
**ALAFCO AVIATION LEASE AND FINANCE
COMPANY K.S.C.P. AND SUBSIDIARIES**

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

31 MARCH 2018

REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF ALAFCO AVIATION LEASE AND FINANCE COMPANY K.S.C.P.

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of ALAFCO Aviation Lease and Finance Company K.S.C.P. (the “parent company”) and its subsidiaries (together, the “group”) as at 31 March 2018, and the related interim condensed consolidated statements of income and comprehensive income for the three months and six months periods then ended, and the related interim condensed consolidated statements of changes in equity and cash flows for the 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 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

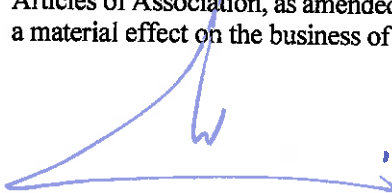
We conducted our review in accordance with International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of interim condensed consolidated financial information consists of making inquiries, primarily of persons 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 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 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 Memorandum of Incorporation and Articles of Association, as amended during the six months period ended 31 March 2018 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)

7 May 2018
Kuwait

ALAFCO Aviation Lease and Finance Company K.S.C.P. and Subsidiaries
 INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL
 POSITION (UNAUDITED)

As at 31 March 2018

		31 March 2018 KD	(Audited) 30 September 2017 KD	31 March 2017 KD
ASSETS				
Aircraft, engines and equipment	4	810,570,516	883,547,970	703,154,335
Capital advances		161,062,170	127,570,232	102,981,579
Receivables		4,570,837	3,224,856	2,741,384
Cash and cash equivalents		141,136,310	61,987,014	48,370,321
TOTAL ASSETS		1,117,339,833	1,076,330,072	857,247,619
EQUITY AND LIABILITIES				
EQUITY				
Share capital	5	95,209,348	95,209,348	95,209,348
Share premium		17,829,167	17,829,167	17,829,167
Statutory reserve		24,120,022	24,120,022	20,626,586
Foreign currency translation reserve		10,606,603	12,933,651	15,302,287
Retained earnings		152,501,125	136,650,080	118,121,153
TOTAL EQUITY		300,266,265	286,742,268	267,088,541
LIABILITIES				
Due to financial institutions		628,274,623	611,848,817	437,618,823
Security deposits		11,908,176	14,312,313	16,282,538
Maintenance reserve and provisions		161,057,582	143,731,943	121,725,179
Other liabilities		15,833,187	19,694,731	14,532,538
TOTAL LIABILITIES		817,073,568	789,587,804	590,159,078
TOTAL EQUITY AND LIABILITIES		1,117,339,833	1,076,330,072	857,247,619


 Barrak A. Al-Sabeeh
 Chairman of the Board


 Ahmad Abdullah Alzabin
 Vice Chairman and CEO

The attached notes 1 to 9 form part of this interim condensed consolidated financial information.

ALAFCO Aviation Lease and Finance Company K.S.C.P. and Subsidiaries
 INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME
 (UNAUDITED)

For the period ended 31 March 2018

	Notes	Three months ended		Six months ended	
		31 March		31 March	
		2018	2017	2018	2017
		KD	KD	KD	KD
Operating lease income		24,858,597	19,460,323	49,286,099	38,499,349
Murabaha income		172,201	140,044	288,626	315,953
Gain on disposal of aircraft, engines and equipment	4	29,523,694	-	31,083,892	251,382
Other income		3,313	12,822	3,313	31,064
Staff costs		(777,837)	(728,404)	(1,479,793)	(1,452,110)
Depreciation	4	(11,452,043)	(8,952,348)	(23,152,167)	(18,185,947)
Heavy maintenance and re-lease provision		(17,036,303)	-	(17,036,303)	-
Impairment loss on aircraft, engines and equipment		-	(366,200)	-	(670,230)
Other operating expenses		(563,893)	(425,196)	(964,379)	(933,741)
Finance costs		(5,732,117)	(3,285,384)	(10,899,882)	(6,566,442)
PROFIT FOR THE PERIOD BEFORE CONTRIBUTION TO KUWAIT FOUNDATION FOR THE ADVANCEMENT OF SCIENCES (KFAS), NATIONAL LABOUR SUPPORT TAX (NLST) AND ZAKAT		18,995,612	5,855,657	27,129,406	11,289,278
Contribution to KFAS		(170,961)	(52,701)	(244,165)	(101,604)
NLST		(877,556)	(146,391)	(1,080,901)	(282,232)
Zakat		(351,022)	(58,557)	(432,360)	(112,893)
PROFIT FOR THE PERIOD		17,596,073	5,598,008	25,371,980	10,792,549
Basic and diluted earnings per share	3	18.48 fils	5.88 fils	26.65 fils	11.34 fils

The attached notes 1 to 9 form part of this interim condensed consolidated financial information.

