

**GLOBAL INVESTMENT HOUSE K.S.C.
(CLOSED)
AND ITS SUBSIDIARIES**

**INTERIM CONDENSED CONSOLIDATED
FINANCIAL INFORMATION (UNAUDITED)**

30 JUNE 2019

REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF GLOBAL INVESTMENT HOUSE K.S.C. (CLOSED)

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Global Investment House K.S.C. (Closed) (the "Parent Company") and its subsidiaries (collectively the "Group") as at 30 June 2019 and the related interim condensed consolidated statement of income and interim condensed consolidated statement of comprehensive income for the three months and six months periods then ended, and the related interim condensed consolidated statement of cash flows and interim condensed consolidated statement of changes in equity for six 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 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.

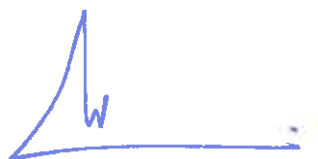
Report on Other Legal and Regulatory Requirements

Further, based on our review, the interim condensed consolidated financial information is in agreement with the books of account 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 as amended and its executive regulations, as amended, or of the Parent Company's Articles of Association and Memorandum of Incorporation during the six months period ended 30 June 2019 that might have had a material effect on the business of the Parent Company or on its financial position.

**REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED
FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF
GLOBAL INVESTMENT HOUSE K.S.C. (CLOSED) (continued)**

Report on Other Legal and Regulatory Requirements (continued)

We further report that, during the course of our review, we have not become aware of any 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 provisions of Law No. 7 of 2010, as amended, concerning the Capital Markets Authority and its related regulations during the six months period ended 30 June 2019 that might have had a material effect on the business of the Parent Company or on its financial position.



BADER A. AL-ABDULJADER
LICENCE NO. 207 A
EY
AL AIBAN, AL OSAIMI & PARTNERS

23 July 2019
Kuwait

Global Investment House K.S.C. (Closed) and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME
(UNAUDITED)

For the period ended 30 June 2019

	Note	Three months ended 30 June		Six months ended 30 June	
		2019 KD 000	2018 KD 000	2019 KD 000	2018 KD 000
INCOME					
Fees and commission income	4	2,127	2,458	5,642	4,945
Interest and similar income		347	309	659	626
Net gain (loss) on financial assets at fair value through profit or loss		747	(225)	657	529
Net loss on sale of investment properties		-	-	-	(90)
Foreign exchange (loss) gain		(103)	110	(13)	22
Other operating income		268	881	1,029	1,400
TOTAL INCOME		3,386	3,533	7,974	7,432
EXPENSES					
Personnel expenses		1,884	1,546	3,870	3,178
Other operating expenses		607	638	1,317	1,273
Depreciation of property and equipment		116	193	232	380
Net charge (write back) of expected credit losses on other financial assets		56	(233)	64	(153)
Net (write back) charge of provision for credit losses		(262)	18	(283)	(228)
TOTAL EXPENSES		2,401	2,162	5,200	4,450
PROFIT BEFORE PROVISION FOR CONTRIBUTION TO KFAS, ZAKAT AND DIRECTOR'S REMUNERATION		985	1,371	2,774	2,982
Provision for contribution to Kuwait Foundation for Advancement of Science (KFAS)		(11)	(8)	(27)	(23)
Provision for Zakat		(12)	(8)	(29)	(23)
Director's remuneration		(31)	-	(62)	-
PROFIT FOR THE PERIOD		931	1,355	2,656	2,936
Attributable to:					
Equity holders of the Parent Company		924	1,348	2,638	2,930
Non-controlling interests		7	7	18	6
		931	1,355	2,656	2,936

The attached notes 1 to 13 form part of this interim condensed consolidated financial information.

