023 and carrying a coupon interest rate of 5% per annum payable on a semi annual basis. The notes are listed on the London Stock Exchange.	<b>152,375</b>	153,025	150,925
<b><i>Issued by subsidiaries through SPE's:</i></b>			
Floating rate subordinated debt note amounting to US\$ 100 million having a term of 10 years maturing on 12 October 2016 and carrying a coupon interest rate of 3 months LIBOR plus 190 bps per annum payable on a quarterly basis. The notes are listed on the Singapore Stock Exchange. These notes were matured and repaid during 2016.	-	-	30,185
Fixed rate notes amounting to US\$ 500 million having a term of 5 years maturing on 14 September 2021 and carrying a coupon interest rate of 3.125%. The notes are listed on the Irish Stock Exchange.	<b>151,123</b>	151,709	-
	<b>673,861</b>	609,713	632,364
Less: inter-group eliminations	<b>(6,231)</b>	(5,185)	(20,647)
	<b>667,630</b>	604,528	611,717

During the period, the Parent Company refinanced a portion of existing fixed rate notes amounting to USD 267 million maturing in 2019 at 4.8% at a price of 105.25% of par value by issuing new fixed rate notes of USD 500 million having a term of 10 years maturing on 23 February 2027 and carrying a coupon interest rate of 4.5% payable on a semi annual basis. The redemption premium paid in respect of the previous notes will be amortised over the residual term of the new notes issued.

# Kuwait Projects Company Holding K.S.C.P. and Subsidiaries

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at 31 March 2017

### 8 SHAREHOLDERS' EQUITY, TREASURY SHARES, RESERVES, APPROPRIATIONS AND PERPETUAL CAPITAL SECURITIES

#### a) Share capital

	<i>31 March 2017 KD 000's</i>	<i>(Audited) 31 December 2016 KD 000's</i>	<i>31 March 2016 KD 000's</i>
Authorised share capital (shares of 100 fils each)	<b>200,000</b>	200,000	200,000
Issued and fully paid up capital (shares of 100 fils each) *	<b>147,357</b>	147,357	147,357

\* This comprises 1,049,620,700 shares (31 December 2016: 1,049,620,700 shares and 31 March 2016: 1,049,620,700 shares) which are fully paid up in cash, whereas 423,952,003 shares (31 December 2016: 423,952,003 shares and 31 March 2016: 423,952,003 shares) were issued as bonus shares.

#### b) Share premium

The share premium is not available for distribution.

#### c) Treasury shares

	<i>31 March 2017</i>	<i>(Audited) 31 December 2016</i>	<i>31 March 2016</i>
Number of treasury shares	<b>126,340,334</b>	130,788,222	137,395,772
Percentage of capital	<b>8.57%</b>	8.88%	9.32%
Market value (KD 000's)	<b>62,538</b>	65,394	75,568

Reserves equivalent to the cost of the treasury shares held are not available for distribution.

#### d) Dividend

On 05 April 2017 the Annual General Assembly of shareholders approved the distribution of cash dividend of 25 fils per share (2016: 25 fils per share) for the year ended 31 December 2016 to the Parent Company's shareholders on record at the date of Annual General Assembly.

#### e) Perpetual capital securities issued by subsidiaries of the Group

- On 30 September 2014, one of the subsidiaries of the Group - Burgan Bank S.A.K. ("BB") issued perpetual capital securities (the securities) through Burgan Tier 1 Financing Limited (a newly incorporated special purpose company with limited liability in the Dubai International Financial Centre), amounting to USD 500,000 thousand (equivalent to KD 144,025 thousand). Securities are unconditionally and irrevocably guaranteed by BB and constitute direct, unconditional, subordinated and unsecured obligations and are classified as equity in accordance with IAS 32: Financial Instruments – Classification. The securities have no maturity date. They are redeemable by the subsidiary of the Group at its discretion after 30 September 2019 (the "first call date") or on any interest payment date thereafter subject to the prior consent of the regulatory authority.
- The securities bear interest on their nominal amount from the issue date to the first call date at a fixed annual rate of 7.25% per annum. Thereafter the interest rate will be reset at five year intervals. Interest is payable semi-annually in arrears and treated as a deduction from equity and non-controlling interest. The semi-annual interest payments were paid during the period.
- BB at its sole discretion may elect not to distribute interest as stipulated and this is not considered an event of default.
- On 28 March 2016, one of the subsidiaries of the Group, United Gulf Bank B.S.C. ("UGB") issued perpetual capital securities amounting to USD 33,000 thousand (equivalent to KD 9,961 thousand). Certain other subsidiaries of the Group subscribed to these securities amounting to USD 25,000 thousand (equivalent to KD 7,546 thousand) which were eliminated on consolidation.