ALAFCO Aviation Lease and Finance Company K.S.C.P. and Subsidiaries
 INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE
 INCOME (UNAUDITED)

For the period ended 31 March 2018

	<i>Three months ended</i>		<i>Six months ended</i>	
	<i>31 March</i>		<i>31 March</i>	
	<i>2018</i>	<i>2017</i>	<i>2018</i>	<i>2017</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
Profit for the period	17,596,073	5,598,008	25,371,980	10,792,549
Other comprehensive (loss) income:				
<i>Items that are not reclassified subsequently to interim condensed consolidated statement of income:</i>				
Foreign currency translation adjustment	(1,939,006)	(1,123,174)	(2,327,048)	2,937,294
Other comprehensive (loss) income for the period	(1,939,006)	(1,123,174)	(2,327,048)	2,937,294
Total comprehensive income for the period	15,657,067	4,474,834	23,044,932	13,729,843

The attached notes 1 to 9 form part of this interim condensed consolidated financial information.

ALAFCO Aviation Lease and Finance Company K.S.C.P. and Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the period ended 31 March 2018

	Share capital KD	Share premium KD	Statutory reserve KD	Foreign currency translation reserve KD	Retained earnings KD	Total KD
Balance at 1 October 2017	95,209,348	17,829,167	24,120,022	12,933,651	136,650,080	286,742,268
Profit for the period	-	-	-	-	25,371,980	25,371,980
Other comprehensive loss for the period	-	-	-	(2,327,048)	-	(2,327,048)
Total comprehensive (loss) income for the period	-	-	-	(2,327,048)	25,371,980	23,044,932
Cash dividend (Note 5)	-	-	-	-	(9,520,935)	(9,520,935)
Balance at 31 March 2018	95,209,348	17,829,167	24,120,022	10,606,603	152,501,125	300,266,265
Balance at 1 October 2016	95,209,348	17,829,167	20,626,586	12,364,993	112,089,072	258,119,166
Profit for the period	-	-	-	-	10,792,549	10,792,549
Other comprehensive income for the period	-	-	-	2,937,294	-	2,937,294
Total comprehensive income for the period	-	-	-	2,937,294	10,792,549	13,729,843
Cash dividend (Note 5)	-	-	-	-	(4,760,468)	(4,760,468)
Balance at 31 March 2017	95,209,348	17,829,167	20,626,586	15,302,287	118,121,153	267,088,541

ALAFCO Aviation Lease and Finance Company K.S.C.P. and Subsidiaries
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(UNAUDITED)

For the period ended 31 March 2018

	Notes	Six months ended 31 March	
		2018 KD	2017 KD
OPERATING ACTIVITIES			
Profit for the period		25,371,980	10,792,549
Adjustments for:			
Depreciation	4	23,152,167	18,185,947
Impairment loss on aircraft, engines and equipment		-	670,230
Murabaha income		(288,626)	(315,953)
Finance costs		10,899,882	6,566,442
Receivables written off during the period		-	76,726
Heavy maintenance and re-lease provision		17,036,303	-
Gain on disposal of aircraft, engines and equipment	4	(31,083,892)	(251,382)
		45,087,814	35,724,559
Changes in operating assets and liabilities:			
Receivables		(2,644,722)	(1,224,348)
Payables		(5,912,733)	2,307,945
Maintenance reserve and provisions		7,527,535	12,888,696
Cash from operations		44,057,894	49,696,852
Finance cost paid		(9,818,757)	(6,513,923)
Net cash flows from operating activities		34,239,137	43,182,929
INVESTING ACTIVITIES			
Purchase of aircraft, engines and equipment		(29,067,793)	(9,009,755)
Proceeds from disposal of aircraft, engines and equipment		136,992,518	7,322,213
Capital advances for purchase of aircraft, engines and equipment		(73,354,708)	(26,302,834)
Murabaha income received		280,407	417,913
Term deposit		-	4,114,800
Net cash flows from (used in) investing activities		34,850,424	(23,457,663)
FINANCING ACTIVITIES			
Financing facilities received		163,118,978	11,277,600
Financing facilities repaid		(142,769,629)	(27,812,107)
Cash dividends paid	5	(9,520,935)	(4,760,468)
Net cash flows from (used in) financing activities		10,828,414	(21,294,975)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS			
Foreign currency translation adjustment		(768,679)	591,538
Cash and cash equivalents at 1 October		61,987,014	49,348,492
CASH AND CASH EQUIVALENTS AT 31 MARCH		141,136,310	48,370,321

The attached notes 1 to 9 form part of this interim condensed consolidated financial information.

