

Interim condensed consolidated financial information and review report

Kuwait Financial Centre – KPSC and Subsidiaries

Kuwait

31 March 2025 (Unaudited)

Contents

	Page
Review report	1 and 2
Interim condensed consolidated statement of profit or loss	3
Interim condensed consolidated statement of profit or loss and other comprehensive income	4
Interim condensed consolidated statement of financial position	5
Interim condensed consolidated statement of changes in equity	6 and 7
Interim condensed consolidated statement of cash flows	8
Notes to the interim condensed consolidated financial information	9 to 20

Auditors & Consultants

Souq Al Kabeer Building, Block A, 9th 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 (together referred to as the “Group”) as at 31 March 2025 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 2025 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 provisions of Law No. 7 of 2010 concerning the Capital Markets Authority and its related regulations during the three-month period ended 31 March 2025 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

Bader A. Al-Wazzan
(Licence No. 62-A)
of Deloitte & Touche – Al-Wazzan & Co.

Kuwait
7 May 2025

Interim condensed consolidated statement of profit or loss

	Notes	Three months ended 31 March 2025 (Unaudited) KD '000	Three months ended 31 March 2024 (Unaudited) KD '000
Income			
Interest income		304	305
Dividend income		490	390
Management fees and commission income		2,022	1,791
Gain from financial assets at fair value through profit or loss	6	198	2,483
Share of results of associates and joint ventures		2,607	1,133
Gain on partial redemption of investment in associate		12	5
Deemed gain on derecognition of a subsidiary	5.2	370	-
Gain on sale of investment properties		178	143
Net rental income		178	110
Foreign currency exchange gain/(loss)		117	(313)
Other income		17	11
		6,493	6,058
Expenses and other charges			
General and administrative expenses		(3,135)	(2,590)
(Other expenses)/reversal of expenses		(136)	22
Finance costs		(648)	(510)
		(3,919)	(3,078)
Profit before provisions for contribution to Kuwait Foundation for the Advancement of Sciences (KFAS), National Labour Support Tax (NLST) and Zakat			
		2,574	2,980
Provision for contribution to KFAS		(26)	(26)
Provision for NLST		(74)	(77)
Provision for Zakat		(29)	(31)
Profit for the period		2,445	2,846
Profit for the period attributable to:			
Owners of the Parent Company		2,775	2,773
Non-controlling interests		(330)	73
Profit for the period		2,445	2,846
Basic and diluted earnings per share attributable to the owners of the Parent Company	7	6 Fils	6 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 31 March 2025 (Unaudited) KD '000	Three months ended 31 March 2024 (Unaudited) KD '000
Profit for the period	2,445	2,846
Other comprehensive income:		
<i>Items will not 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	(49)	-
<i>Items to be reclassified to statement of profit or loss in subsequent periods:</i>		
<i>Foreign currency translation reserve:</i>		
- Exchange differences arising on translation of foreign operations	20	(150)
- Share of other comprehensive income of associates and joint ventures	10	7
Total other comprehensive loss	(19)	(143)
Total comprehensive income for the period	2,426	2,703
Total comprehensive income for the period attributable to:		
Owners of the Parent Company	2,754	2,627
Non-controlling interests	(328)	76
	2,426	2,703

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

	Notes	31 March 2025 (Unaudited) KD '000	31 Dec. 2024 (Audited) KD '000	31 March 2024 (Unaudited) KD '000
Assets				
Cash and bank balances	8	5,488	5,952	7,414
Time deposits	8	777	1,208	505
Accounts receivable and other assets		5,065	6,579	5,505
Loans to customers		2,497	2,498	2,518
Financial assets at fair value through profit or loss	9	74,437	70,352	85,960
Financial assets at amortised cost	10	3,477	3,723	4,187
Investments in associates and joint ventures		62,994	59,164	35,235
Investment properties	11	27,020	34,757	31,315
Right-of-use assets		1,767	1,903	2,303
Equipment		852	879	922
Total assets		184,374	187,015	175,864
Liabilities and equity				
Liabilities				
Accounts payable and other liabilities		13,525	14,649	16,079
Borrowings	12	20,086	19,085	11,678
Bonds issued	13	35,000	35,000	35,000
Total liabilities		68,611	68,734	62,757
Equity				
Share capital		50,484	50,484	50,484
Share premium		7,902	7,902	7,902
Treasury shares	14	(1,606)	(1,606)	(851)
Statutory reserve		19,567	19,567	19,087
Voluntary reserve		17,922	17,922	17,442
Other components of equity		867	888	683
Retained earnings		11,456	12,177	10,827
Equity attributable to the owners of the Parent Company		106,592	107,334	105,574
Non-controlling interests		9,171	10,947	7,533
Total equity		115,763	118,281	113,107
Total liabilities and equity		184,374	187,015	175,864