# Kuwait Projects Company Holding K.S.C.P. and Subsidiaries

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at 31 March 2017

### 9 INVESTMENT INCOME

	<i>Three months ended</i>	
	<i>31 March</i>	
	<i>2017</i>	<i>2016</i>
	<i>KD 000's</i>	<i>KD 000's</i>
Gain on sale of financial assets at fair value through profit or loss	<b>2,414</b>	4,587
Unrealised gain (loss) on financial assets at fair value through profit or loss	<b>431</b>	(443)
Gain (loss) on sale of financial assets available for sale	<b>751</b>	(475)
Dividend income	<b>1,238</b>	816
Gain on sale of investment in associates	-	88
Loss on sale of investment properties	<b>(65)</b>	-
Gain on sale of a subsidiary *	-	1,477
	<b>4,769</b>	6,050

\* During the prior period, a subsidiary of the Group: North Africa Holding Company K.S.C.(Closed) disposed of its subsidiary "EMIC United Pharmaceutical", for a total consideration of KD 6,633 thousand . As a result, the Group recognised a gain of KD 1,477 thousand in the interim condensed consolidated income statement.

### 10 EARNINGS PER SHARE

#### *Basic:*

Basic earnings per share is computed by dividing the profit for the period attributable to equity holders of the Parent Company after interest payment on perpetual capital securities by the weighted average number of shares outstanding during the period, as follows:

	<i>Three months ended</i>	
	<i>31 March</i>	
	<i>2017</i>	<i>2016</i>
	<i>KD 000's</i>	<i>KD 000's</i>
<i>Basic earnings per share:</i>		
Profit for the period attributable to the equity holders of the Parent Company	<b>5,067</b>	13,502
Less: interest payment on perpetual capital securities attributable to the equity holders of the Parent Company	<b>(3,568)</b>	(3,543)
Profit for the period attributable to the equity holders of the Parent Company after interest payment on perpetual capital securities	<b>1,499</b>	9,959
	<i>Shares</i>	<i>Shares</i>
<i>Number of shares outstanding:</i>		
Weighted average number of paid up shares	<b>1,473,572,703</b>	1,473,572,703
Weighted average number of treasury shares	<b>(126,169,006)</b>	(136,056,737)
Weighted average number of outstanding shares	<b>1,347,403,697</b>	1,337,515,966
	<i>Fils</i>	<i>Fils</i>
Basic earnings per share	<b>1.11</b>	7.45

# Kuwait Projects Company Holding K.S.C.P. and Subsidiaries

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at 31 March 2017

### 10 EARNINGS PER SHARE (continued)

#### *Diluted:*

Diluted earnings per share is calculated by dividing the profit for the period attributable to the equity holders of the Parent Company after interest payment on perpetual capital securities adjusted for the effect of decrease in profit due to exercise of potential ordinary shares of subsidiaries by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on the conversion of all employee's stock options. The Parent Company has outstanding share options, issued under the Employee Stock Options Plan (ESOP), which may have a dilutive effect on earnings.

	<i>Three months ended</i>	
	<i>31 March</i>	
	<i>2017</i>	<i>2016</i>
	<i>KD 000's</i>	<i>KD 000's</i>
<b><i>Diluted earnings per share:</i></b>		
Profit for the period attributable to the equity holders of the Parent Company	<b>5,067</b>	13,502
Less: interest payment on perpetual capital securities attributable to the equity holders of the Parent Company	<b>(3,568)</b>	(3,543)
	<hr/>	<hr/>
Profit for the period attributable to the equity holders of the Parent Company after interest payment on perpetual capital securities	<b>1,499</b>	9,959
	<hr/> <hr/>	<hr/> <hr/>
	<i>Shares</i>	<i>Shares</i>
Weighted average number of outstanding shares	<b>1,347,403,697</b>	1,337,515,966
Effect of share options on issue	<b>-</b>	414,403
	<hr/>	<hr/>
	<b>1,347,403,697</b>	1,337,930,369
	<hr/> <hr/>	<hr/> <hr/>
	<i>Fils</i>	<i>Fils</i>
Diluted earnings per share	<b>1.11</b>	7.44
	<hr/> <hr/>	<hr/> <hr/>

### 11 HEDGE OF NET INVESTMENT IN FOREIGN OPERATIONS

The Group designated its investments in foreign operations (i.e. investment in PMGL, United Gulf Bank B.S.C., Taka'ud Savings & Pensions Company B.S.C. and Pulsar Knowledge Centre) and EMTN as a hedge of a net investment in foreign operations. EMTN is being used to hedge the Group's exposure to the US\$ foreign exchange risk on these investments. During the period, gains amounting to KD 1,286 thousand on the retranslation of this borrowing are transferred to interim condensed consolidated statement of comprehensive income to offset any losses on translation of the net investments in the foreign operations. There is no ineffectiveness during the period ended 31 March 2017.

