

Interim condensed consolidated financial information and review report

Kuwait Financial Centre – KPSC and Subsidiaries

Kuwait

30 September 2024 (Unaudited)

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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 30 September 2024 and the related interim condensed consolidated statements of profit or loss, profit or loss and other comprehensive income for the three-month and nine-month periods then ended and, interim condensed consolidated changes in equity and cash flows for the nine-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.

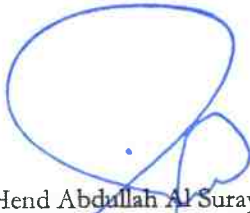
Report on review of other legal and regulatory requirements

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 nine-month period ended 30 September 2024 that might have had a material effect on the business or financial position of the Parent Company.

**Report on Review of Interim Condensed Consolidated Financial Information of
Kuwait Financial Centre – KPSC (continued)**

Report on review of other legal and regulatory requirements (continued)

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 nine-month period ended 30 September 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.

Kuwait
11 November 2024

Interim condensed consolidated statement of profit or loss

	Note	Three months ended		Nine months ended	
		30 Sept. 2024 (Unaudited) KD '000	30 Sept. 2023 (Unaudited) KD '000	30 Sept. 2024 (Unaudited) KD '000	30 Sept. 2023 (Unaudited) KD '000
Revenue					
Interest income		319	260	937	706
Dividend income		338	833	1,011	1,328
Management fees and commission		3,050	1,978	7,143	5,899
Gain/(loss) from financial assets at fair value through profit or loss	6	1,778	(590)	4,032	(2,184)
Loss from financial liabilities at fair value through profit or loss		-	-	-	(8)
Share of results of associates and joint ventures		297	(112)	1,348	(228)
Deemed gain on deconsolidation of a fund subsidiary		-	-	-	1,057
Gain on partial redemption of investment in associate		29	-	37	-
Gain on sale of investment properties	11	19	4,101	433	4,964
Net rental income		133	464	305	2,139
Foreign currency exchange gain/(loss)		115	(147)	(419)	5
Other income		74	107	89	361
		6,152	6,894	14,916	14,039
Expenses and other charges					
General and administrative expenses		(3,180)	(2,205)	(8,757)	(7,846)
Impairment of investment in joint venture		-	-	-	(106)
Other expenses		(488)	20	(608)	(177)
Finance costs		(673)	(960)	(1,869)	(2,800)
		(4,341)	(3,145)	(11,234)	(10,929)
Profit before provisions for contribution to Kuwait Foundation for the Advancement of Sciences (KFAS), National Labour Support Tax (NLST) and Zakat					
		1,811	3,749	3,682	3,110
Provision for contribution to KFAS		(14)	(7)	(31)	(7)
Provision for NLST		(41)	(41)	(90)	(41)
Provision for Zakat		(16)	(16)	(36)	(16)
Profit for the period		1,740	3,685	3,525	3,046
Profit for the period attributable to:					
Owners of the Parent Company		1,560	2,022	3,351	711
Non-controlling interests		180	1,663	174	2,335
Profit for the period		1,740	3,685	3,525	3,046
Basic and diluted earnings per share attributable to the owners of the Parent Company					
	7	3 Fils	4 Fils	7 Fils	1 Fils

The notes set out on pages 9 to 20 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		Nine months ended	
	30 Sept. 2024 (Unaudited) KD '000	30 Sept. 2023 (Unaudited) KD '000	30 Sept. 2024 (Unaudited) KD '000	30 Sept. 2023 (Unaudited) KD '000
Profit for the period	1,740	3,685	3,525	3,046
Other comprehensive income/(loss): <i>Items to be reclassified to statement of profit or loss in subsequent periods:</i>				
<i>Fair value reserve:</i>				
Share of other comprehensive loss of associates and joint ventures	(59)	-	(152)	-
<i>Foreign currency translation reserve:</i>				
Exchange differences arising on translation of foreign operations	168	(238)	(61)	292
Share of other comprehensive income of associates and joint ventures	28	30	238	30
Total other comprehensive income/(loss)	137	(208)	25	322
Total comprehensive income for the period	1,877	3,477	3,550	3,368
Total comprehensive income for the period attributable to:				
Owners of the Parent Company	1,702	1,797	3,380	1,060
Non-controlling interests	175	1,680	170	2,308
	1,877	3,477	3,550	3,368

The notes set out on pages 9 to 20 form an integral part of this interim condensed consolidated financial information.

