

Interim condensed consolidated financial information and review report

**Kuwait Financial Centre – KPSC and Subsidiaries**

**Kuwait**

31 March 2024 (Unaudited)

## **Contents**

	<b>Page</b>
Review report	1
Interim condensed consolidated statement of profit or loss	2
Interim condensed consolidated statement of profit or loss and other comprehensive income	3
Interim condensed consolidated statement of financial position	4
Interim condensed consolidated statement of changes in equity	5 and 6
Interim condensed consolidated statement of cash flows	7
Notes to the interim condensed consolidated financial information	8 to 19

**Auditors & Consultants**

Souq Al Kabeer Building, Block A, 9<sup>th</sup> Floor  
P.O.Box 2986, Safat 13030, Kuwait  
Tel: (965)2244 3900-9  
Fax: (965) 2243 8451  
E-mail: gt@kw.gt.com  
www.grantthornton.com kw

**Deloitte & Touche**  
**Al-Wazzan & Co.**

Ahmed Al-Jaber Street, Sharq  
Dar Al-Awadi Complex, Floors 7 & 9  
P.O. Box 20174, Safat 13062  
Kuwait  
Tel : + 965 22408844, 22438060  
Fax: + 965 22408855, 22452080  
www.deloitte.com

## Report on review of interim condensed consolidated financial information

To the Board of Directors of  
Kuwait Financial Centre – KPSC  
Kuwait

### *Introduction*

We have reviewed the accompanying interim condensed consolidated statement of financial position of Kuwait Financial Centre – KPSC (“the Parent Company”) and its subsidiaries (“the Group”) as at 31 March 2024 and the related interim condensed consolidated statements of profit or loss, profit or loss and other comprehensive income, changes in equity and cash flows for the three-month period then ended. Management is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with the basis of preparation 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 preparation set out in Note 2.


### **Report on review of other legal and regulatory requirements**

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 violation 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 three-month period ended 31 March 2024 that might have had a material effect on the business or financial position of the Parent Company.

We further report that, during the course of our review, to the best of our knowledge and belief, we have not become aware of any material violations of the provisions of Law No. 32 of 1968, as amended, concerning currency, the Central Bank of Kuwait and the organisation of banking business, and its related regulations, or of the provision of Law No. 7 of 2010 concerning the Capital Markets Authority and its related regulations during the three-month period ended 31 March 2024 that might have had a material effect on the business or financial position of the Parent Company.



Hend Abdullah Al Surayea  
(Licence No. 141-A)  
of Grant Thornton – Al-Qatami, Al-Aiban & Partners



Talal Yousef Al-Muzaini  
(Licence No. 209-A)  
of Deloitte & Touche – Al-Wazzan & Co.

## Interim condensed consolidated statement of profit or loss

	Note	Three months ended 31 March 2024 (Unaudited) KD '000	Three months ended 31 March 2023 (Unaudited) KD '000
<b>Income</b>			
Interest income		305	209
Dividend income		390	322
Management fees and commission		1,791	1,816
Gain/(loss) from financial assets at fair value through profit or loss	6	2,483	(2,836)
Loss from financial liabilities at fair value through profit or loss		-	(6)
Share of results of associates and joint ventures		1,133	(91)
Gain on partial redemption of investment in associate		5	-
Gain on sale of investment properties	11	143	687
Net rental income		110	869
Foreign currency exchange (loss)/gain		(313)	93
Other income		11	129
		<b>6,058</b>	<b>1,192</b>
<b>Expenses and other charges</b>			
General and administrative expenses		(2,590)	(2,855)
Impairment of investment in joint venture		-	(106)
Reversals/(other expenses)		22	(85)
Finance costs		(510)	(854)
		<b>(3,078)</b>	<b>(3,900)</b>
<b>Profit/(loss) before provisions for contribution to Kuwait Foundation for the Advancement of Sciences (KFAS), National Labour Support Tax (NLST) and Zakat</b>			
		<b>2,980</b>	<b>(2,708)</b>
Provision for contribution to KFAS		(26)	-
Provision for NLST		(77)	-
Provision for Zakat		(31)	-
<b>Profit/(loss) for the period</b>		<b>2,846</b>	<b>(2,708)</b>
<b>Profit/(loss) for the period attributable to:</b>			
Owners of the Parent Company		2,773	(3,175)
Non-controlling interests		73	467
<b>Profit/(loss) for the period</b>		<b>2,846</b>	<b>(2,708)</b>
<b>Basic and diluted earnings/(loss) per share attributable to the owners of the Parent Company</b>			
	7	6 Fils	(6) Fils

The notes set out on pages 8 to 19 form an integral part of this interim condensed consolidated financial information.