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 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	KD '000		
Balance at 1 January 2025	50,484	7,902	(1,606)	19,567	17,922	888	12,177	107,334	10,947	118,281		
Net change in non-controlling interests	-	-	-	-	-	-	-	-	3,828	3,828		
Effect of change in ownership percentage of subsidiaries (Note 5.1)	-	-	-	-	-	-	(66)	(66)	66	-		
Arising on de-recognition of a subsidiary (Note 5.2)	-	-	-	-	-	-	-	-	(5,342)	(5,342)		
Cash dividend (Note 15)	-	-	-	-	-	-	(3,430)	(3,430)	-	(3,430)		
Transactions with owners	-	-	-	-	-	-	(3,496)	(3,496)	(1,448)	(4,944)		
Profit for the period	-	-	-	-	-	-	2,775	2,775	(330)	2,445		
Total other comprehensive (loss) / income for the period	-	-	-	-	-	(21)	-	(21)	2	(19)		
Total comprehensive (loss) / income for the period	-	-	-	-	-	(21)	2,775	2,754	(328)	2,426		
Balance at 31 March 2025	50,484	7,902	(1,606)	19,567	17,922	867	11,456	106,592	9,171	115,763		

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 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	-	-	-	-	-	-	(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
Balance at 31 March 2024	50,484	7,902	(851)	19,087	17,442	683	10,827	105,574	7,533	113,107

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

	Notes	Three months ended 31 March 2025 (Unaudited) KD '000	Three months ended 31 March 2024 (Unaudited) KD '000
OPERATING ACTIVITIES			
Profit for the period		2,445	2,846
Adjustments for:			
Interest income		(304)	(305)
Depreciation and amortisation		317	245
Gain on sale of investment properties		(178)	(143)
Gain on partial redemption of investment in associate		(12)	(5)
Deemed gain on derecognition of a subsidiary		(370)	-
Share of results of associates and joint ventures		(2,607)	(1,133)
Provision/(reversal) for credit losses		136	(28)
Finance costs		648	510
		75	1,987
Changes in operating assets and liabilities:			
Financial assets at fair value through profit or loss		(4,074)	(2,566)
Accounts receivable and other assets		(9)	678
Loans to customers		1	49
Accounts payable and other liabilities		4,027	39
Net cash from operating activities		20	187
INVESTING ACTIVITIES			
Change in time deposits with contractual maturity exceeding three months		(15)	8
Purchase of equipment		(61)	(112)
Proceeds from sale of financial assets at amortised cost		363	-
Additions to investment properties	11	(4,450)	(2,279)
Proceeds from sale of investment properties		433	1,056
Additions to investment in associates and joint ventures		(82)	(492)
Redemption proceeds received from associates and joint ventures		200	-
Cash outflow due to derecognition of a subsidiary		(1,106)	-
Dividend received from associate		67	81
Interest income received		180	168
Net cash used in investing activities		(4,471)	(1,570)
FINANCING ACTIVITIES			
Dividend paid		(7)	(12)
Purchase of treasury shares		-	(180)
Proceeds from borrowings	12	7,739	3,748
Repayment of borrowings	12	(6,750)	(1,500)
Finance costs paid		(635)	(468)
Payment of lease liabilities		(154)	(4)
Net change in non-controlling interests		3,828	729
Net cash from financing activities		4,021	2,313
(Decrease) / increase in cash and cash equivalents		(430)	930
Foreign currency adjustments		(480)	86
Cash and cash equivalents at the beginning of the period	8	7,092	6,847
Cash and cash equivalents at the end of the period	8	6,182	7,863

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 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 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 7 May 2025.

2 Basis of preparation

The interim condensed consolidated financial information of the Group for the three-month period ended 31 March 2025 has been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” except as noted below.

The annual consolidated financial statements for the year ended 31 December 2024 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.

The interim condensed consolidated financial information has been presented in Kuwaiti Dinars which is the functional and presentation currency of the Parent Company.

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 three months ended 31 March 2025 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2025. For more details, refer to the annual audited consolidated financial statements and its related disclosures for the year ended 31 December 2024.

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 2024, except for the adoption of the amendments to the IFRS Accounting Standards effective as of 1 January 2025 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 IFRS Accounting Standards adopted by the Group

The following amendments to IAS 21 were effective for the current period:

IAS 21 Amendments – Lack of exchangeability

The amendments to IAS 21 addresses determination of exchange rate when there is long term lack of exchangeability. The amendments:

- Specify when a currency is exchangeable into another currency and when it is not a currency is exchangeable when an entity is able to exchange that currency for the other currency through markets or exchange mechanisms that create enforceable rights and obligations without undue delay at the measurement date and for a specified purpose; a currency is not exchangeable into the other currency if an entity can only obtain an insignificant amount of the other currency.