Global Investment House K.S.C. (Closed) and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE
INCOME (UNAUDITED)

For the period ended 30 June 2019

	<i>Three months ended</i> <i>30 June</i>		<i>Six months ended</i> <i>30 June</i>	
	<i>2019</i> <i>KD 000</i>	<i>2018</i> <i>KD 000</i>	<i>2019</i> <i>KD 000</i>	<i>2018</i> <i>KD 000</i>
Profit for the period	931	1,355	2,656	2,936
Other comprehensive (loss) income:				
<i>Items of other comprehensive (loss) income that are or may be reclassified to the interim condensed consolidated statement of income in subsequent periods:</i>				
Exchange differences on translation of foreign operations	(61)	131	1	(3)
<i>Items of other comprehensive (loss) income that will not be reclassified to the interim condensed consolidated statement of income in subsequent periods:</i>				
Net change in fair value of equity instruments at fair value through other comprehensive income	(20)	205	(281)	392
Net other comprehensive (loss) income for the period	(81)	336	(280)	389
Total comprehensive income for the period	850	1,691	2,376	3,325
Attributable to:				
Equity holders of the Parent Company	847	1,678	2,359	3,316
Non-controlling interests	3	13	17	9
	850	1,691	2,376	3,325

The attached notes 1 to 13 form part of this interim condensed consolidated financial information.

Global Investment House K.S.C. (Closed) and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

As at 30 June 2019

			(Audited)	
	Notes	30 June 2019 KD 000	31 December 2018 KD 000	30 June 2018 KD 000
ASSETS				
Bank balances and deposits	5	34,689	28,159	30,815
Investment securities	6	19,511	25,411	26,967
Loans and advances		5,725	6,000	6,071
Investments in associates		126	124	132
Investment properties		657	657	690
Property and equipment		7,182	7,397	7,628
Other assets	7	10,668	10,590	10,477
TOTAL ASSETS		78,558	78,338	82,780
EQUITY AND LIABILITIES				
Equity				
Share capital	8	49,517	49,517	57,017
Share premium		8,796	8,796	8,796
Treasury shares	8	(8,780)	(8,780)	(8,796)
Statutory reserve		2,654	2,654	2,173
General reserve		2,654	2,654	2,173
Cumulative changes in fair values		(73)	271	431
Foreign currency translation reserve		1,221	1,220	1,168
Retained earnings		10,818	8,116	7,419
Equity attributable to equity holders of the Parent Company		66,807	64,448	70,381
Non-controlling interests		1,340	1,505	1,503
Total equity		68,147	65,953	71,884
Liabilities				
Other liabilities		10,411	12,385	10,896
Total liabilities		10,411	12,385	10,896
TOTAL EQUITY AND LIABILITIES		78,558	78,338	82,780

Faisal Sarkhou
Chairman

Sulaiman Mohammad Al Rubaie
Chief Executive Officer

Global Investment House K.S.C. (Closed) and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(UNAUDITED)

For the period ended 30 June 2019

	<i>Note</i>	<i>Six months ended 30 June</i>	
		<i>2019 KD '000</i>	<i>2018 KD '000</i>
OPERATING ACTIVITIES			
Profit for the period		2,656	2,936
Adjustments for:			
Depreciation		232	380
Net write back of provision for credit losses		(283)	(228)
Net charge (write back) of expected credit losses on other financial assets		64	(153)
Interest and similar income		(659)	(626)
Dividend income		(573)	(886)
Net loss on sale of investment properties		-	90
		<u>1,437</u>	<u>1,513</u>
<i>Changes in operating assets and liabilities:</i>			
Financial assets at fair value through profit or loss		(235)	563
Loans and advances		556	(1,179)
Financial assets at fair value through other comprehensive income		5,816	96
Financial assets at amortised cost		64	63
Other assets		(172)	(1,813)
Other liabilities		(1,743)	508
		<u>5,723</u>	<u>(249)</u>
Cash flows from (used in) operations		659	613
Interest and similar income received		573	886
		<u>6,955</u>	<u>1,250</u>
Net cash flows from operating activities			
INVESTING ACTIVITIES			
Proceeds from sale of investment properties		-	717
Purchase of property and equipment		(17)	(23)
Net movement in deposits		(6,743)	243
Dividend paid to non-controlling interests		(182)	-
		<u>(6,942)</u>	<u>937</u>
Net cash flows (used in) from investing activities			
FINANCING ACTIVITIES			
Dividends paid to shareholders of the Parent Company		(32)	(2,677)
Capital reduction amount paid to shareholders of the Parent Company		(194)	(335)
		<u>(226)</u>	<u>(3,012)</u>
Net cash flows used in financing activities			
NET DECREASE IN CASH AND CASH EQUIVALENTS		<u>(213)</u>	<u>(825)</u>
Cash and cash equivalents at 1 January	5	<u>23,449</u>	<u>28,941</u>
CASH AND CASH EQUIVALENTS AT 30 JUNE	5	<u><u>23,236</u></u>	<u><u>28,116</u></u>

The attached notes 1 to 13 form part of this interim condensed consolidated financial information.