## Interim condensed consolidated statement of profit or loss and other comprehensive income

	Three months ended 31 March 2024 (Unaudited) KD '000	Three months ended 31 March 2023 (Unaudited) KD '000
Profit/(loss) for the period	2,846	(2,708)
<b>Other comprehensive (loss)/income:</b>		
<i>Items to be reclassified to statement of profit or loss in subsequent periods:</i>		
<i>Foreign currency translation:</i>		
- Exchange differences arising on translation of foreign operations	(150)	182
Share of other comprehensive income of associates and joint ventures	7	-
Total other comprehensive (loss)/income	(143)	182
<b>Total comprehensive income/(loss) for the period</b>	<b>2,703</b>	<b>(2,526)</b>
<b>Total comprehensive income/(loss) for the period attributable to:</b>		
Owners of the Parent Company	2,627	(3,006)
Non-controlling interests	76	480
	<b>2,703</b>	<b>(2,526)</b>

*The notes set out on pages 8 to 19 form an integral part of this interim condensed consolidated financial information.*

## Interim condensed consolidated statement of financial position

	Note	31 March 2024 (Unaudited) KD '000	31 Dec. 2023 (Audited) KD '000	31 March 2023 (Unaudited) KD '000
<b>Assets</b>				
Cash and bank balances	8	7,414	6,639	17,176
Time deposits	8	505	272	1,502
Accounts receivable and other assets		5,505	6,020	5,227
Loans to customers		2,518	2,565	2,658
Financial assets at fair value through profit or loss	9	85,960	83,398	104,246
Financial assets at amortised cost	10	4,187	4,302	4,011
Investment in associates and joint ventures		35,235	33,679	3,714
Investment properties	11	31,315	30,086	69,714
Right-of-use assets		2,303	2,432	925
Equipment		922	889	558
<b>Total assets</b>		<b>175,864</b>	<b>170,282</b>	<b>209,731</b>
<b>Liabilities and equity</b>				
<b>Liabilities</b>				
Accounts payable and other liabilities		16,079	13,035	17,091
Borrowings	12	11,678	9,413	30,376
Bonds issued	13	35,000	35,000	35,000
<b>Total liabilities</b>		<b>62,757</b>	<b>57,448</b>	<b>82,467</b>
<b>Equity</b>				
Share capital		50,484	50,484	50,484
Share premium		7,902	7,902	7,902
Treasury shares	14	(851)	(671)	(309)
Statutory reserve		19,087	19,087	18,642
Voluntary reserve		17,442	17,442	16,997
Other components of equity		683	829	163
Retained earnings		10,827	10,992	4,410
<b>Equity attributable to the owners of the Parent Company</b>		<b>105,574</b>	<b>106,065</b>	<b>98,289</b>
Non-controlling interests		7,533	6,769	28,975
<b>Total equity</b>		<b>113,107</b>	<b>112,834</b>	<b>127,264</b>
<b>Total liabilities and equity</b>		<b>175,864</b>	<b>170,282</b>	<b>209,731</b>

  
Diraar Yusuf Alghanim  
Chairman

  
Ali Hassan Khalil  
Chief Executive Officer

The notes set out on pages 8 to 19 form an integral part of this interim condensed consolidated financial information.

## Interim condensed consolidated statement of changes in equity

	Equity attributable to the owners of the Parent Company							Non- controlling interests	Total	
	Share Capital KD '000	Share premium KD '000	Treasury shares KD '000	Statutory reserve KD '000	Voluntary reserve KD '000	Other components of equity KD '000	Retained earnings KD '000			Sub total KD '000
Balance at 1 January 2024	50,484	7,902	(671)	19,087	17,442	829	10,992	106,065	6,769	112,834
Net change in non-controlling interests	-	-	-	-	-	-	-	-	729	729
Effect of change in ownership percentage of subsidiaries (Note 5.1)	-	-	-	-	-	-	41	41	(41)	-
Purchase of treasury shares	-	-	(180)	-	-	-	-	(180)	-	(180)
Cash dividend (Note 15)	-	-	-	-	-	-	(2,979)	(2,979)	-	(2,979)
Transactions with owners	-	-	(180)	-	-	-	(2,938)	(3,118)	688	(2,430)
Profit for the period	-	-	-	-	-	-	2,773	2,773	73	2,846
Total other comprehensive (loss)/income for the period	-	-	-	-	-	(146)	-	(146)	3	(143)
Total comprehensive (loss)/income for the period	-	-	-	-	-	(146)	2,773	2,627	76	2,703
<b>Balance at 31 March 2024</b>	<b>50,484</b>	<b>7,902</b>	<b>(851)</b>	<b>19,087</b>	<b>17,442</b>	<b>683</b>	<b>10,827</b>	<b>105,574</b>	<b>7,533</b>	<b>113,107</b>

The notes set out on pages 8 to 19 form an integral part of this interim condensed consolidated financial information.

