

**National International Holding Company K.S.C.P.  
And its subsidiaries  
State of Kuwait**

**Interim Condensed Consolidated Financial Information  
And Review Report  
For the nine months period ended 30 September 2017  
(Unaudited)**

**National International Holding Company K.S.C.P.**  
And its subsidiaries  
State of Kuwait

Interim Condensed Consolidated Financial Information  
And Review Report  
For the nine months period ended 30 September 2017  
(Unaudited)

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## **National International Holding Company K.S.C.P.**

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### **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 National International Holding Company K.S.C.P. (the "Parent Company") and its subsidiaries (together referred to as "the Group") as at 30 September 2017, and the related interim condensed consolidated statements of income, comprehensive income, changes in equity and cash flows for the nine 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 International Accounting Standard No. (34) "Interim Financial Reporting". 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 International Accounting Standard No. (34) "Interim Financial Reporting".

#### **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, the executive regulations, as amended, or of the Parent Company's Memorandum of Incorporation and Articles of Association, as amended, during the nine months period ended 30 September 2017 that might have had a material effect on the business of the Group or on its consolidated financial position.



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**Bader A. Al-Wazzan**

Licence No. 62A

Deloitte & Touche, Al-Wazzan & Co.

Kuwait, 7 November 2017

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**Interim Condensed Consolidated Statement of Financial Position as at 30 September 2017****(Unaudited)***(All amounts are in Kuwaiti Dinar)*

	Note	30 September 2017	31 December 2016 (Audited)	30 September 2016
<b>Assets</b>				
Cash and cash equivalents	3	443,756	4,492,928	3,761,930
Accounts receivable and other assets		1,849,853	1,384,312	1,628,063
Financial assets at fair value through profit or loss		85,954	117,678	141,549
Inventories		1,039,580	1,252,304	1,174,279
Financial assets available for sale	4	16,448,344	16,479,743	17,880,410
Investment in associates	5	17,490,652	11,764,433	7,901,540
Investment properties		2,605,819	2,605,819	2,668,070
Furniture and equipment		4,010,203	4,047,134	4,041,221
<b>Total assets</b>		<b>43,974,161</b>	<b>42,144,351</b>	<b>39,197,062</b>
<b>Liabilities and equity</b>				
<b>Liabilities</b>				
Bank overdrafts	3	375,635	398,847	574,576
Murabaha payable		2,511,709	1,404,239	1,522,288
Accounts payable and other liabilities		2,448,809	3,473,379	2,736,939
<b>Total liabilities</b>		<b>5,336,153</b>	<b>5,276,465</b>	<b>4,833,803</b>
<b>Equity</b>				
Share capital		21,687,750	21,687,750	21,687,750
Share premium		2,813,184	2,813,184	2,813,184
Statutory reserve		560,389	560,389	295,409
Cumulative changes in fair values reserve		11,255,425	10,558,060	7,586,606
Treasury shares	6	(1,873,467)	(1,711,249)	(1,581,980)
Treasury shares reserve		318,561	318,561	318,561
Retained earnings		3,876,166	2,641,191	3,243,729
<b>Total equity</b>		<b>38,638,008</b>	<b>36,867,886</b>	<b>34,363,259</b>
<b>Total liabilities and equity</b>		<b>43,974,161</b>	<b>42,144,351</b>	<b>39,197,062</b>

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

  
Abdul Wahab Mohamed Al-Wazzan  
Chairman  
Mamdouh Abdul Ghani El Sherbiny  
Chief Executive Officer

**National International Holding Company K.S.C.P.**

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**Interim Condensed Consolidated Statement of Income for the nine months period ended 30 September 2017  
(Unaudited)***(All amounts are in Kuwaiti Dinar)*