Interim condensed consolidated statement of financial position

	Note	30 Sept. 2024 (Unaudited) KD '000	31 Dec. 2023 (Audited) KD '000	30 Sept. 2023 (Unaudited) KD '000
Assets				
Cash and bank balances	8	5,477	6,639	9,185
Time deposits	8	540	272	1,667
Accounts receivable and other assets		6,622	6,020	8,907
Loans to customers		2,524	2,565	2,604
Financial assets at fair value through profit or loss	9	90,894	83,398	93,366
Assets held for sale		-	-	18,584
Financial assets at amortised cost	10	3,916	4,302	4,117
Investments in associates and joint ventures		34,551	33,679	18,461
Investment properties	11	31,019	30,086	27,246
Right-of-use assets		2,037	2,432	2,565
Equipment		894	889	315
Total assets		178,474	170,282	187,017
Liabilities and equity				
Liabilities				
Accounts payable and other liabilities		11,707	13,035	13,326
Financial liabilities at fair value through profit or loss		7	-	10
Borrowings	12	18,920	9,413	25,195
Bonds issued	13	35,000	35,000	35,000
Total liabilities		65,634	57,448	73,531
Equity				
Share capital		50,484	50,484	50,484
Share premium		7,902	7,902	7,902
Treasury shares	14	(1,522)	(671)	(412)
Statutory reserve		19,087	19,087	18,642
Voluntary reserve		17,442	17,442	16,997
Other components of equity		858	829	343
Retained earnings		11,307	10,992	8,568
Equity attributable to the owners of the Parent Company		105,558	106,065	102,524
Non-controlling interests		7,282	6,769	10,962
Total equity		112,840	112,834	113,486
Total liabilities and equity		178,474	170,282	187,017


Diraar Yusuf Alghanim
Chairman


Ali Hassan Khalil
Chief Executive Officer

The notes set out on pages 9 to 20 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	Share premium	Treasury shares	Statutory reserve	Voluntary reserve	Other components of equity	Retained earnings			Sub total
	KD '000	KD '000	KD '000	KD '000	KD '000	KD '000	KD '000	KD '000	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	-	-	-	-	-	-	-	-	286	286
Effect of change in ownership percentage of subsidiaries (Note 5.1)	-	-	-	-	-	-	(57)	(57)	57	-
Purchase of treasury shares	-	-	(851)	-	-	-	-	(851)	-	(851)
Cash dividend (Note 15)	-	-	-	-	-	-	(2,979)	(2,979)	-	(2,979)
Transactions with owners	-	-	(851)	-	-	-	(3,036)	(3,887)	343	(3,544)
Profit for the period	-	-	-	-	-	-	3,351	3,351	174	3,525
Total other comprehensive income/(loss) for the period	-	-	-	-	-	29	-	29	(4)	25
Total comprehensive income for the period	-	-	-	-	-	29	3,351	3,380	170	3,550
Balance at 30 September 2024	50,484	7,902	(1,522)	19,087	17,442	858	11,307	105,558	7,282	112,840