## Interim condensed consolidated statement of changes in equity (continued)

	Equity attributable to the owners of the Parent Company							Non-controlling interests		Total
	Share Capital KD '000	Share premium KD '000	Treasury shares KD '000	Statutory reserve KD '000	Voluntary reserve KD '000	Other components of equity KD '000	Retained earnings KD '000	Sub total KD '000	KD '000	
<b>Balance at 1 January 2023</b>	50,484	7,902	(309)	18,642	16,997	(6)	9,883	103,593	29,680	133,273
Net change in non-controlling interests	-	-	-	-	-	-	-	-	(843)	(843)
Effect of change in ownership percentage of subsidiaries (Note 5.1)	-	-	-	-	-	-	211	211	(211)	-
Cash dividend	-	-	-	-	-	-	(2,509)	(2,509)	-	(2,509)
Payment of cash dividend to non-controlling interests' shareholders	-	-	-	-	-	-	-	-	(131)	(131)
Transactions with owners	-	-	-	-	-	-	(2,298)	(2,298)	(1,185)	(3,483)
(Loss)/profit for the period	-	-	-	-	-	-	(3,175)	(3,175)	467	(2,708)
Total other comprehensive income for the period	-	-	-	-	-	169	-	169	13	182
Total comprehensive income/(loss) for the period	-	-	-	-	-	169	(3,175)	(3,006)	480	(2,526)
<b>Balance at 31 March 2023</b>	50,484	7,902	(309)	18,642	16,997	163	4,410	98,289	28,975	127,264

The notes set out on pages 8 to 19 form an integral part of this interim condensed consolidated financial information.



## Interim condensed consolidated statement of cash flows

	Note	Three months ended 31 March 2024 (Unaudited) KD '000	Three months ended 31 March 2023 (Unaudited) KD '000
<b>OPERATING ACTIVITIES</b>			
Profit/(loss) for the period		2,846	(2,708)
Adjustments for:			
Interest income		(305)	(209)
Depreciation		112	356
Amortisation of right-of-use assets		133	69
Gain on sale of investment properties	11	(143)	(687)
Gain on partial redemption of investment in associate		(5)	-
Share of results of associates and joint ventures		(1,133)	91
Impairment of investment in joint venture		-	106
Reversal of provisions		(28)	-
Finance costs		510	854
		<b>1,987</b>	<b>(2,128)</b>
Changes in operating assets and liabilities:			
Financial assets at fair value through profit or loss		(2,566)	865
Accounts receivable and other assets		678	996
Loans to customers		49	51
Accounts payable and other liabilities		39	397
<b>Net cash from operating activities</b>		<b>187</b>	<b>181</b>
<b>INVESTING ACTIVITIES</b>			
Change in time deposits maturing after three months		8	60
Purchase of equipment		(112)	(133)
Purchase of/redeem of financial assets at amortised cost		-	(1,993)
Additions to investment properties	11	(2,279)	(3,901)
Proceeds from sale of investment properties	11	1,056	7,355
(Increase)/decrease in investment in associates and joint ventures		(492)	237
Cash dividend received from associate		81	-
Interest income received		168	122
<b>Net cash (used in)/from investing activities</b>		<b>(1,570)</b>	<b>1,747</b>
<b>FINANCING ACTIVITIES</b>			
Dividend paid		(12)	(8)
Dividend paid to non-controlling interests shareholders		-	(131)
Purchase of treasury shares		(180)	-
Proceeds from borrowings	12	3,748	16,674
Repayment of borrowings	12	(1,500)	(15,324)
Finance costs paid		(468)	(817)
Payment of lease liabilities		(4)	(64)
Net change in non-controlling interests		729	(843)
<b>Net cash from/(used in) financing activities</b>		<b>2,313</b>	<b>(513)</b>
<b>Increase in cash and cash equivalents</b>		<b>930</b>	<b>1,415</b>
Foreign currency adjustments		86	107
Cash and cash equivalents at the beginning of the period	8	6,847	17,139
<b>Cash and cash equivalents at the end of the period</b>	<b>8</b>	<b>7,863</b>	<b>18,661</b>

The notes set out on pages 8 to 19 form an integral part of this interim condensed consolidated financial information.

# Notes to the interim condensed consolidated financial information

## 1 Incorporation and activities

Kuwait Financial Centre – KPSC (“the Parent Company”) was incorporated in 1974 in accordance with the Commercial Companies Law in the State of Kuwait. The Parent Company along with its subsidiaries are jointly referred to as “the Group”. The Parent Company is listed on Boursa Kuwait and is governed under the directives of the Central Bank of Kuwait and Capital Markets Authority of Kuwait.