	<b>Note</b>	<b>Three months ended</b>		<b>Nine months ended</b>	
		<b>30 September</b>		<b>30 September</b>	
		<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
<b>Revenues</b>					
Net investment income	7	5,010	29,092	1,182,033	2,516,765
Gain on bargain purchase		-	-	-	539,808
Share of results of associates		-	-	(34,281)	-
Gain on partial disposal of an associate	5	21,911	-	21,911	-
Profit from operating activities		286,191	421,537	1,070,648	781,610
Other income		<u>80,330</u>	<u>67,676</u>	<u>95,641</u>	<u>75,331</u>
		<u>393,442</u>	<u>518,305</u>	<u>2,335,952</u>	<u>3,913,514</u>
<b>Expenses</b>					
Other expenses		(337,862)	(368,528)	(986,079)	(883,607)
Finance costs		<u>(19,018)</u>	<u>(23,347)</u>	<u>(58,009)</u>	<u>(51,672)</u>
		<u>(356,880)</u>	<u>(391,875)</u>	<u>(1,044,088)</u>	<u>(935,279)</u>
<b>Profit for the period before deductions</b>		36,562	126,430	1,291,864	2,978,235
Contribution to KFAS		(329)	1,714	(11,627)	(26,804)
National Labour Support Tax		(1,690)	(1,327)	(33,491)	(74,107)
Zakat		<u>(311)</u>	<u>(2,081)</u>	<u>(11,771)</u>	<u>(28,488)</u>
<b>Profit for the period</b>		<u>34,232</u>	<u>124,736</u>	<u>1,234,975</u>	<u>2,848,836</u>
Basic and diluted earnings per share (fils)	8	<u>0.17</u>	<u>0.59</u>	<u>6.11</u>	<u>13.53</u>

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

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**Interim Condensed Consolidated Statement of Comprehensive Income for the nine months period ended  
30 September 2017  
(Unaudited)***(All amounts are in Kuwaiti Dinar)*

	<b>Three months ended</b>		<b>Nine months ended</b>	
	<b>30 September</b>		<b>30 September</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
<b>Profit for the period</b>	<u>34,232</u>	<u>124,736</u>	<u>1,234,975</u>	<u>2,848,836</u>
<b>Other comprehensive income items:</b>				
<i><u>Items that are or may be reclassified subsequently to the interim condensed consolidated statement of income:</u></i>				
Change in fair values	145,761	(2,422,946)	645,099	(3,027,249)
Impairment	-	38,486	21,569	526,469
Disposals	<u>(8,115)</u>	<u>41,822</u>	<u>30,697</u>	<u>19,776</u>
<b>Other comprehensive income/ (loss) items for the period</b>	<u>137,646</u>	<u>(2,342,638)</u>	<u>697,365</u>	<u>(2,481,004)</u>
<b>Total comprehensive income/ (loss) for the period</b>	<u>171,878</u>	<u>(2,217,902)</u>	<u>1,932,340</u>	<u>367,832</u>

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

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**Interim Condensed Consolidated Statement of Changes in Equity for the nine months period ended 30 September 2017  
(Unaudited)***(All amounts are in Kuwaiti Dinar)*

	<b>Share capital</b>	<b>Share premium</b>	<b>Statutory reserve</b>	<b>Cumulative changes in fair values reserve</b>	<b>Treasury shares</b>	<b>Treasury shares reserve</b>	<b>Retained earnings</b>	<b>Total</b>
<b>As at 1 January 2017</b>	21,687,750	2,813,184	560,389	10,558,060	(1,711,249)	318,561	2,641,191	36,867,886
Profit for the period	-	-	-	-	-	-	1,234,975	1,234,975
Other comprehensive income items for the period	-	-	-	697,365	-	-	-	697,365
Total comprehensive income for the period	-	-	-	697,365	-	-	1,234,975	1,932,340
Purchase of treasury shares	-	-	-	-	(162,218)	-	-	(162,218)
<b>As at 30 September 2017</b>	<b>21,687,750</b>	<b>2,813,184</b>	<b>560,389</b>	<b>11,255,425</b>	<b>(1,873,467)</b>	<b>318,561</b>	<b>3,876,166</b>	<b>38,638,008</b>
<b>As at 1 January 2016</b>	21,687,750	2,813,184	295,409	10,067,610	(1,357,272)	318,561	394,893	34,220,135
Profit for the period	-	-	-	-	-	-	2,848,836	2,848,836
Other comprehensive loss items for the period	-	-	-	(2,481,004)	-	-	-	(2,481,004)
Total comprehensive (loss)/ income for the period	-	-	-	(2,481,004)	-	-	2,848,836	367,832
Purchase of treasury shares	-	-	-	-	(224,708)	-	-	(224,708)
<b>As at 30 September 2016</b>	<b>21,687,750</b>	<b>2,813,184</b>	<b>295,409</b>	<b>7,586,606</b>	<b>(1,581,980)</b>	<b>318,561</b>	<b>3,243,729</b>	<b>34,363,259</b>