Global Investment House K.S.C. (Closed) and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the period ended 30 June 2019

	Attributable to the equity holders of the Parent Company						
	Share capital KD 000	Share premium KD 000	Treasury shares KD 000	Statutory reserve KD 000	General reserve KD 000	Cumulative changes in fair values KD 000	Foreign currency translation reserve KD 000
As at 1 January 2019	49,517	8,796	(8,780)	2,654	2,654	271	1,220
Profit for the period	-	-	-	-	-	-	-
Other comprehensive (loss) income for the period	-	-	-	-	-	(280)	1
Total comprehensive (loss) income for the period	-	-	-	-	-	(280)	1
Transfer of gain on disposal of equity investments at FVOCI to retained earnings	-	-	-	-	-	(64)	-
Dividend paid to non-controlling interests	-	-	-	-	-	-	-
As at 30 June 2019	49,517	8,796	(8,780)	2,654	2,654	(73)	1,221
As at 1 January 2018	57,017	8,796	(8,796)	2,173	2,173	42	1,171
Profit for the period	-	-	-	-	-	-	-
Other comprehensive income (loss) for the period	-	-	-	-	-	389	(3)
Total comprehensive income (loss) for the period	-	-	-	-	-	389	(3)
Dividend	-	-	-	-	-	-	-
As at 30 June 2018	57,017	8,796	(8,796)	2,173	2,173	431	1,168

Sub total
KD 000

Retained earnings
KD 000

Foreign currency translation reserve
KD 000

Cumulative changes in fair values
KD 000

General reserve
KD 000

Statutory reserve
KD 000

Treasury shares
KD 000

Share premium
KD 000

Share capital
KD 000

Non-controlling interests
KD 000

Total
KD 000

The attached notes 1 to 13 form part of this interim condensed consolidated financial information.

Global Investment House K.S.C. (Closed) and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

30 June 2019

1 CORPORATE INFORMATION

The Group comprises of Global Investment House K.S.C. (Closed) (the "Parent Company") and its Subsidiaries (collectively the "Group"). The Parent Company is a Kuwaiti shareholding company (closed) incorporated under the laws of the State of Kuwait on 16 June 1998. The Parent Company is regulated by the Capital Markets Authority (CMA) of Kuwait as an investment company and Central Bank of Kuwait (CBK) for financing activities.

The Group is principally engaged in provision of asset management, investment banking and brokerage activities. Its registered office is at Global Tower, Sharq, Al Shuhada St, P.O. Box 28807, Safat 13149, Kuwait. The Group primarily operates in the Gulf Co-operation Council (GCC) and other Middle Eastern and North African (MENA) countries. The Ultimate Parent Company of the Group is Kuwait Projects Company Holding K.S.C.P., an entity which is listed on Boursa Kuwait.

The shareholders at Annual General Assembly (AGM) held on 15 April 2019 approved the consolidated financial statements for the year ended 31 December 2018.

This interim condensed consolidated financial information for the period ended 30 June 2019 was authorised for issue in accordance with a resolution of the Parent Company's Board of Directors on 23 July 2019.

2 BASIS OF PRESENTATION

The interim condensed consolidated financial information of the Group for the six months ended 30 June 2019 has been prepared in accordance with International Accounting Standard 34 ("IAS 34"), Interim Financial Reporting.

The interim condensed consolidated financial information for the six months ended 30 June 2019 is prepared in accordance with the regulations issued by the Central Bank of Kuwait ("CBK") for financial services institutions in the State of Kuwait. These regulations require the expected credit loss ("ECL") on credit facilities to be measured at the higher of the amount computed under IFRS 9 in accordance 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). The ECL on loans and advances computed under IFRS 9 in accordance with the CBK guidelines amounted to KD 2,820 as at 30 June 2019 (31 December 2018: KD 3,244), which is lower than the provision required by CBK instructions.

The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2018.

Further, results for the six months period ended 30 June 2019, are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2019.

3 IMPACT OF CHANGES IN ACCOUNTING POLICIES DUE TO ADOPTION OF NEW STANDARDS

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2018, except for the adoption of new standards effective as of 1 January 2019. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The Group applies, for the first time, IFRS 16 "leases". The nature and effect of these changes are disclosed below.