The principal activities of the Parent Company are as follows:

- Funding import and export operations, whether by direct credit or accepting drafts drawn on the Company for short terms, as well as brokerage in securing the banking facilities for clients in Kuwait and abroad.
- Undertake the job of broker between the public of borrowers and lenders, undertake approved agency works for the payment processes arising from issuing medium and long term securities, in addition to keeping securities on behalf of the clients.
- Dealing and trading in the foreign currencies and the precious metal markets inside and outside Kuwait.
- Undertake all the services which assist to extend and support the money and capital market capacity in Kuwait and fulfil its needs within the limits of the law and the procedures or instructions issued by the Central Bank of Kuwait. The Company may have an interest or participate in any manner with the bodies practicing business similar to its business or which may assist it to achieve its objectives inside or outside Kuwait and it may acquire such bodies or append them to itself.
- Offering personal, commercial and consumer loans, undertake finance operations on the basis of margin related to investment operations in the local and international markets, trading currencies, as well as the finance operations related to pledging investment portfolios and securities, and undertaking finance and brokerage in international and local commercial operations.
- Investment in the various economic sectors such as the industrial, real estate, agricultural, services and other sectors, whether directly or by contribution through existing companies or incorporating these companies related to the said activity or acquire projects which fulfil such objective.
- Undertake the functions of investment trustees and investment portfolio management for the account of third parties with the required loaning and borrowing operations.
- Unregistered securities broker in the stock exchange.
- Investment portfolio manager.
- Collective investment scheme manager.
- Investment advisor.
- Placement agent.
- Custodian.

The address of the Parent Company’s registered office is PO Box 23444, Safat 13095, Burj Al Shaya, Floor 8, Al Soor Street, Al Mirqab, Kuwait City, State of Kuwait.

The Board of Directors of the Parent Company approved this interim condensed consolidated financial information for issue on 7 May 2024.

## 2 Basis of preparation

This interim condensed consolidated financial information of the Group for the three-month period ended 31 March 2024 has been prepared in accordance with IAS 34, Interim Financial Reporting except as noted below.

## Notes to the interim condensed consolidated financial information (continued)

### 2 Basis of preparation (continued)

The annual consolidated financial statements for the year ended 31 December 2023 were prepared in accordance with the IFRS Accounting Standards (“IFRS Accounting Standards”) as issued by the International Accounting Standards Board (“IASB”), modified for use by the Government of Kuwait for financial services institutions regulated by the Central Bank of Kuwait (“CBK”). The modification requires adoption of all IFRS Accounting Standards for such institutions except for the IFRS 9 requirement for estimated credit losses (“ECL”) for loans and receivables, which has been replaced by the CBK requirement for the ECL to be measured at the higher of the ECL on credit facilities computed under IFRS 9 under CBK guidelines and the provision required under CBK instructions, and the consequent impact on the related disclosures.

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

Operating results for the three months ended 31 March 2024 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2024. For more details, refer to the annual audited consolidated financial statements and its related disclosures for the year ended 31 December 2023.

### 3 Changes in accounting policies

The accounting policies used in the preparation of these 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 2023, except for the adoption of the new and amended IFRS Accounting Standards effective as of 1 January 2024 as described in Note 3.1. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

#### 3.1 New and amended standards adopted by the Group

The following new amendments or standards were effective for the current period.

<i>Description</i>	<i>Effective for annual periods beginning</i>
IAS 1 Amendments- Classification of liabilities with debt covenants	1 January 2024
IAS 1 Amendments- Classification of liabilities as current or non-current	1 January 2024
IFRS 16 Amendments- Lease liability in a sale and leaseback	1 January 2024

#### IAS 1 Amendments - Classification of liabilities with debt covenants

The amendments to IAS 1 clarify that classification of liabilities as either current or non-current depends only on the covenants that an entity is required to comply with on or before the reporting date. In addition, an entity has to disclose information in the notes that enables users of financial statements to understand the risk that non-current liabilities with covenants could become repayable within twelve months.

The adoption of the amendments did not have a significant impact on the Group’s interim consolidated financial information.

#### IAS 1 Amendments - Classification of current or non-current

The amendments to IAS 1 clarify the classification of a liability as either current or non-current is based on the entity’s rights at the end of the reporting period. Stating management expectations around whether they will defer settlement or not does not impact the classification of the liability. It has added guidance about lending conditions and how these can impact classification and has included requirements for liabilities that can be settled using an entity’s own instruments.