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

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**Interim Condensed Consolidated Statement of Cash Flows for the nine months period ended 30 September 2017  
(Unaudited)***(All amounts are in Kuwaiti Dinar)*

	Note	Nine months ended	
		30 September	
		2017	2016
<b>Cash flow from operating activities</b>			
Profit for the period		1,234,975	2,848,836
<i>Adjustments:</i>			
Net investment income	7	(1,182,033)	(2,516,765)
Gain on bargain purchase		-	(539,808)
Share of result of associates		34,281	-
Gain on sale of investment properties		-	(26)
Gain on partial disposal of an associate		(21,911)	-
Provision for doubtful debts		11,200	-
Depreciation		109,546	24,916
Provision for employees' end of service benefits		76,687	27,108
Finance costs		58,009	51,672
Operating profits/ (losses) before changes in working capital		320,754	(104,067)
Accounts receivable and other assets		(303,238)	113,832
Financial assets at fair value through profit or loss		51,638	96,630
Inventories		212,724	(106,094)
Accounts payable and other liabilities		(351,257)	880,785
Net cash (used in)/ generated from operating activities		(69,379)	881,086
<b>Cash flow from investing activities</b>			
Purchase of financial assets available for sale		(889,981)	(1,342,935)
Proceeds from sale of financial assets available for sale		1,819,985	2,060,361
Proceeds from sale of investment properties		-	90,371
Acquisition of an associate		(7,087,092)	-
Proceeds from partial disposal of an associate		425,000	-
Purchase of furniture and equipment		(72,615)	(118,114)
Dividends income received		960,879	569,130
Net cash (used in)/ generated from investing activities		(4,843,824)	1,258,813
<b>Cash flow from financing activities</b>			
Net changes in Murabha payable		1,107,470	(190,196)
Finance costs paid		(58,009)	(51,672)
Purchase of treasury shares		(162,218)	(224,708)
Net cash generated from/ (used in) financing activities		887,243	(466,576)
<b>(Decrease)/ increase in cash and cash equivalents</b>		(4,025,960)	1,673,323
Cash and cash equivalents at the beginning of the period		4,094,081	1,514,031
<b>Cash and cash equivalents at the end of the period</b>	3	68,121	3,187,354

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

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### Notes to the Interim Condensed Consolidated Financial Information for the nine months period ended 30 September 2017

(Unaudited)

(All amounts are in Kuwaiti Dinar unless otherwise stated)

#### 1. Incorporation and activities

The Parent Company is a Kuwaiti Public Shareholding Company registered and incorporated in Kuwait on 14 January 1979 whose shares are listed on the Kuwait Stock Exchange and the Dubai Financial Market. The Parent Company is engaged in investing activities in both local and international markets as set forth in Article No. 5 of the Parent Company's Articles of Association. The Parent Company is regulated by the Capital Market Authority ("CMA").

The registered office of the Parent Company is located at Al -Raya Tower 2, Floor 45, Abdulaziz Al-Saqer Street, P.O. Box 25825 Safat Kuwait.

The interim condensed consolidated financial information includes the financial statements of the Parent Company and its subsidiaries, together referred to as "the Group" as follows:

Company Name	Country of incorporation	Principal activity	Equity Interest (%)		
			30 September 2017	31 December 2016 (Audited)	30 September 2016
Al Oula National Real Estate Company <i>sole proprietorship</i>	Kuwait	Real estate activities	100	100	100
Al Ghad Project Management Company <i>sole proprietorship</i>	Kuwait	Real estate projects management	100	100	100
Al Ghad International General Trading W.L.L.	Kuwait	General Trading	100	100	100
Ahlia Chemicals Company K.S.C.C.	Kuwait	Manufacturing	100	100	100

The Group's ownership in Ahlia Chemicals Company includes 39.3% as per assignment letters.

The Group does not have any subsidiaries with non-controlling interests.

The Group has pledged 60.7% of Ahlia Chemicals Company's shares against credit facilities granted by a local bank.

The consolidated financial statements for the year ended 31 December 2016 were approved in the general assembly of the shareholders dated 1 May 2017 and also approved Board of Directors' recommendation not to distribute dividends for the financial year 2016.

This interim condensed consolidated financial information was approved for issue by the Board of Directors in the meeting held on 7 November 2017.

#### 2. Basis of preparation for financial information

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 (IFRSs).

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 30 September 2017 are not necessarily indicative of the results that may be expected for the year ending 31 December 2017. For further information, refer to the consolidated financial statements and its related notes for the year ended 31 December 2016.