ALAFCO Aviation Lease and Finance Company K.S.C.P. and Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2018

1 INCORPORATION AND PRINCIPAL ACTIVITIES

ALAFCO Aviation Lease and Finance Company K.S.C.P. (ALAFCO) (the "parent company") is a Kuwaiti shareholding company registered and incorporated in Kuwait on 21 March 2000. The parent company is engaged in providing service to buy aircraft and other related assets on behalf of the aviation companies, coordinating with factories, providing asset management services to different aviation companies, providing operating lease or financing lease services commensurate with the needs and desires of aviation company customers, providing project financing to buy aircraft wholly or partly in light of the evaluation studies and the renewal of risk factors associated with such projects, marketing of aircraft to meet the needs of medium-and long-term for aviation companies wishing with such services, assisting aviation companies in the marketing of their aircraft through selling and leasing, participation in providing services associated with financing and providing technical support to aviation companies, assistance in the joint investment operations and specialized in aviation industry, Wholly or partly investment in providing aircraft, engines and spare parts as appropriate to needs of aviation companies and factories customers, Management and investment of revenues generated and collected from the above mentioned operations. The parent company may have an interest or to participate in any aspect in other entities conducting similar activities or which may assist in achieving its objectives in Kuwait or abroad and it may establish, participate or buy these bodies or in their equity.

The parent company operates in accordance with the Islamic Sharia'a principles. The parent company's registered head office is at Kuwait Chamber of Commerce and Industry Building Annexe, Third Floor, Abdul Aziz Hamid Al Sagar Street, Al-Mirqab, Kuwait.

The shares of the parent company are listed on the Kuwait Stock Exchange.

The parent company is an associate of Kuwait Finance House K.S.C.P. ("the Bank") (Note 8) and Gulf Investment Corporation S.A.G. (GIC).

The interim condensed consolidated financial information includes transactions and balances of the parent company and wholly owned Special Purpose Companies ("SPC") (its subsidiaries), together referred to as the "group". All the transactions of SPC's are entered on behalf of ALAFCO and are guaranteed by ALAFCO.

The interim condensed consolidated financial information of the group for the six months period ended 31 March 2018 was authorised for issue in accordance with a resolution of the board of directors on 7 May 2018.

2 BASIS OF PREPARATION

The interim condensed consolidated financial information of the group is prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting".

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

Operating results for the six months' period ended 31 March 2018 are not necessarily indicative of the results that may be expected for the financial year ending 30 September 2018. For more details please refer to the consolidated financial statements and its related disclosures for the year ended 30 September 2017.

The functional currency of the group is US dollars. The interim condensed consolidated financial information is presented in Kuwaiti Dinars.

Changes in accounting policies

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 30 September 2017, except for the adoption of new standards effective for annual period beginning on or after 1 October 2017.

Although these amendments apply for the first time in 2017, they do not have a material impact on the interim condensed consolidated financial information of the group. The nature and the impact of each amendment is described below:

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL
INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2018

2 BASIS OF PREPARATION (continued)

Changes in accounting policies (continued)

Amendments to IAS 7 Statement of Cash Flows: Disclosure Initiative

The amendments require entities to provide disclosures about changes in their liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses). The group is not required to provide additional disclosures in its condensed interim consolidated financial information, but will disclose additional information in its annual consolidated financial statements for the year ended 30 September 2018.

Standards issued but not yet effective

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the group's interim condensed consolidated financial information are disclosed below. The group intends to adopt these standards, if applicable, when they become effective.

IFRS 9 Financial Instruments

In July 2014, the IASB issued the final version of IFRS 9 Financial Instruments which reflects all phases of the financial instruments project and replaces IAS 39 Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. IFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. This standard does not have any significant impact on the group.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 was issued in May 2014 and establishes a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The new revenue standard will supersede all current revenue recognition requirements under IFRS. Either a full retrospective application or a modified retrospective application is required for annual periods beginning on or after 1 January 2018. Early adoption is permitted. This standard does not have any significant impact on the group.

IFRS 16 Leases

IFRS 16 was issued in January 2016 and it replaces 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*. IFRS 16 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 similar to the accounting for finance leases under IAS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the finance cost on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under IFRS 16 is substantially unchanged from today's accounting under IAS 17. Lessors will continue to classify all leases using the same classification principle as in IAS 17 and distinguish between two types of leases: operating and finance leases.