The notes set out on pages 9 to 20 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 (Note 15) KD '000	Retained earnings KD '000			Sub total KD '000
Balance at 1 January 2023	50,484	7,902	(309)	18,642	16,997	(6)	9,883	103,593	29,680	133,273
Net change in non-controlling interests	-	-	-	-	-	-	-	-	(9,501)	(9,501)
Effect of change in ownership percentage of subsidiaries (Note 5.1)	-	-	-	-	-	-	483	483	(483)	-
Effect of change in non-controlling interests due to deconsolidation of a fund subsidiary	-	-	-	-	-	-	-	-	(10,578)	(10,578)
Purchase of treasury shares	-	-	(103)	-	-	-	-	(103)	-	(103)
Cash dividend	-	-	-	-	-	-	(2,509)	(2,509)	-	(2,509)
Payment of cash dividend to non-controlling interests' shareholders	-	-	-	-	-	-	-	-	(464)	(464)
Transactions with owners	-	-	(103)	-	-	-	(2,026)	(2,129)	(21,026)	(23,155)
Profit for the period	-	-	-	-	-	-	711	711	2,335	3,046
Total other comprehensive income/(loss) for the period	-	-	-	-	-	349	-	349	(27)	322
Total comprehensive income for the period	-	-	-	-	-	349	711	1,060	2,308	3,368
Balance at 30 September 2023	50,484	7,902	(412)	18,642	16,997	343	8,568	102,524	10,962	113,486

The notes set out on pages 9 to 20 form an integral part of this interim condensed consolidated financial information.

Interim condensed consolidated statement of cash flows

	Note	Nine months ended 30 Sept. 2024 (Unaudited) KD '000	Nine months ended 30 Sept. 2023 (Unaudited) KD '000
OPERATING ACTIVITIES			
Profit for the period		3,525	3,046
Adjustments for:			
Interest income		(937)	(706)
Depreciation		501	853
Amortisation of right-of-use assets		399	205
Gain on sale of investment properties	11	(433)	(4,964)
Gain on partial redemption of investment in associate		(37)	-
Deemed gain on derecognition of fund subsidiary		-	(1,057)
Share of results of associates and joint ventures		(1,348)	228
Impairment of investment in joint venture		-	106
Reversal of provisions		(27)	(2)
Finance costs		1,869	2,800
		3,512	509
Changes in operating assets and liabilities:			
Financial assets at fair value through profit or loss		(7,496)	5,335
Financial liabilities at fair value through profit or loss		7	10
Accounts receivable and other assets		(305)	(2,615)
Loans to customers		43	106
Accounts payable and other liabilities		(1,052)	(1,425)
Net cash (used in)/from operating activities		(5,291)	1,920
INVESTING ACTIVITIES			
Change in time deposits maturing after nine months		(9)	9
Purchase of equipment		(254)	29
Redemption/(purchase) of financial assets at amortised cost		378	(2,136)
Additions to investment properties	11	(3,950)	(10,130)
Proceeds from sale of investment properties	11	3,055	24,693
Decrease/(increase) in investment in associates and joint ventures		311	(1,163)
Cash outflow due to deconsolidation of fund subsidiary		-	(374)
Cash dividend received from associate		288	108
Interest income received		665	374
Net cash from investing activities		484	11,410
FINANCING ACTIVITIES			
Dividend paid		(2,973)	(2,515)
Dividend paid to non-controlling interests' shareholders		-	(464)
Purchase of treasury shares		(851)	(103)
Proceeds from borrowings	12	11,059	13,569
Repayment of borrowings	12	(1,500)	(17,510)
Finance costs paid		(1,693)	(2,817)
Payment of lease liabilities		(462)	(369)
Net change in non-controlling interests		286	(9,501)
Net cash from/(used in) financing activities		3,866	(19,710)
Decrease in cash and cash equivalents		(941)	(6,380)
Foreign currency adjustments		38	25
Cash and cash equivalents at the beginning of the period	8	6,847	17,139
Cash and cash equivalents at the end of the period	8	5,944	10,784

The notes set out on pages 9 to 20 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 Bursa 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.

Notes to the interim condensed consolidated financial information (continued)

1 Incorporation and activities (continued)

The Board of Directors of the Parent Company approved this interim condensed consolidated financial information for issue on 11 November 2024.

2 Basis of preparation

This interim condensed consolidated financial information of the Group for the nine-month period ended 30 September 2024 has been prepared in accordance with IAS 34, Interim Financial Reporting except as noted below.

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 IFRS Accounting 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 nine months ended 30 September 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.