The accounting policies used in the preparation of the interim condensed consolidated financial information are consistent with those used in the preparation of the consolidated financial statements for the year ended 31 December 2016, except for the adoption of the new and amended IFRS, which become effective for annual periods beginning on or after 1 January 2017 as follows:

- Amendments to IAS 12 Income Taxes relating to the recognition of deferred tax assets for unrealised losses
- Amendments to IAS 7 Statement of Cash Flows to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities.
- Annual Improvements to IFRS Standards 2014-2016 Cycle - Amendments to IFRS 12

The adoption of these amendments did not have any significant or material impact on the interim condensed consolidated financial information of the Group.

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**Notes to the Interim Condensed Consolidated Financial Information for the nine months period ended 30 September 2017****(Unaudited)***(All amounts are in Kuwaiti Dinar unless otherwise stated)***3. Cash and cash equivalents**

	<b>30 September 2017</b>	<b>31 December 2016 (Audited)</b>	<b>30 September 2016</b>
Cash on hand	3,666	2,211	6,141
Cash at banks and portfolios	440,090	4,490,717	1,390,981
Bank deposits	-	-	2,364,808
Total cash and bank balances	<u>443,756</u>	<u>4,492,928</u>	<u>3,761,930</u>
Bank overdrafts	<u>(375,635)</u>	<u>(398,847)</u>	<u>(574,576)</u>
Total cash and cash equivalents	<u>68,121</u>	<u>4,094,081</u>	<u>3,187,354</u>

Bank overdraft is payable to a local bank and is denominated in Kuwaiti Dinars. Bank overdraft carries interest at an average rate of 3% (3% - 31 December 2016 and 2.5% - 30 September 2016) per annum over the Central Bank of Kuwait discount rate.

**4. Financial assets available for sale**

	<b>30 September 2017</b>	<b>31 December 2016 (Audited)</b>	<b>30 September 2016</b>
Local and foreign quoted equity securities	706,215	1,438,473	2,649,668
Local and foreign unquoted equity securities	15,696,079	14,998,119	15,181,002
Foreign managed funds	46,050	43,151	49,740
	<u>16,448,344</u>	<u>16,479,743</u>	<u>17,880,410</u>

As at 30 September 2017, local and foreign unquoted equity securities amounting KD 1,332,820 (KD 2,161,030 - 31 December 2016 and KD 2,004,668 - 30 September 2016) are carried at cost less impairment as these securities do not have a quoted market price and their fair values cannot be reliably measured. The management believes that there is no indication of impairment in these investments.

Financial assets available for sale include local quoted and unquoted securities with fair value of KD 1,457,364 as at 30 September 2017 (KD 323,260 - 31 December 2016 and KD 306,802 - 30 September 2016) pledged as collateral against credit facilities granted by a local bank.

Fair value hierarchy disclosures for financial assets available for sale are provided in Note 10.

**5. Investment in associates**

<b>Company name</b>	<b>Place of Incorporation</b>	<b>Principal Activities</b>	<b>Proportion of ownership interest (%)</b>	
			<b>30 September 2017</b>	<b>31 December 2016 (Audited)</b>
Dubai Wellness Center Limited "DWC"	Isle of Man	Providing healthcare services in United Arab Emirates	33	40
Future Fibre Technologies Limited "FFT"	Australia	Delivery and maintenance of fibre optic perimeter intrusion detection systems	22	22
Specialities Group Holding Co.	Kuwait	Owning shares in Kuwaiti and Non-Kuwaiti shareholders companies	29.5	-

The Group sold 16% of its shares of Dubai Wellness Center Limited "DWC" to third party with a total consideration of KD 3.25 million. During the current period, the Group disposed 7% which resulted in gain by KD 21,911 were recognised in the interim condensed consolidated statement of income for the current period, the remaining shares will be disposed upon completing the contract terms.

On 13 August 2017, the Group acquired 29.5% equity interest in Specialities Group Holding Company. The principal activities of the Company is owning shares in Kuwaiti or Non-Kuwaiti Share Holding Companies.