IFRS 16 also requires lessees and lessors to make more extensive disclosures than under IAS 17.

IFRS 16 is effective for annual periods beginning on or after 1 January 2019. Early application is permitted, but not before an entity applies IFRS 15. A lessee can choose to apply the standard using either a full retrospective or a modified retrospective approach. The standard's transition provisions permit certain reliefs. The group is in the process of assessing the impact of IFRS 16 on its consolidated financial statements.

ALAFCO Aviation Lease and Finance Company K.S.C.P. and Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2018

3 EARNINGS PER SHARE

Basic and diluted earnings per share are calculated by dividing profit for the period by the weighted average number of ordinary shares outstanding during the period as follows:

	<i>Three months ended</i>		<i>Six months ended</i>	
	<i>31 March</i>		<i>31 March</i>	
	<i>2018</i>	<i>2017</i>	<i>2018</i>	<i>2017</i>
Profit for the period (KD)	17,596,073	5,598,008	25,371,980	10,792,549
Weighted average number of ordinary shares	952,093,482	952,093,482	952,093,482	952,093,482
Basic and diluted earnings per share	18.48 fils	5.88 fils	26.65 fils	11.34 fils

As there are no dilutive instruments outstanding, basic and diluted earnings per share are identical.

4 AIRCRAFT, ENGINES AND EQUIPMENT

	<i>Aircraft and engines</i>	<i>Furniture and fixtures</i>	<i>Office equipment</i>	<i>Total</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
Cost				
At 1 October 2017	1,102,923,208	330,906	154,831	1,103,408,945
Additions	145,673,777	-	6,261	145,680,038
Transfer from capital advances	40,044,766	-	-	40,044,766
Disposal	(240,759,584)	-	-	(240,759,584)
Foreign currency adjustment	(8,759,152)	(2,628)	(1,230)	(8,763,010)
At 31 March 2018	1,039,123,015	328,278	159,862	1,039,611,155
Depreciation and impairment				
At 1 October 2017	219,510,343	265,856	84,776	219,860,975
Depreciation charge for the period	23,127,999	11,369	12,799	23,152,167
Disposal	(12,123,397)	-	-	(12,123,397)
Foreign currency adjustment	(1,846,214)	(2,162)	(730)	(1,849,106)
At 31 March 2018	228,668,731	275,063	96,845	229,040,639
Net carrying amount				
At 31 March 2018	810,454,284	53,215	63,017	810,570,516
At 30 September 2017 (Audited)	883,412,865	65,050	70,055	883,547,970
At 31 March 2017	702,994,223	76,602	83,510	703,154,335

Aircraft with carrying value of KD 755,563,995 (30 September 2017: KD 883,412,865 and 31 March 2017: KD 702,502,902) are under finance lease arrangements and are mortgaged against the financing facilities and registered in the name of the lenders.

During the period ended 31 March 2018, the group recognized gain of KD 31,083,892 (2017: KD Nil) from the sale of several aircrafts which included gain from sale of newly delivered aircrafts that were sold upon delivery from the manufacturer.

ALAFCO Aviation Lease and Finance Company K.S.C.P. and Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2018

5 SHARE CAPITAL AND ANNUAL GENERAL ASSEMBLY

The authorised, issued and fully paid share capital as at 31 March 2018 comprises 952,093,482 ordinary shares (30 September 2017: 952,093,482 ordinary shares, 31 March 2017: 952,093,482 ordinary shares) of 100 fils each, fully paid in cash.

On 25 December 2017, the shareholders at the annual general assembly of the parent company approved the consolidated financial statements for the year ended 30 September 2017 and approved a cash dividend of 10% for the year ended 30 September 2017 (30 September 2016: 5%) of par value of each share being 10 fils per share (30 September 2016: 5 fils per share) amounting to KD 9,520,935 (30 September 2016: KD 4,760,468), which was paid subsequently.

On 25 December 2017, the shareholders at the annual general assembly of the parent company approved directors' remuneration of KD 180,000 for the year ended 30 September 2017 (30 September 2016: KD 138,500).

6 CAPITAL COMMITMENTS

Capital commitments in respect of purchase of aircraft and engines amount to KD 1,693,223,940 (30 September 2017: KD 1,653,630,845 and 31 March 2017: KD 1,716,330,164).

7 CONTINGENT LIABILITIES

As at 31 March 2018, the group has contingent liabilities amounting to KD 18,393,253 (30 September 2017: KD 8,869,906 and 31 March 2017: KD 8,869,906) in respect of letters of credit arising in the ordinary course of business from which it is anticipated that no material liabilities will arise.