Notes to the interim condensed consolidated financial information (continued)

3 Changes in accounting policies (continued)

3.1 New and amended standards adopted by the Group (continued)

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.

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
		30 Sept. 2024 (Unaudited)	31 Dec. 2023 (Audited)	30 Sept. 2023 (Unaudited)	
Markaz Arabian Fund	Kingdom of Bahrain	94.36%	94.08%	94.07%	Investment Fund
GCC Momentum Fund	Kuwait	72.67%	89.96%	92.74%	Investment Fund
Markaz Fixed Income Fund	Kuwait	92.64%	95.23%	79.44%	Investment Fund

Notes to the interim condensed consolidated financial information (continued)

5 Group's subsidiaries (continued)

5.1 The ownership of Markaz Arabian Fund increased by 0.28% (30 September 2023: increased by 0.61%) GCC Momentum Fund decreased by 17.29% (30 September 2023: Nil) and Markaz Fixed Income Fund decreased by 2.59% (30 September 2023: increased by 13.30%) 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 loss of KD57 thousand (30 September 2023: net gain of KD483 thousand), which was included in interim condensed consolidated statement of changes in equity.

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

	Three months ended		Nine months ended	
	30 Sept. 2024 (Unaudited) KD '000	30 Sept. 2023 (Unaudited) KD '000	30 Sept. 2024 (Unaudited) KD '000	30 Sept. 2023 (Unaudited) KD '000
Change in fair value of financial assets at fair value through profit or loss	1,606	(1,210)	3,317	(2,701)
Gain on sale of financial assets at fair value through profit or loss	172	620	715	517
	1,778	(590)	4,032	(2,184)

7 Basic and diluted earnings per share attributable to the owners of the Parent Company

Basic and diluted earnings per share attributable to the owners of the Parent Company is calculated by dividing the profit 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		Nine months ended	
	30 Sept. 2024 (Unaudited)	30 Sept. 2023 (Unaudited)	30 Sept. 2024 (Unaudited)	30 Sept. 2023 (Unaudited)
Profit for the period attributable to the owners of the Parent Company (KD '000)	1,560	2,022	3,351	711
Weighted average number of shares outstanding and in issue during the period (net of treasury shares)	495,488,059	500,725,956	496,198,081	501,259,570
Basic and diluted earnings per share attributable to the owners of the Parent Company	3 Fils	4 Fils	7 Fils	1 Fils

Notes to the interim condensed consolidated financial information (continued)

8 Cash and cash equivalents

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

	30 Sept. 2024 (Unaudited) KD '000	31 Dec. 2023 (Audited) KD '000	30 Sept. 2023 (Unaudited) KD '000
Cash and bank balances	5,477	6,639	9,185
Time deposits	540	272	1,667
	6,017	6,911	10,852
Less: Time deposits maturing after three months	(73)	(64)	(68)
Cash and cash equivalent for the purpose of interim condensed consolidated statement of cash flows	5,944	6,847	10,784

The Group's time deposits carry interest and profit rates for Kuwait Dinar deposits 3% to 4% and Foreign Currency Yield deposits between 4.25% to 7.25% (31 December 2023: 1.50% to 7.20% and 30 September 2023: 3.24% to 7.13%) 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 30 September 2023: KD3,000 thousand) and no amount has been availed from these facilities as at 30 September 2024 (31 December 2023 and 30 September 2023: Nil).

9 Financial assets at fair value through profit or loss

	30 Sept. 2024 (Unaudited) KD '000	31 Dec. 2023 (Audited) KD '000	30 Sept. 2023 (Unaudited) KD '000
Local quoted securities	2,577	2,303	2,259
Foreign quoted securities	26,230	15,483	16,922
Local managed funds	28,081	26,706	41,413
Foreign managed funds	5,458	11,418	12,147
Fixed income securities	17,826	16,778	6,860
Equity participation	10,722	10,710	13,765
	90,894	83,398	93,366

The interest rates on fixed income securities range from 2% to 7% (31 December 2023: 2.25% to 7.625% and 30 September 2023: 2.25% to 7.625%) per annum.