IFRS 16 Leases

IFRS 16 supersedes IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model.

Global Investment House K.S.C. (Closed) and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL
INFORMATION (UNAUDITED)

30 June 2019

**3 IMPACT OF CHANGES IN ACCOUNTING POLICIES DUE TO ADOPTION OF NEW
STANDARDS (continued)**

IFRS 16 Leases (continued)

Lessor accounting under IFRS 16 is substantially unchanged under IAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in IAS 17. Therefore, IFRS 16 did not have an impact for leases where the Group is the lessor.

The Group adopted IFRS 16 using the modified retrospective method of adoption with the date of initial application of 1 January 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application. The Group elected to use the transition practical expedient allowing the standard to be applied only to contracts that were previously identified as leases applying IAS 17 and IFRIC 4 at the date of initial application. The Group also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option ('short-term leases'), and lease contracts for which the underlying asset is of low value ('low-value assets').

The effect of adoption IFRS 16 as at 1 January 2019 but do not have an impact on the interim condensed consolidated financial information of the Group.

Other amendments to IFRSs which are effective for annual accounting period starting from 1 January 2019 did not have any material impact on the accounting policies, financial position or performance of the Group.

4 FEES AND COMMISSION INCOME

	<i>Three months ended</i>		<i>Six months ended</i>	
	<i>30 June</i>		<i>30 June</i>	
	<i>2019</i>	<i>2018</i>	<i>2019</i>	<i>2018</i>
	<i>KD 000</i>	<i>KD 000</i>	<i>KD 000</i>	<i>KD 000</i>
Management fees on assets under management	1,681	1,781	3,420	3,713
Incentive fees on assets under management	139	(10)	1,548	161
Placement/initial/redemption/ fees – managed funds		257	31	322
Investment banking and advisory fees	3	244	5	421
Brokerage	304	186	638	328
	<u>2,127</u>	<u>2,458</u>	<u>5,642</u>	<u>4,945</u>

5 BANK BALANCES AND DEPOSITS

	<i>(Audited)</i>		
	<i>30 June</i>	<i>31 December</i>	<i>30 June</i>
	<i>2019</i>	<i>2018</i>	<i>2018</i>
	<i>KD 000</i>	<i>KD 000</i>	<i>KD 000</i>
Bank balances and cash	2,322	2,938	4,623
Bank balances and cash arising on consolidation	8,193	4,001	3,820
Deposits with banks arising on consolidation	5,742	5,954	5,707
Deposits with banks	18,432	15,266	16,665
	<u>34,689</u>	<u>28,159</u>	<u>30,815</u>
Less: deposits with banks with maturity of more than three months	(11,453)	(4,710)	(2,699)
Cash and cash equivalents in the interim condensed consolidated statement of cash flows	<u>23,236</u>	<u>23,449</u>	<u>28,116</u>

Global Investment House K.S.C. (Closed) and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

30 June 2019

6 INVESTMENT SECURITIES

	<i>30 June 2019 KD 000</i>	<i>(Audited) 31 December 2018 KD 000</i>	<i>30 June 2018 KD 000</i>
Financial assets at fair value through profit or loss	18,551	18,286	19,735
Financial assets at fair value through other comprehensive income	874	6,975	7,083
Financial assets at amortised cost	86	150	149
	<u>19,511</u>	<u>25,411</u>	<u>26,967</u>

7 OTHER ASSETS

Other assets include KD 1,500 thousand (31 December 2018 and 30 June 2018: KD 1,500 thousand) deposited in a bank under an escrow arrangement with the Parent Company's legal counsel for certain legal claims. Based on the advice of the legal counsel, this escrow arrangement does not represent any deterioration in the Group's legal position and no provision is required relating to these legal claims as at 30 June 2019.

8 EQUITY

(i) Share capital

	<i>Authorised (Audited)</i>			<i>Issued and fully paid (Audited)</i>		
	<i>30 June 2019 KD 000</i>	<i>31 December 2018 KD 000</i>	<i>30 June 2018 KD 000</i>	<i>30 June 2019 KD 000</i>	<i>31 December 2018 KD 000</i>	<i>30 June 2018 KD 000</i>
Shares of KD 0.100 each	<u>49,517</u>	<u>49,517</u>	<u>57,017</u>	<u>49,517</u>	<u>49,517</u>	<u>57,017</u>

The shareholders at Annual General Assembly (AGM) held on 15 April 2019 approved the consolidated financial statements for the year ended 31 December 2018.