The adoption of the amendments did not have a significant impact on the Group’s interim consolidated financial information.

## Notes to the interim condensed consolidated financial information (continued)

### 3 Changes in accounting policies (continued)

#### IFRS 16 Amendments – Lease liability in a sale and leaseback

The amendments to IFRS 16 requires a seller-lessee to measure the right-of-use asset arising from a sale and leaseback transaction at the proportion of the previous carrying amount of the asset that relates to the right of use the seller-lessee retains. Accordingly, in a sale and leaseback transaction the seller-lessee recognises only the amount of any gain or loss that relates to the rights transferred to the buyer-lessor. The initial measurement of the lease liability that arise from a sale and leaseback transaction is a consequence of how the seller-lessee measures the right-of-use asset and the gain or loss recognised at the date of the transaction. The new requirements do not prevent a seller-lessee from recognising in any gain or loss relating to the partial or full termination of a lease.

The adoption of the amendments did not have a significant impact on the Group's interim consolidated financial information.

### 4 Judgment and estimates

The preparation of interim condensed consolidated financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this interim condensed consolidated financial information, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual audited consolidated financial statements as at and for the year ended 31 December 2023.

### 5 Group's subsidiaries

During the period, the Group's ownership has changed in the following subsidiaries:

Name	Country of incorporation	Ownership percentage			Activities
		31 March 2024 (Unaudited)	31 Dec. 2023 (Audited)	31 March 2023 (Unaudited)	
Markaz Arabian Fund	Kingdom of Bahrain	94.10%	94.08%	93.45%	Investment Fund
GCC Momentum Fund	Kuwait	76.01%	89.96%	100.00%	Investment Fund
Markaz Fixed Income Fund	Kuwait	92.64%	95.23%	79.44%	Investment Fund

5.1 The ownership of Markaz Arabian Fund increased by 0.02% (31 March 2023: decreased by 0.10%) GCC Momentum Fund decreased by 13.95% (31 March 2023: Nil) and Markaz Fixed Income Fund decreased by 2.59% (31 March 2023: Nil) due to changes in the number of investment units owned by the non-controlling interests as a result of subscription and redemption. The changes in the ownership resulted in a net gain of KD41 thousand (31 March 2023: net gain of KD211 thousand), which was included in interim condensed consolidated statement of changes in equity.

## Notes to the interim condensed consolidated financial information (continued)

### 6 Gain/(loss) from financial assets at fair value through profit or loss

	Three months ended 31 March 2024 (Unaudited) KD '000	Three months ended 31 March 2023 (Unaudited) KD '000
Change in fair value of financial assets at fair value through profit or loss	2,222	(2,913)
Gain on sale of financial assets at fair value through profit or loss	261	77
	<b>2,483</b>	<b>(2,836)</b>

### 7 Basic and diluted earnings/(loss) per share attributable to the owners of the Parent Company

Basic and diluted earnings/(loss) per share attributable to the owners of the Parent Company is calculated by dividing the profit/(loss) for the period attributable to the owners of the Parent Company by the weighted average number of shares outstanding and in issue during the period (excluding treasury shares).

	Three months ended 31 March 2024 (Unaudited)	Three months ended 31 March 2023 (Unaudited)
Profit/(loss) for the period attributable to the owners of the Parent Company (KD '000)	2,773	(3,175)
Weighted average number of shares outstanding and in issue during the period (excluding treasury shares)	496,663,350	501,774,260
Basic and diluted earnings/(loss) per share attributable to the owners of the Parent Company	6 Fils	(6) Fils

### 8 Cash and cash equivalents

Cash and cash equivalents included in the interim condensed consolidated statement of cash flows comprise of the following accounts:

	31 March 2024 (Unaudited) KD '000	31 Dec. 2023 (Audited) KD '000	31 March 2023 (Unaudited) KD '000
Cash and bank balances	7,414	6,639	17,176
Time deposits	505	272	1,502
	<b>7,919</b>	<b>6,911</b>	<b>18,678</b>
Less: Time deposits maturing after three months	(56)	(64)	(17)
Cash and cash equivalent for the purpose of interim condensed consolidated statement of cash flows	<b>7,863</b>	<b>6,847</b>	<b>18,661</b>

## Notes to the interim condensed consolidated financial information (continued)

### 8 Cash and cash equivalents (continued)

The Group's time deposits carry interest and profit rates for KD deposits 3.00% and FCY deposits between 4.25% to 7.20% (31 December 2023: 1.50% to 7.20% and 31 March 2023: 3.08% to 6.50%) per annum.