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At the acquisition date, the provisional values of assets acquired and liabilities assumed of the associate are summarized as follows:

	KD
Property, plant and equipment	1,968,394
Intangible assets	772,187
Investment properties	546,819
Investment in associates	3,378,454
Financial assets available for sale	10,788
Accounts receivable and other debit balances	6,801,575
Inventory	2,393,230
Trading properties	2,690,795
Due from related parties	1,326
Financial assets at fair value through profit or loss	82,262
Cash and cash equivalents	9,541,182
<b>Total assets</b>	<b>28,187,012</b>
Accounts payable and other liabilities	(3,729,557)
Employees' end of service benefits	(433,414)
<b>Total liabilities</b>	<b>(4,162,971)</b>
<b>Net identifiable assets</b>	<b>24,024,041</b>
<b>The Group's share of net assets of the associate (29.5%)</b>	<b>7,087,092</b>
<b>Consideration paid</b>	<b>(7,087,092)</b>

Specialities Group Holding Company has been recorded based on the provisional values assigned to the identifiable assets and liabilities as on the acquisition date. The management is in the process of determining the fair value of assets acquired and liabilities assumed.

The shares of Specialities Group Holding Company are pledged against credit facilities granted by a local bank.

Had Specialities Group Holding Company been accounted from 1 January 2017, profit for the period would have been higher by KD 64,374.

The fair value based on quoted price (level 1) for the investment in Specialities Group Holding Company is KD 3,805,500 and FFT is KD 745,562 as at 30 September 2017.

**6. Treasury shares**

	<b>30 September 2017</b>	<b>31 December 2016 (Audited)</b>	<b>30 September 2016</b>
Number of shares	15,940,207	13,316,772	11,180,968
Percentage of issued shares (%)	7	6	5
Market value (KD)	1,219,426	812,323	603,772

The Parent Company is committed to retain reserves and retained earnings equivalent to the treasury shares value throughout the period, in which they are held by the Parent Company, pursuant to the instructions of the relevant regulatory authorities. These shares are not pledged.

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**(Unaudited)**

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

**7. Net investment income**

	Three months ended 30 September		Nine months ended 30 September	
	2017	2016	2017	2016
<i>Financial assets at fair value through profit or loss</i>				
Realised gain on sale	20	1,437	34,102	20,861
Change in fair value	2,835	7,165	(14,188)	(19,054)
	<u>2,855</u>	<u>8,602</u>	<u>19,914</u>	<u>1,807</u>
<i>Financial assets available for sale</i>				
Realised (loss)/ gain on sale	(3,136)	338	222,809	22,384
Realised gain arising from the exchange of financial assets available for sale*	-	-	-	2,449,913
Impairment losses	-	(38,486)	(21,569)	(526,469)
	<u>(3,136)</u>	<u>(38,148)</u>	<u>201,240</u>	<u>1,945,828</u>
<i>Dividends income</i>				
	<u>5,291</u>	<u>58,638</u>	<u>960,879</u>	<u>569,130</u>
	<u>5,010</u>	<u>29,092</u>	<u>1,182,033</u>	<u>2,516,765</u>

\* Realised gain on asset swap represents the excess of the fair value of the assets acquired against the assets surrendered as part of an asset swap agreement, which consisted of exchanging unquoted financial assets available for sale and investment in associates.

**8. Basic and diluted earnings per share**

Basic earnings per share are calculated by dividing the profit for the period by the weighted average number of ordinary shares outstanding during the period (excluding treasury shares). Diluted earnings per share is calculated by dividing the profit for the period by the weighted average number of ordinary shares outstanding during the period (excluding treasury shares) plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares. As at 30 September, the Parent Company has no outstanding dilutive potential ordinary shares.

The information necessary to calculate basic and diluted earnings per share for the nine months period ended 30 September is as follows:

	Three months ended 30 September		Nine months ended 30 September	
	2017	2016	2017	2016
Profit for the period	34,232	124,736	1,234,975	2,848,836
Weighted average number of outstanding ordinary shares (share)	<u>200,937,293</u>	<u>210,534,186</u>	<u>202,248,097</u>	<u>210,579,620</u>
Earnings per share (fils)	<u>0.17</u>	<u>0.59</u>	<u>6.11</u>	<u>13.53</u>

**9. Related party transactions**

These represent transactions with related parties that include major shareholders, directors, executive officers and key management personnel of the Group, close members of their families and companies of which they are principal owners or over which they are able to exercise control or significant influence entered into by the Group in the ordinary course of business. The Parent Company's management approves pricing policies and terms of these transactions.