The Extraordinary General Meeting (EGM) held on 6 September 2018 approved to reduce the Share Capital of the Parent Company by KD 7,500 thousand. This resulted in the reduction of authorized, issued and fully paid share capital of the Parent Company from KD 57,017 thousand to KD 49,517 thousand and the number of issued and fully paid up shares reduced from 570,168,980 shares to 495,168,980 shares. The shareholders were entitled to KD 0.100 cash for each share cancelled. The amount of capital reduction has been paid subsequent to the approval.

(ii) Treasury shares

	<i>30 June 2019</i>	<i>(Audited) 31 December 2018</i>	<i>30 June 2018</i>
Number of shares (000)	13,248	13,248	13,254
Percentage holding	2.68%	2.68%	2.32%
Cost of treasury shares (KD 000)	8,780	8,780	8,796

Market value of the treasury shares was non-determinable, as the Parent Company shares are not listed.

An amount equivalent to the cost of purchased of treasury shares have been earmarked as non-distributable from share premium throughout the holding period of treasury shares.

Global Investment House K.S.C. (Closed) and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

30 June 2019

9 RELATED PARTY TRANSACTIONS

In the normal course of business, the Group enters into various transactions with related parties (i.e. associates, major shareholders, directors and executive officers of the Parent Company) concerning financing and other related services. Prices and terms of payment are approved by the Group's management. Significant related party transactions and balances are as follows:

	30 June 2019 KD 000	(Audited) 31 December 2018 KD 000	30 June 2018 KD 000
Interim condensed consolidated statement of financial position			
Other assets	-	-	72
Other liabilities	-	-	4,086
Bank balances and deposits in other related parties	10	1,500	-

	Three months ended 30 June		Six months ended 30 June	
	2019 KD 000	2018 KD 000	2019 KD 000	2018 KD 000
Transactions included in interim condensed consolidated statement of income				
Fee and commission income	-	357	-	599
Interest and similar income	-	-	10	-
Independent directors fee (2019: fees is subject to AGM approval)	6	12	12	25
Board and board committees sitting fee, travel and other incidental expenses	5	8	11	12
Provision for directors remuneration subject to AGM approval	31	-	62	-

	Three months ended 30 June		Six months ended 30 June	
	2019 KD 000	2018 KD 000	2019 KD 000	2018 KD 000
Key management personnel compensation				
Short-term employee benefits	133	189	267	386
End of service benefits	13	18	27	37
	146	207	294	423

10 SEGMENTAL INFORMATION

For management purposes the continuing operations of the Group is organised into four major business segments:

- Assets Management: Managing of GCC, MENA and international managed funds, discretionary and non-discretionary portfolio management, custody services and co-investments in the Group's Asset Management products.
- Investment Banking and Advisory: Private placement of equities and debt, advising and managing listings, initial public offerings (IPOs), arranging conventional and Islamic debt, buy and sell side advisory, advising on strategy, privatisation, mergers, reverse mergers, acquisitions and debt restructuring.
- Brokerage: Quoted and unquoted equity and debt instruments brokerage activities and margin financing.
- Group Treasury and Asset based Income: Managing the Group's liquidity and foreign currency requirements, lending to corporate and individual customers and extremely limited and selective investing activities.

Global Investment House K.S.C. (Closed) and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL
INFORMATION (UNAUDITED)