The total unsecured overdraft facilities available to the Group from local commercial banks which carries interest rate at 2.00% to 2.25% above Central Bank of Kuwait discount rate were KD3,000 thousand (31 December 2023: KD3,000 thousand and 31 March 2023: KD5,000 thousand) and no amount has been availed from these facilities as at 31 March 2024 (31 December 2023 and 31 March 2023: Nil).

### 9 Financial assets at fair value through profit or loss

	31 March 2024 (Unaudited) KD '000	31 Dec. 2023 (Audited) KD '000	31 March 2023 (Unaudited) KD '000
Local quoted securities	2,559	2,303	2,231
Foreign quoted securities	21,498	15,483	16,679
Local managed funds	27,855	26,706	47,633
Foreign managed funds	5,964	11,418	13,257
Fixed income securities	18,271	16,778	7,010
Equity participation	9,813	10,710	17,436
	<b>85,960</b>	<b>83,398</b>	<b>104,246</b>

The interest rates on fixed income securities range from 2.25% to 7.625% (31 December 2023: 2.25% to 7.625% and 31 March 2023: 2.25% to 7.625%) per annum.

### 10 Financial assets at amortised cost

These represent debt instruments amounting to KD4,187 thousand (31 December 2023: KD4,302 thousand and 31 March 2023: KD4,011 thousand) carrying interest rate range from 7.5% to 8% per annum (31 December 2023 and 31 March 2023: 7.5% to 8% per annum).

### 11 Investment properties

The movement in investment properties is as follows:

	31 March 2024 (Unaudited) KD '000	31 Dec. 2023 (Audited) KD '000	31 March 2023 (Unaudited) KD '000
Carrying value at the beginning of the period/year	30,086	72,631	72,631
Additions	2,279	12,692	3,901
Disposal	(913)	(38,042)	(6,668)
Derecognition due to deconsolidation	-	(16,927)	-
Reversal of Impairment	-	272	-
Depreciation	(33)	(802)	(194)
Foreign currency translation adjustment	(104)	262	44
	<b>31,315</b>	<b>30,086</b>	<b>69,714</b>

## Notes to the interim condensed consolidated financial information (continued)

### 11 Investment properties (continued)

Investment properties with carrying value of KD913 thousand (31 December 2023: KD38,042 thousand and 31 March 2023: KD6,668 thousand) were sold during the period for a consideration of KD1,056 thousand (31 December 2023: KD49,733 thousand and 31 March 2023: KD7,355 thousand) realising a net gain of KD143 thousand (31 December 2023: KD11,691 thousand and 31 March 2023: KD687 thousand).

Investment properties with carrying value of KD17,683 thousand (31 December 2023: KD15,435 thousand and 31 March 2023: KD22,687 thousand) are secured against bank borrowings (Note 12).

### 12 Borrowings

This represents following borrowings:

	Interest Rates	Available facility limit KD '000	31 March 2024 (Unaudited) KD '000	31 Dec. 2023 (Audited) KD '000	31 March 2023 (Unaudited) KD '000
<b>Secured*:</b>					
Foreign conventional loans	2.38% to 2.45% over SOFR 2.75% over USTCMYI**	15,382	9,678	7,913	13,712
<b>Unsecured:</b>					
Local Islamic borrowings	KD loans: 1.75% to 2% over CBDR USD loans: 2% over SOFR (6M)	16,148	-	-	9,604
Local conventional loans	KD loans: 2% over CBDR USD loans: 2.25% over SOFR (3M) USD loans: 2.25% over SOFR (3M)	15,000	2,000	1,500	7,060
Foreign conventional loans	5.47%	3,074	-	-	-
		<b>49,604</b>	<b>11,678</b>	<b>9,413</b>	<b>30,376</b>

\*These facilities are secured by certain foreign investment properties (Note 11).

\*\*USTCMYI: US Treasury Constant Maturity Yield Index.

The above loans are denominated in the following currencies:

	31 March 2024 (Unaudited) KD '000	31 Dec. 2023 (Audited) KD '000	31 March 2023 (Unaudited) KD '000
KD Loans	2,000	1,500	6,993
USD Loans	9,678	7,913	21,063
AED Loans	-	-	2,320
	<b>11,678</b>	<b>9,413</b>	<b>30,376</b>

## Notes to the interim condensed consolidated financial information (continued)

### 12 Borrowings (continued)

#### Reconciliation of liabilities arising from financing activities

	31 March 2024 (Unaudited) KD '000	31 Dec. 2023 (Audited) KD '000	31 March 2023 (Unaudited) KD '000
Opening balance	9,413	29,015	29,015
Proceeds from bank borrowings	3,748	9,413	16,674
Repayment of bank borrowings	(1,500)	(29,035)	(15,324)
Effect of change in foreign exchange rates	17	20	11
Closing balance	11,678	9,413	30,376

### 13 Bond issued

On 20 December 2020, the Parent Company issued unsecured debenture bonds in the principle amount of KD35,000 thousand as follows:

- KD17,500 thousand with a fixed rate of 4.75% payable quarterly in arrears maturing on 20 December 2025.
- KD17,500 thousand with variable rate of 3%, above Central Bank of Kuwait Discount rate, capped at 5.5%, which is payable quarterly in arrears maturing on 20 December 2025.