8 RELATED PARTY TRANSACTIONS

Related parties represent the major shareholders, directors and key management personnel of the parent company, and entities controlled, jointly controlled, or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the parent company's management and Board of Directors.

Significant transactions with related parties included in the interim condensed consolidated financial information are as follows:

Interim condensed consolidated statement of income:

	<i>Three months ended</i>		<i>Six months ended</i>	
	<i>31 March</i>		<i>31 March</i>	
	<i>2018</i>	<i>2017</i>	<i>2018</i>	<i>2017</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
Murabaha income				
- Bank	563	4,147	1,129	4,147
- Other related parties*	171,638	135,897	287,497	311,806
	<u>172,201</u>	<u>140,044</u>	<u>288,626</u>	<u>315,953</u>
Finance costs				
- Bank	1,038,465	51,914	2,162,817	51,914
	<u>1,038,465</u>	<u>51,914</u>	<u>2,162,817</u>	<u>51,914</u>
<i>Key management compensation:</i>				
Salaries and other short-term benefits	449,863	314,529	756,207	631,990
End of service benefits	29,122	29,885	69,047	68,762
	<u>478,985</u>	<u>344,414</u>	<u>825,254</u>	<u>700,752</u>

ALAFCO Aviation Lease and Finance Company K.S.C.P. and Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2018

8 RELATED PARTY TRANSACTIONS (continued)

Interim condensed consolidated statement of financial position:

	<i>Bank KD</i>	<i>Other related parties* KD</i>	<i>Total KD</i>
31 March 2018			
Capital advances	-	318,538	318,538
Receivables **	-	40,791	40,791
Cash and cash equivalents	47,604,563	91,432,816	139,037,379
Due to financial institutions	88,589,304	-	88,589,304
Other liabilities***	251,770	-	251,770
30 September 2017 (Audited)			
Capital advances	-	321,088	321,088
Receivables **	-	33,589	33,589
Cash and cash equivalents	9,863,309	51,010,654	60,873,963
Due to financial institutions	131,880,080	-	131,880,080
Other liabilities***	297,568	-	297,568
31 March 2017			
Receivables **	-	37,151	37,151
Cash and cash equivalents	3,012,254	43,698,802	46,711,056
Due to financial institutions	11,277,600	-	11,277,600

* Other related parties represent subsidiaries of the Bank.

** Receivables represents accrued murabaha income.

*** Other liabilities represent accrued finance cost on Islamic finance facility obtained from Bank.

9 SEGMENT INFORMATION

The group is engaged primarily in only one business segment, aircraft leasing segment. However, for management purposes, the group is organized into five geographical segments.

31 March 2018:

	<i>Middle East KD</i>	<i>Asia KD</i>	<i>Europe KD</i>	<i>America KD</i>	<i>Africa KD</i>	<i>Total KD</i>
Segment revenue	15,462,217	56,566,653	6,279,995	806,733	1,546,332	80,661,930
Segment results before taxations	(13,558,284)	37,198,191	2,671,614	332,951	484,934	27,129,406
Total assets	329,586,590	489,910,578	175,695,632	93,461,514	28,685,519	1,117,339,833
Total liabilities	322,690,758	391,984,832	62,077,668	15,000,072	25,320,238	817,073,568
Other segmental information:						
Depreciation	7,789,629	11,721,794	2,477,462	346,896	816,386	23,152,167
Capital expenditure	6,261	185,718,543	-	-	-	185,724,804

ALAFCO Aviation Lease and Finance Company K.S.C.P. and Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL
INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2018

9 SEGMENT INFORMATION (continued)

31 March 2017:

	<i>Middle East KD</i>	<i>Asia KD</i>	<i>Europe KD</i>	<i>America KD</i>	<i>Africa KD</i>	<i>Total KD</i>
Segment revenue	7,982,827	22,950,769	5,658,428	709,509	1,796,215	39,097,748
Segment results before taxations	2,477,140	6,942,555	965,999	278,885	624,699	11,289,278
Total assets	186,539,710	428,848,620	190,734,801	20,303,403	30,821,085	857,247,619
Total liabilities	118,207,092	350,489,854	83,750,308	10,475,771	27,236,053	590,159,078
Other segmental information:						
Depreciation	3,893,418	10,208,658	2,971,869	286,101	825,901	18,185,947
Impairment loss on aircraft, engines and equipment	304,650	-	365,580	-	-	670,230
Receivables written off during the period	-	76,726	-	-	-	76,726
Capital expenditure	1,869	13,824,204	-	-	-	13,826,073