30 June 2019

10 SEGMENTAL INFORMATION (continued)

<i>Six months ended 30 June 2019</i>					
	<i>Asset management KD '000</i>	<i>Investment banking and advisory KD '000</i>	<i>Brokerage KD '000</i>	<i>Group treasury and asset based income KD '000</i>	<i>Total KD '000</i>
Revenue – fee based	4,999	5	638	-	5,642
Revenue – asset based	881	-	127	1,324	2,332
Total segment revenue	5,880	5	765	1,324	7,974
Segment result – fee based	835	(376)	151	-	610
Segment result – asset based	881	-	(54)	1,219	2,046
Total segment result	1,716	(376)	97	1,219	2,656
<i>Six months ended 30 June 2018</i>					
	<i>Asset management KD '000</i>	<i>Investment banking and advisory KD '000</i>	<i>Brokerage KD '000</i>	<i>Group treasury and asset based income KD '000</i>	<i>Total KD '000</i>
Revenue – fee based	4,195	422	328	-	4,945
Revenue – asset based	870	-	264	1,353	2,487
Total segment revenue	5,065	422	592	1,353	7,432
Segment result – fee based	643	(75)	(119)	-	449
Segment result – asset based	870	-	105	1,512	2,487
Total segment result	1,513	(75)	(14)	1,512	2,936
	<i>Asset management KD '000</i>	<i>Investment banking and advisory KD '000</i>	<i>Brokerage KD '000</i>	<i>Group treasury and asset based income KD '000</i>	<i>Total KD '000</i>
30 June 2019					
Total segment assets	22,782	88	19,017	36,671	78,558
Total segment liabilities	3,980	-	730	5,701	10,411
31 December 2018 (Audited)					
Total segment assets	21,945	91	19,693	36,609	78,338
Total segment liabilities	2,585	-	764	9,036	12,385
30 June 2018					
Total segment assets	22,709	94	19,556	40,421	82,780
Total segment liabilities	2,523	-	587	7,786	10,896

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL
INFORMATION (UNAUDITED)

30 June 2019

11 FIDUCIARY ACCOUNTS

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

The aggregate value of assets held in a fiduciary capacity by the Group at 30 June 2019 amounted to KD 860 million (31 December 2018: KD 863 million and 30 June 2018: KD 937 million).

12 CONTINGENT LIABILITIES AND COMMITMENTS

The total outstanding contingent liabilities and commitments are as follows:

	<i>30 June</i> <i>2019</i> <i>KD 000</i>	<i>(Audited)</i> <i>31 December</i> <i>2018</i> <i>KD 000</i>	<i>30 June</i> <i>2018</i> <i>KD 000</i>
Commitments			
Commitments to invest in private equity funds	516	516	515
Uncalled share capital	78	75	85
Contingent liability			
Irrevocable and unconditional bank guarantee	611	611	610

Commitments to invest in private equity funds

Commitments to invest in private equity funds represent the uncalled capital by the investment managers (general partners) of various private equity funds in which the Group has made investments. The capital can be called at the investment manager's discretion.

Parent Company in its capacity as an investment manager for a fund has given a guarantee to a foreign bank for future investment obligations in connection with a real estate transaction of the fund. The additional investment, which is highly unlikely in the event of the guarantee being exercised, is estimated to be KD 2,000 thousand (31 December 2018 and 30 June 2018: KD 2,000).

The Group is engaged in litigation cases, which involve claims made by and against the Group which have arisen in the ordinary course of business. The management of the Group, after reviewing the claims pending against the Parent Company and Group companies and based on the advice of the relevant professional legal advisors, are satisfied that the outcome of these claims will not have a material adverse effect on the interim condensed consolidated financial statement of the Group. Refer note 7 for details on amounts deposited under escrow arrangements for certain legal losses.

13 FAIR VALUES MEASUREMENT

Fair values of all financial instruments are not materially different from their carrying values. The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: quoted (unadjusted) prices in active markets for identical assets or 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.
- Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

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13 FAIR VALUES MEASUREMENT (continued)

30 June 2019	Level 1 KD 000	Level 2 KD 000	Level 3 KD 000	Total KD 000
<i>Financial assets at fair value through profit or loss :</i>				
Unquoted equity securities	-	-	85	85
Quoted equity securities	811	-	-	811
Managed funds and portfolios	-	13,648	4,007	17,655
<i>Financial assets at fair value through other comprehensive income :</i>				
Unquoted securities	-	-	755	755
Quoted equity securities	119	-	-	119
31 December 2018 (Audited)	Level 1 KD 000	Level 2 KD 000	Level 3 KD 000	Total KD 000
<i>Financial assets at fair value through profit or loss :</i>				
Unquoted equity securities	-	-	85	85
Quoted equity securities	424	-	-	424
Managed funds and portfolios	-	12,947	4,830	17,777
<i>Financial assets at fair value through other comprehensive income :</i>				
Unquoted equity securities	-	-	2,897	2,897
Quoted equity securities	4,078	-	-	4,078
30 June 2018	Level 1 KD 000	Level 2 KD 000	Level 3 KD 000	Total KD 000
<i>Financial assets at fair value through profit or loss :</i>				
Unquoted equity securities	-	-	94	94
Quoted equity securities	573	-	-	573
Managed funds and portfolios	-	12,820	6,248	19,068
<i>Financial assets at fair value through other comprehensive income :</i>				
Unquoted securities	-	-	3,060	3,060
Quoted equity securities	4,023	-	-	4,023

During the period ended 30 June 2019, equity investment at FVTPL amounting to KD 576 thousand (31 December 2018 and 30 June 2018: KD Nil) were transferred from level 2 to level 1 and equity investment at FVOCI amounting to KD 70 thousand (31 December 2018 and 30 June 2018: KD Nil) was transferred from Level 3 to Level 1 due to listing of the underlying securities on stock exchange.