### 14 Treasury shares

	31 March 2024 (Unaudited)	31 Dec. 2023 (Audited)	31 March 2023 (Unaudited)
Number of shares	8,391,198	6,726,371	3,067,574
Percentage of issued shares	1.66%	1.33%	0.61%
Market value (KD '000)	1,116	673	289
Cost (KD'000)	851	671	309

Reserves of the Parent Company equivalent to the cost of the treasury shares have been earmarked as non-distributable.

### 15 Annual General Assembly of the Shareholders

The shareholders of the Parent Company at the Annual General Assembly held on 19 March 2024 approved the consolidated financial statements of the Group for the year ended 31 December 2023 and approved Board of Directors proposal of cash dividend of 6 Fils per share.

The cash dividend payable amounting to KD2,979 thousand is included in accounts payable and other liabilities as at 31 March 2024 and was paid subsequently.



## Notes to the interim condensed consolidated financial information (continued)

### 16 Related party transactions

Related parties represent associate, major shareholders, 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. Details of transactions between the Group and other related parties are disclosed below.

During the period, the Group entities entered into the following transactions with related parties.

	Three months ended 31 March 2024 (Unaudited) KD '000	Three months ended 31 March 2023 (Unaudited) KD '000
<b>Transactions included in the interim condensed consolidated statement of profit or loss:</b>		
Interest income on loans to customers	-	1
Interest income on financial assets at amortised cost	83	57
Management fees and commission	937	1,053
General and administrative expenses	(131)	-
Finance costs	(36)	-
<hr/>		
<b>Key management compensation:</b>		
Salaries and other short-term benefits	273	140
End of service benefits	22	22
Board of directors' remuneration 2022	-	70
	<b>295</b>	<b>232</b>

	31 March 2024 (Unaudited) KD '000	31 Dec. 2023 (Audited) KD '000	31 March 2023 (Unaudited) KD '000
<b>Balances included in the interim condensed consolidated statement of financial position:</b>			
Loans to customers	73	81	90
Financial assets at amortised cost	4,187	4,302	4,011
Right-of-use assets	2,275	2,406	-
Accounts receivable and other assets	3,238	2,953	2,524
Accounts payable and other liabilities	4,031	4,339	1,856

### 17 Segmental information

Operating segments are identified based on internal management reporting information that is regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance, and is reconciled to Group profit or loss. The measurement policies the Group uses for segment reporting under IFRS 8 are the same as those used in its annual consolidated financial statements.

## Notes to the interim condensed consolidated financial information (continued)

### 17 Segmental information (continued)

The revenues and profits generated from, and assets and liabilities allocated to, Group's business are as follows:

	Asset Management		Investment Banking		Others		Total	
	31 Mar 2024 KD'000	31 Mar 2023 KD'000	31 Mar 2024 KD'000	31 Mar 2023 KD'000	31 Mar 2024 KD'000	31 Mar 2023 KD'000	31 Mar 2024 KD'000	31 Mar 2023 KD'000
Segment revenue	6,142	1,191	69	97	(153)	(96)	6,058	1,192
Segment result	4,019	(1,738)	(65)	(47)	(974)	(923)	2,980	(2,708)
Provision for KFAS, NLST and Zakat	(134)	-	-	-	-	-	(134)	-
Profit/(loss) for the year	3,885	(1,738)	(65)	(47)	(974)	(923)	2,846	(2,708)
Total assets	166,353	201,103	-	-	9,511	8,628	175,864	209,731

### 18 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 interim condensed consolidated statement of financial position. Assets under management at 31 March 2024 amounted to KD1,299,430 thousand (31 December 2023: KD1,211,966 thousand and 31 March 2023: KD1,126,460 thousand) which include related party assets under management at 31 March 2024 amounting to KD450,437 thousand (31 December 2023: KD437,901 thousand and 31 March 2023: KD409,240 thousand). The Group earned management fee of KD1,690 thousand (31 March 2023: KD1,752 thousand) from the asset management activities.