Burgan Bank has entered into a forward foreign exchange contracts between Turkish lira (TRY) and United States Dollar (USD), rolled over on a monthly basis, which has been designated as a hedge of the Bank's net investment in it's Turkish subsidiary. This transaction has created a net long position in USD. Gains or losses on the retranslation of the aforesaid contracts are transferred to interim condensed consolidated statement of comprehensive income to offset any gains or losses on translation of the net investments in the Turkish subsidiary. No ineffectiveness from hedges of net investments in foreign operations was recognised in profit or loss during the period.

# Kuwait Projects Company Holding K.S.C.P. and Subsidiaries

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at 31 March 2017

### 12 RELATED PARTY TRANSACTIONS

These represent transactions with related parties, i.e. major shareholder, associates, directors and key management personnel of the Group, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Group's management. Related party balances and transactions consist of the following:

	<i>Major shareholder KD 000's</i>	<i>Associates and joint ventures KD 000's</i>	<i>Others KD 000's</i>	<b>Total 31 March 2017 KD 000's</b>	<i>(Audited) 31 December 2016 KD 000's</i>	<i>31 March 2016 KD 000's</i>
<b><i>Interim condensed consolidated statement of financial position:</i></b>						
Loans and advances *	-	199,744	264,800	<b>464,544</b>	451,127	432,843
Other assets	2,220	3,965	826	<b>7,011</b>	9,951	8,681
Due to banks and other financial institutions *	-	22,655	23,506	<b>46,161</b>	45,777	26,003
Deposits from customers *	59,359	24,541	9,762	<b>93,662</b>	97,582	88,916
Medium term notes	-	3,048	-	<b>3,048</b>	-	6,133
Other liabilities	477	12,005	61	<b>12,543</b>	658	1,074
Perpetual capital securities	-	1,509	906	<b>2,415</b>	2,415	2,415
<b><i>Commitments and contingent liabilities:</i></b>						
Letter of credit	-	-	956	<b>956</b>	997	-
Guarantees	25	29,495	2,450	<b>31,970</b>	31,745	29,177

	<i>Major shareholder KD 000's</i>	<i>Associates and joint venture KD 000's</i>	<i>Others KD 000's</i>	<b>Three months ended 31 March</b>	
				<b>2017 KD 000's</b>	<b>2016 KD 000's</b>
<b><i>Transactions:</i></b>					
Interest income	755	2,118	1,472	<b>4,345</b>	4,285
Fee and commission income	23	609	457	<b>1,089</b>	882
Other income	-	-	-	-	2,437
Interest expense	446	178	71	<b>695</b>	609

\* Related party balances pertain to operations of a banking subsidiary.



# Kuwait Projects Company Holding K.S.C.P. and Subsidiaries

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at 31 March 2017

### 13 SEGMENT INFORMATION

For management purposes, the Group is organised into six main business segments based on internal reporting provided to the chief operating decision maker as follows:

Commercial banking - represents Group's commercial banking activities which includes retail banking, corporate banking, and private banking and treasury products. These entities are regulated by the Central Banks of the respective countries.

Asset management and investment banking - represents Group's asset management and investment banking activities which includes asset management, corporate finance (advisory and capital markets services), investment advisory and research, and investments of the Group in sectors such as education and healthcare.

Insurance - represents Group's insurance activities and other related services.

Media - represents Group's activities in providing digital satellite network and other related services.

Industrial - represents Group's activities in industrial project development, food, utilities, services and other related sectors.

Hospitality and real estate - represents Group's activities in the hospitality and real estate sector.

Others - represents other activities undertaken by the Group which includes management advisory and consultancy.

Transfer prices between operating segments are at a price approved by the management of the Group.