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13 FAIR VALUES MEASUREMENT (continued)

The following table shows a reconciliation of the opening and closing amount of level 3 assets which are recorded at fair value.

	<i>At 1 January 2019 KD 000</i>	<i>Loss recorded in the interim condensed consolidated statement of income KD 000</i>	<i>(Sales and settlements) KD 000</i>	<i>Transfer out from level 3 KD 000</i>	<i>Loss recorded in interim condensed consolidated statement of comprehensive income KD 000</i>	<i>At 30 June 2019 KD 000</i>
30 June 2019						
<i>Financial assets at fair value through profit or loss:</i>						
Unquoted equity securities	85	-	-	-	-	85
Managed funds and portfolio	4,830	(597)	(226)	-	-	4,007
<i>Financial assets at fair value through other comprehensive income:</i>						
Unquoted securities	2,897	-	(2,043)	(70)	(29)	755
		<i>Gain (loss) recorded in the consolidated statement of income KD 000</i>	<i>(Sales and settlements), Net purchases KD 000</i>	<i>Transfer out from Level 3 KD 000</i>	<i>(Loss) gain recorded in other comprehensive income KD 000</i>	<i>As at 31 December 2018 KD 000</i>
31 December 2018 (Audited)						
<i>Financial assets at fair value through profit or loss:</i>						
Unquoted equity securities	316	81	(312)	-	-	85
Managed Funds and portfolio	6,989	(939)	(1,220)	-	-	4,830
<i>Financial assets at fair value through other comprehensive income :</i>						
Unquoted securities	3,007	-	83	-	(193)	2,897

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13 FAIR VALUES MEASUREMENT (continued)

	At 1 January 2018 KD 000's	Gain (loss) recorded in the interim condensed consolidated statement of income KD 000's	Net purchases, (sales and settlements) KD 000's	Transfer out from Level 3 KD 000's	Loss recorded in interim condensed consolidated statement of comprehensive income KD 000's	At 30 June 2018 KD 000's
<i>Financial assets at fair value through profit or loss:</i>						
Unquoted equity securities	316	95	(317)	-	-	94
Managed funds and portfolio	6,989	(405)	(336)	-	-	6,248
<i>Financial assets at fair value through other comprehensive income :</i>						
Unquoted securities	3,007	-	80	-	(27)	3,060

The Group recorded net loss of KD 597 thousand (31 December 2018: KD 858 thousand and 30 June 2018: KD 400 thousand) in the interim condensed consolidated statement of income with respect to assets classified under level 3.

Description of significant unobservable inputs to valuation of assets:

Unquoted equity securities are valued based on book value and price to book multiple method, multiples using latest financial statements available of the investee entities and adjusted for lack of marketability discount in the range of 25% to 50%. The Group has determined that market participants would take into account these discounts when pricing the investments.

Funds and managed portfolio have been valued based on Net Asset Value (NAV) of the fund provided by the custodian of the fund or portfolio and certain managed funds were adjusted for lack of marketability discount by 15% to 25%.

A change in assumptions used for valuing the Level 3 financial instruments, by possible using an alternative $\pm 5\%$ higher or lower liquidity and market discount could have resulted in increase or decrease in the results by KD 205 thousand (31 December 2018: KD 246 thousand and 30 June 2018: KD 317 thousand) and increase or decrease in other comprehensive income by KD 38 thousand (31 December 2018: KD 145 thousand and 30 June 2018: KD 153 thousand).

Other financial assets and liabilities are carried at amortised cost and the carrying values are not materially different from their fair values as most of these assets and liabilities are of short term maturities or are repriced immediately based on market movement in interest rates. Fair values of remaining financial assets and liabilities carried at amortised cost are estimated using valuation techniques incorporating certain assumptions such as credit spreads that are appropriate in the circumstances.