Balances and transactions included in the interim condensed consolidated statement of financial information are as follows:

	Three months ended 30 September		Nine months ended 30 September	
	2017	2016	2017	2016
<b>Key management compensation:</b>				
Salaries and other short term benefits	42,700	40,950	125,350	127,850
Employees' end of service benefits	6,666	5,906	19,982	17,720
	<u>49,366</u>	<u>46,856</u>	<u>145,332</u>	<u>145,570</u>

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**Notes to the Interim Condensed Consolidated Financial Information for the nine months period ended 30 September 2017 (Unaudited)**

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

**10. Fair value measurement**

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

- Level one: Quoted prices in active markets for identical financial instruments.
- Level two: Quoted prices in an active market for similar instruments. Quoted prices for identical assets or liabilities in market that are not active. Inputs other than quoted prices that are observable for assets and liabilities.
- Level nine: Inputs for the asset or liabilities that are not based on observable market data.

Fair value of the Group's financial assets that are measured at fair value on a recurring basis, the table below gives information about how the fair values of the financial assets 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
	30/09/17	31/12/16	30/09/16				
<b><i>Fair value through P&amp;L</i></b>							
Local quoted equity securities	85,954	117,678	141,549	1	Bid prices	-	-
<b><i>Available for sale</i></b>							
Local and foreign quoted equity securities	706,215	1,438,473	2,649,668	1	Bid prices	-	-
Foreign managed funds	46,050	43,151	49,740	2	NAV report	-	-
Local and foreign unquoted equity securities	14,363,259	12,837,089	13,176,334	3	Peer market price to book value of similar companies in the same industry	Peer market price to book value factor and discount for lack of market availability	Changes in market multiple and discount rate will result change in fair values

During the period there were no transfers between Levels of fair value measurements.

The following table shows a reconciliation of the opening and closing amount of level 3 financial assets available for sale which are recorded at fair value:

	At the beginning of the period/year	Net gains recorded in the interim condensed consolidated statement of income	Net gain/ (losses) recorded in the consolidated statement of comprehensive income	Net purchases, transfers, sales and settlements	At the end of the period/year
<b><i>Financial assets available for sale:</i></b>					
Local and foreign unquoted equity securities					
30 September 2017	12,837,089	-	691,755	834,415	14,363,259
31 December 2016 (Audited)	19,599,208	1,531,402	(163,794)	(8,129,727)	12,837,089
30 September 2016	19,599,208	1,531,402	262,018	(8,216,294)	13,176,334

The fair values of financial assets and financial liabilities that are not measured at fair value on a recurring basis approximately equals their carrying values as on the date of the interim condensed consolidated financial information.

**National International Holding Company K.S.C.P.**

And its subsidiaries

State of Kuwait

**Notes to the Interim Condensed Consolidated Financial Information for the nine months period ended 30 September 2017****(Unaudited)***(All amounts are in Kuwaiti Dinar unless otherwise stated)***11. Segment information**

The Group is organized into business units based on their products and services, and has two reportable operating segments as follows:

- Financial investing activities comprise participation in financial and real estate funds and managing the Group's liquidity requirements; and
- Real estate investing activities comprise investing and trading in real estate and construction or development of real estate for the purpose of sale in the ordinary course of business and other related real estate services.
- Industrial activities comprise manufacturing and selling of chemical products.

The segment reporting information is as follows:

	<b>Period ended 30 September 2017</b>				
	<b>Industrial activities</b>	<b>Real estate investing activities</b>	<b>Financial investing activities</b>	<b>Unallocated</b>	<b>Total</b>
Segments revenues	1,070,648	-	1,169,663	95,641	2,335,952
Segments expenses	(581,522)	(13,980)	-	(505,475)	(1,100,977)
Total segments' results	489,126	(13,980)	1,169,663	(409,834)	1,234,975
Segments assets	8,110,094	2,605,819	32,938,942	319,306	43,974,161
Segment liabilities	2,900,968	-	-	2,435,185	5,336,153
	<b>Period ended 30 September 2016</b>				
	<b>Industrial activities</b>	<b>Real estate investing activities</b>	<b>Financial investing activities</b>	<b>Unallocated</b>	<b>Total</b>
Segments revenues	781,610	-	3,056,573	75,331	3,913,514
Segments expenses	(445,262)	(605,800)	(13,616)	-	(1,064,678)
Total segments' results	336,348	(605,800)	3,042,957	75,331	2,848,836
Segments assets	6,117,146	2,668,070	30,411,846	-	39,197,062
Segment liabilities	3,428,895	-	-	1,454,908	4,833,803