The following table presents revenue and profit before taxation information regarding the Group's operating segments:

	<i>Three months ended 31 March</i>			
	<i>2017</i>		<i>2016</i>	
	<i>Segment revenues</i>	<i>Segment results</i>	<i>Segment revenues</i>	<i>Segment results</i>
	<i>KD 000's</i>	<i>KD 000's</i>	<i>KD 000's</i>	<i>KD 000's</i>
Commercial banking	<b>116,340</b>	<b>30,830</b>	119,872	25,526
Asset management and investment banking	<b>9,598</b>	<b>(9,890)</b>	8,926	(7,015)
Insurance	<b>1,296</b>	<b>1,296</b>	1,519	1,519
Media	<b>(4,070)</b>	<b>(4,070)</b>	483	483
Industrial	<b>11,112</b>	<b>5,041</b>	12,936	3,186
Hospitality and real estate	<b>24,073</b>	<b>2,268</b>	20,736	5,635
Others	<b>3,043</b>	<b>(1,219)</b>	6,615	(949)
Inter-segmental eliminations	<b>(9,854)</b>	<b>(2,900)</b>	(6,729)	(536)
Segment revenues and results	<b>151,538</b>	<b>21,356</b>	164,358	27,849

# Kuwait Projects Company Holding K.S.C.P. and Subsidiaries

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at 31 March 2017

### 13 SEGMENT INFORMATION (continued)

The following table presents assets and liabilities of the Group's operating segments:

	<i>31 March</i> <i>2017</i> <i>KD 000's</i>	<i>(Audited)</i> <i>31 December</i> <i>2016</i> <i>KD 000's</i>	<i>(Restated)</i> <i>31 March</i> <i>2016</i> <i>KD 000's</i>
<b>Assets:</b>			
Commercial banking	<b>8,606,793</b>	8,712,185	8,467,144
Asset management and investment banking	<b>744,953</b>	676,360	824,607
Insurance	<b>74,737</b>	72,940	73,430
Media	<b>163,027</b>	149,647	160,364
Industrial	<b>263,678</b>	249,389	266,457
Hospitality and real estate	<b>795,472</b>	795,345	783,532
Others	<b>171,427</b>	162,798	167,974
Inter-segmental eliminations	<b>(840,981)</b>	(836,549)	(782,269)
<b>Total assets</b>	<b><u>9,979,106</u></b>	<u>9,982,115</u>	<u>9,961,239</u>
<b>Liabilities:</b>			
Commercial banking	<b>7,662,481</b>	7,767,826	7,531,098
Asset management and investment banking	<b>1,019,963</b>	946,264	1,127,418
Industrial	<b>122,827</b>	121,625	110,199
Hospitality and real estate	<b>417,899</b>	407,671	385,942
Others	<b>151,069</b>	151,338	147,447
Inter-segmental eliminations	<b>(632,386)</b>	(628,994)	(569,266)
<b>Total liabilities</b>	<b><u>8,741,853</u></b>	<u>8,765,730</u>	<u>8,732,838</u>

Inter-segmental eliminations represent the elimination of balances and transactions arising in the normal course of business between different segments of the Group.

### 14 COMMITMENTS

The Group has the following commitments:

	<i>31 March</i> <i>2017</i> <i>KD 000's</i>	<i>(Audited)</i> <i>31 December</i> <i>2016</i> <i>KD 000's</i>	<i>31 March</i> <i>2016</i> <i>KD 000's</i>
<b>Credit related commitments:</b>			
Letters of credit	<b>292,776</b>	260,209	239,241
Guarantees	<b>1,013,674</b>	1,033,617	916,712
	<b>1,306,450</b>	1,293,826	1,155,953
<b>Undrawn lines of credit</b>	<b>753,770</b>	744,328	512,555
<b>Investment related commitments</b>	<b>128,994</b>	105,660	89,105
	<b><u>2,189,214</u></b>	<u>2,143,814</u>	<u>1,757,613</u>

# Kuwait Projects Company Holding K.S.C.P. and Subsidiaries

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

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### 15 DERIVATIVES

The table below shows the notional amounts of derivatives outstanding as at the reporting date. The notional amount of a derivative is based upon the derivative's underlying asset, reference rate or index.