10 Financial assets at amortised cost

These represent debt instruments amounting to KD3,916 thousand (31 December 2023: KD4,302 thousand and 30 September 2023: KD4,117 thousand) carrying interest rate range from 7.5% to 8% per annum (31 December 2023 and 30 September 2023: 7.5% to 8% per annum).

Notes to the interim condensed consolidated financial information (continued)

11 Investment properties

The movement in investment properties is as follows:

	30 Sept. 2024 (Unaudited) KD '000	31 Dec. 2023 (Audited) KD '000	30 Sept. 2023 (Unaudited) KD '000
Carrying value at the beginning of the period/year	30,086	72,631	72,631
Additions	3,950	12,692	10,130
Disposal	(2,622)	(38,042)	(19,729)
Derecognition due to deconsolidation	-	(16,927)	(16,976)
Transferred to assets held for sale	-	-	(18,446)
Reversal of Impairment	-	272	-
Depreciation	(252)	(802)	(610)
Foreign currency translation adjustment	(143)	262	246
	31,019	30,086	27,246

Investment properties with carrying value of KD2,622 thousand (31 December 2023: KD38,042 thousand and 30 September 2023: KD19,729 thousand) were sold during the period for a consideration of KD3,055 thousand (31 December 2023: KD49,733 thousand and 30 September 2023: KD24,693 thousand) realising a net gain of KD433 thousand (31 December 2023: KD11,691 thousand and 30 September 2023: KD4,964 thousand).

Investment properties with carrying value of KD18,458 thousand (31 December 2023: KD15,435 thousand and 30 September 2023: KD15,628 thousand) are secured against bank borrowings (Note 12).

12 Borrowings

This represents following borrowings:

	Interest Rates	Available facility limit KD '000	30 Sept. 2024 (Unaudited) KD '000	31 Dec. 2023 (Audited) KD '000	30 Sept. 2023 (Unaudited) KD '000
Secured*:					
Foreign					
conventional loans	2.45% over SOFR	6,412	4,297	2,989	13,433
	2.75% over USTCMYI**	8,838	7,573	4,924	3,057
Unsecured:					
Local Islamic borrowings					
	KD loans: 1.75% to 2% over CBDR	10,000	2,500	-	2,000
	USD loans: 2% over SOFR (6M)	6,095	-	-	3,116
Local conventional loans					
	KD loans: 2% over CBDR	15,000	4,550	1,500	-
	USD loans: 2.25% over SOFR (3M)	-	-	-	3,589
		46,345	18,920	9,413	25,195

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

Notes to the interim condensed consolidated financial information (continued)

12 Borrowings (continued)

**USTCMYI: US Treasury Constant Maturity Yield Index.

The above loans are denominated in the following currencies:

	30 Sept. 2024 (Unaudited) KD '000	31 Dec. 2023 (Audited) KD '000	30 Sept. 2023 (Unaudited) KD '000
KD Loans	7,050	1,500	2,000
USD Loans	11,870	7,913	23,042
AED Loans	-	-	153
	18,920	9,413	25,195

Reconciliation of liabilities arising from financing activities

	30 Sept. 2024 (Unaudited) KD '000	31 Dec. 2023 (Audited) KD '000	30 Sept. 2023 (Unaudited) KD '000
Opening balance	9,413	29,015	29,015
Proceeds from bank borrowings	11,059	9,413	13,569
Repayment of bank borrowings	(1,500)	(29,035)	(17,510)
Effect of change in foreign exchange rates	(52)	20	121
Closing balance	18,920	9,413	25,195

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

	30 Sept. 2024 (Unaudited)	31 Dec. 2023 (Audited)	30 Sept. 2023 (Unaudited)
Number of shares	14,135,993	6,726,371	4,115,878
Percentage of issued shares	2.80%	1.33%	0.82%
Market value (KD '000)	1,668	673	410
Cost (KD'000)	1,522	671	412

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

Notes to the interim condensed consolidated financial information (continued)

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.