### 19 Commitments

	31 March 2024 (Unaudited) KD '000	31 Dec. 2023 (Audited) KD '000	31 March 2023 (Unaudited) KD '000
Commitments for purchase of investments	1,089	1,104	1,248
Commitments for investment properties	3,989	6,142	15,220
Unsold borrowed equity securities	660	583	1,180
Commitments to related parties	-	-	374
Letter of guarantee	342	342	175
	6,080	8,171	18,197

## Notes to the interim condensed consolidated financial information (continued)

### 20 Forward foreign exchange contracts

The contractual amounts of outstanding derivative instruments together with the fair value are as follows:

	31 March 2024 (Unaudited)		31 Dec. 2023 (Audited)		31 March 2023 (Unaudited)	
	Contractual amounts KD'000	Assets/ (liabilities) KD'000	Contractual amounts KD'000	Assets/ (liabilities) KD'000	Contractual amounts KD'000	Assets/ (liabilities) KD'000
<i>At fair value through profit or loss:</i>						
Forward foreign exchange contracts	10,740	(21)	10,717	26	10,708	(49)

### 21 Fair value measurement

Fair value represents the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Group measures assets and long positions at a bid price and liabilities and short positions at an ask price.

Financial assets and financial liabilities measured at fair value in the interim condensed consolidated statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The financial assets and liabilities measured at fair value on a recurring basis in the interim condensed consolidated financial position are grouped into the fair value hierarchy as follows:

	KD'000			
	Level 1	Level 2	Level 3	Total
<b>31 March 2024 (Unaudited)</b>				
<b>Financial assets at FVTPL</b>				
Quoted securities	24,057	-	-	24,057
Managed funds	-	33,819	-	33,819
Equity participation	-	-	9,813	9,813
Fixed income securities	16,671	-	1,600	18,271
	<b>40,728</b>	<b>33,819</b>	<b>11,413</b>	<b>85,960</b>
<b>Derivative</b>				
Forward foreign currency contracts held for trading	-	(21)	-	(21)
	<b>40,728</b>	<b>33,798</b>	<b>11,413</b>	<b>85,939</b>

## Notes to the interim condensed consolidated financial information (continued)

### 21 Fair value measurement (continued)

	KD'000			
	Level 1	Level 2	Level 3	Total
<b>31 December 2023 (Audited)</b>				
<b>Financial assets at FVTPL</b>				
Quoted securities	17,786	-	-	17,786
Managed funds	-	38,124	-	38,124
Equity participations	-	-	10,710	10,710
Fixed income securities	15,178	-	1,600	16,778
	32,964	38,124	12,310	83,398
<b>Derivative</b>				
Forward foreign currency contracts held for trading	-	26	-	26
	32,964	38,150	12,310	83,424
<b>31 March 2023 (Unaudited)</b>				
<b>Financial assets at FVTPL</b>				
Quoted securities	18,910	-	-	18,910
Managed funds	673	60,217	-	60,890
Equity participation	-	-	17,436	17,436
Fixed income securities	5,110	-	1,900	7,010
	24,693	60,217	19,336	104,246
<b>Derivative</b>				
Forward foreign currency contracts held for trading	-	(49)	-	(49)
	24,693	60,168	19,336	104,197

Fair value of financial assets carried at amortised cost are not materially different from their carrying values.

There have been no significant transfers between levels 1 and 2 during the reporting period.

#### Measurement at fair value

The methods and valuation techniques used for the purpose of measuring fair value are unchanged compared to the previous reporting year/period.

#### Level 3 fair value measurements

The Group's financial assets and liabilities classified in level 3 uses valuation techniques based on significant inputs that are not based on observable market data. The financial instruments within this level can be reconciled from beginning to ending balances as follows:

	31 March 2024 (Unaudited) KD '000	31 Dec. 2023 (Audited) KD '000	31 March 2023 (Unaudited) KD '000
Opening balance	12,310	21,782	21,782
Net redemption	(924)	(6,919)	(2,415)
Reclassification (from level 1 to level 3)	-	(1,928)	-
Net change in fair value	27	(625)	(31)
Closing balance	11,413	12,310	19,336

## Notes to the interim condensed consolidated financial information (continued)

### **22 Structured entities (Special Purpose Vehicles)**

The Group has created certain Special Purpose Vehicles (SPVs) for the Group's asset management activities. These SPVs are used to raise funds from the Group's clients on the basis of product offering documents with eventual objectives of investments in specified asset classes as defined in the offering documents of the SPVs. These SPVs are managed on a fiduciary basis by the Group's asset management teams. As some of these SPVs are not controlled as at the reporting date in accordance with the definition of control in IFRS 10, those SPVs are not consolidated into the Group's interim condensed consolidated financial information.

Investment in SPVs that are not consolidated, are included in financial assets at fair value through profit or loss and financial assets carried at amortised cost in the interim condensed consolidated statement of financial position.