	<i>31 March 2017</i>	<i>(Audited) 31 December 2016</i>	<i>31 March 2016</i>
	<i>KD 000's</i>	<i>KD 000's</i>	<i>KD 000's</i>
<b>Derivatives held for trading:</b>			
<i>(including non-qualifying hedges)</i>			
Forward foreign exchange contracts	<b>1,014,852</b>	1,105,281	1,404,078
Interest rate swaps	<b>274,873</b>	272,363	205,028
Options	<b>282,413</b>	250,451	340,349
	<u><u>          </u></u>	<u><u>          </u></u>	<u><u>          </u></u>
<b>Derivatives held for hedging:</b>			
<i>Fair value hedges:</i>			
Forward foreign exchange contracts	<b>296,137</b>	306,290	534,142
Interest rate swaps	<b>106,663</b>	107,118	105,648
	<u><u>          </u></u>	<u><u>          </u></u>	<u><u>          </u></u>
<i>Cashflow hedges:</i>			
Interest rate swaps	<b>221,276</b>	177,551	123,671
	<u><u>          </u></u>	<u><u>          </u></u>	<u><u>          </u></u>

### 16 FAIR VALUE OF FINANCIAL INSTRUMENTS

Financial instruments comprise of financial assets and financial liabilities.

Fair value of financial instruments are not materially different from their carrying values except for certain financial assets available for sale which are carried at cost less impairment and medium term notes whose fair value amounts to KD 717,241 thousand (31 December 2016: KD 645,775 thousand) (Note 7). For financial assets and financial liabilities that are liquid or having a short-term maturity (less than three months) it is assumed that the carrying amounts approximate to their fair value. This assumption is also applied to demand deposits, savings accounts without a specific maturity and variable rate financial instruments.

Fair value of quoted securities is derived from quoted market prices in active markets, if available. For unquoted securities, fair value is estimated using appropriate valuation techniques. Such techniques may include using recent arm's length market transactions; reference to the current fair value of another instrument that is substantially the same; discounted cash flow analysis or other valuation models.

The fair values of the funds that are listed on active markets are determined by reference to their quoted bid prices. The fair values of unlisted funds are based on net asset values which are determined by the fund manager using the quoted market prices of the underlying assets, if available, or other acceptable methods such as a recent price paid by another investor or the market value of a comparable company.

#### **Fair value hierarchy**

The Group uses the following hierarchy for determining and disclosing the fair values of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in an active market for identical assets and liabilities;

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and

Level 3: other techniques which use inputs which have a significant effect on the recorded fair value are not based on observable market data.

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy:

Kuwait Projects Company Holding K.S.C.P. and Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at 31 March 2017

16 FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

	<i>Level 1</i> <i>KD 000's</i>	<i>Level 2</i> <i>KD 000's</i>	<i>Level 3</i> <i>KD 000's</i>	<i>Total fair value</i> <i>KD 000's</i>
<b>31 March 2017</b>				
<b>Assets measured at fair value</b>				
<i>Financial assets at fair value through profit or loss:</i>				
Equities	7,382	-	35,368	<b>42,750</b>
Debt securities	16,108	-	3,077	<b>19,185</b>
Managed funds	-	414	4,375	<b>4,789</b>
 <i>Financial assets available for sale:</i>				
Equities	47,658	10,557	38,208	<b>96,423</b>
Debt securities	172,822	-	40,676	<b>213,498</b>
Managed funds	-	16,306	60,672	<b>76,978</b>
 <b>31 December 2016</b>				
<b>Assets measured at fair value</b>				
<i>Financial assets at fair value through profit or loss:</i>				
Equity securities	5,687	-	35,173	40,860
Debt securities	7,869	-	5,447	13,316
Managed funds	-	407	4,654	5,061
 <i>Financial assets available for sale:</i>				
Equities	39,448	8,992	50,724	99,164
Debt securities	190,151	-	48,917	239,068
Managed funds	-	14,459	51,397	65,856
 Derivatives	-	34,685	-	34,685
 <b>Liabilities measured at fair value</b>				
Derivatives	-	(30,825)	-	(30,825)

# Kuwait Projects Company Holding K.S.C.P. and Subsidiaries

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at 31 March 2017

### 16 FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

	<i>Level 1</i> <i>KD 000's</i>	<i>Level 2</i> <i>KD 000's</i>	<i>Level 3</i> <i>KD 000's</i>	<i>Total fair value</i> <i>KD 000's</i>
31 March 2016				
Assets measured at fair value				
<i>Financial assets at fair value through profit or loss:</i>				
Quoted equity securities	10,615	-	28,285	38,900
Debt securities	11,147	-	5,316	16,463
Managed funds	3,008	513	1,407	4,928
<i>Financial assets available for sale:</i>				
Equities	70,447	8,664	17,437	96,548
Debt securities	188,235	-	40,402	228,637
Managed funds	-	17,066	53,553	70,619

There were no material transfers between the levels during the period. The impact on the consolidated statement of financial position or the consolidated statement of changes in equity is immaterial, if the relevant risk variables used to determine fair values for the unquoted securities are altered by 5%.