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

	Asset Management (Unaudited)		Investment Banking (Unaudited)		Others (Unaudited)		Total (Unaudited)	
	30 Sept. 2024 (Unaudited) KD'000	30 Sept. 2023 (Unaudited) KD'000	30 Sept. 2024 (Unaudited) KD'000	30 Sept. 2023 (Unaudited) KD'000	30 Sept. 2024 (Unaudited) KD'000	30 Sept. 2023 (Unaudited) KD'000	30 Sept. 2024 (Unaudited) KD'000	30 Sept. 2023 (Unaudited) KD'000
Segment revenue	14,446	13,585	599	373	(129)	81	14,916	14,039
Segment result	6,831	6,316	(6)	(90)	(3,143)	(3,116)	3,682	3,110
Provisions for KFAS, NLST and Zakat	(157)	(64)	-	-	-	-	(157)	(64)
Profit/(loss) the period	6,674	6,252	(6)	(90)	(3,143)	(3,116)	3,525	3,046
Total assets	170,285	177,722	-	-	8,189	9,295	178,474	187,017

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 30 September 2024 amounted to KD1,388,876 thousand (31 December 2023: KD1,211,966 thousand and 30 September 2023: KD1,158,780 thousand) which include related party assets under management at 30 September 2024 amounting to KD444,490 thousand (31 December 2023: KD437,901 thousand and 30 September 2023: KD434,984 thousand). The Group earned management fee of KD6,340 thousand (30 September 2023: KD5,440 thousand) from the asset management activities.

19 Commitments

	30 Sept. 2024 (Unaudited) KD '000	31 Dec. 2023 (Audited) KD '000	30 Sept. 2023 (Unaudited) KD '000
Commitments for purchase of investments	1,057	1,104	1,258
Commitments for investment properties	3,168	6,142	8,240
Unsold borrowed equity securities	767	583	550
Commitments to related parties	-	-	46
Letter of guarantee	-	342	1,885
	4,992	8,171	11,979

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:

	30 Sept. 2024 (Unaudited)		31 Dec. 2023 (Audited)		30 Sept. 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	10,630	(2)	10,717	26	10,789	(101)

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 nine levels of a fair value hierarchy. The nine 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
30 September 2024 (Unaudited)				
Financial assets at FVTPL				
Quoted securities	28,807	-	-	28,807
Managed funds	-	33,539	-	33,539
Equity participation	-	-	10,722	10,722
Fixed income securities	16,226	-	1,600	17,826
	45,033	33,539	12,322	90,894
Derivative				
Forward foreign currency contracts held for trading	-	(2)	-	(2)
Financial Liabilities at FVTPL	-	(7)	-	(7)
	-	(9)	-	(9)
	45,033	33,530	12,322	90,885

Notes to the interim condensed consolidated financial information (continued)

21 Fair value measurement (continued)

	KD'000			
	Level 1	Level 2	Level 3	Total
31 December 2023 (Audited)				
Financial assets at FVTPL				
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
Derivative				
Forward foreign currency contracts held for trading	-	26	-	26
	32,964	38,150	12,310	83,424
30 September 2023 (Unaudited)				
Financial assets at FVTPL				
Quoted securities	19,181	-	-	19,181
Managed funds	686	52,874	-	53,560
Equity participation	-	-	13,765	13,765
Fixed income securities	5,260	-	1,600	6,860
	25,127	52,874	15,365	93,366
Derivative				
Forward foreign currency contracts held for trading	-	(101)	-	(101)
Financial liabilities at FVTPL				
	-	(10)	-	(10)
	-	(111)	-	(111)
	25,127	52,763	15,365	93,255

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:

	30 Sept. 2024 (Unaudited) KD '000	31 Dec. 2023 (Audited) KD '000	30 Sept. 2023 (Unaudited) KD '000
Opening balance	12,310	21,782	21,782
Net purchase /(redemption)	469	(6,919)	(5,545)
Reclassification (from level 1 to level 3)	-	(1,928)	-
Net change in fair value	(457)	(625)	(872)
Closing balance	12,322	12,310	15,365

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.