Notes to the interim condensed consolidated financial information (continued)

3 Changes in accounting policies (continued)

3.1 New and amended IFRS Accounting Standards adopted by the Group (continued)

IAS 21 Amendments – Lack of exchangeability (continued)

- Specify how an entity determines the exchange rate to apply when a currency is not exchangeable when a currency is not exchangeable at the measurement date, an entity estimates the spot exchange rate as the rate that would have applied to an orderly transaction between market participants at the measurement date and that would faithfully reflect the economic conditions prevailing.
- Require the disclosure of additional information when a currency is not exchangeable when a currency is not exchangeable an entity discloses information that would enable users of its financial statements to evaluate how a currency's lack of exchangeability affects, or is expected to affect, its financial performance, financial position and cash flows.

The adoption of the amendments did not have a significant impact on the Group's interim condensed 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 2024.

5 Subsidiary companies

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

Name	Country of incorporation	Ownership percentage			Activities
		31 March 2025 (Unaudited)	31 Dec. 2024 (Audited)	31 March 2024 (Unaudited)	
Markaz Arabian Fund (Note 5.1)	Kingdom of Bahrain	94.57%	94.47%	94.10%	Investment Fund
GCC Momentum Fund (Note 5.1)	Kuwait	44.34%	54.69%	76.01%	Investment Fund
MKZ Development 15 (Note 5.2)	Cayman Islands	-	100.00%	100.00%	Real Estate

- 5.1 During the period, the ownership of Markaz Arabian Fund increased by 0.10% and GCC Momentum Fund decreased by 10.35% due to changes in the number of investment units owned by the non-controlling interests as a result of subscription and redemption of the funds' units. These changes in the ownerships resulted in a net loss of KD66 thousand which has been recognised in interim condensed consolidated statement of changes in equity.

Although the Group's ownership interest in GCC Momentum Fund decreased below 50% it continues to control the Fund as it retains control in accordance with IFRS 10 due to its ability to direct relevant activities and its exposure to variable returns.

Notes to the interim condensed consolidated financial information (continued)

5 Subsidiaries companies (continued)

- 5.2 During the period, the Group de-recognised its subsidiary, MKZ Development 15, due to loss of control and reclassified as investment in associate as of 31 March 2025.

Summarised financial information of the derecognized subsidiary is as follows:

	KD'000
Fair value of residual interest	1,435
Less:	
Total identifiable net assets derecognized*	1,065
Deemed gain on derecognition of subsidiary	370

* The initial fair value of the residual interest recognized as investment in associates is equivalent to the fair value of the identifiable net assets on the date the control is lost. This includes assets, liabilities and NCI amounting to KD14,848 thousand, KD8,441 thousand and KD5,342 thousands respectively.

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

	Three months ended 31 March 2025 (Unaudited) KD '000	Three months ended 31 March 2024 (Unaudited) KD '000
Change in fair value of financial assets at fair value through profit or loss	217	2,222
(Loss) / gain on sale of financial assets at fair value through profit or loss	(19)	261
	198	2,483

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 during the period (excluding treasury shares).

	Three months ended 31 March 2025 (Unaudited)	Three months ended 31 March 2024 (Unaudited)
Profit for the period attributable to the owners of the Parent Company (KD' 000)	2,775	2,773
Weighted average number of shares outstanding during the period (excluding treasury shares)	489,985,841	496,663,350
Basic and diluted earnings per share attributable to the owners of the Parent Company	6 Fils	6 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:

	31 March 2025 (Unaudited) KD '000	31 Dec. 2024 (Audited) KD '000	31 March 2024 (Unaudited) KD '000
Cash and bank balances	5,488	5,952	7,414
Time deposits	777	1,208	505
	6,265	7,160	7,919
Less: Time deposits with contractual maturity exceeding three months	(83)	(68)	(56)
Cash and cash equivalent for the purpose of interim condensed consolidated statement of cash flows	6,182	7,092	7,863

The Group's time deposits carry interest rates for Kuwait Dinar deposits Nil (31 December 2024: 2.7%% to 3.5% and 31 March 2024: 4.125%) and foreign currency deposits carry interest and profit rates range between 3% to 7.25% (31 December 2024: 3.75% to 7.25% and 31 March 2024: 4.25% to 7.2%) per annum.

The total unsecured overdraft facilities available to the Group from local commercial banks which carry interest rate at 2.00% to 2.25% above Central Bank of Kuwait discount rate were KD3,000 thousand (31 December 2024: KD3,000 thousand and 31 March 2024: KD3,000 thousand). As at 31 March 2025 and no amount has been availed from these facilities (31 December 2024 and 31 March 2024: Nil).

9 Financial assets at fair value through profit or loss

	31 March 2025 (Unaudited) KD '000	31 Dec. 2024 (Audited) KD '000	31 March 2024 (Unaudited) KD '000
Local quoted securities	3,108	2,881	2,559
Foreign quoted securities	23,797	23,123	21,498
Local managed funds	6,847	6,413	27,855
Foreign managed funds	8,960	9,292	5,964
Fixed income securities	18,624	17,572	18,271
Equity participation	13,101	11,071	9,813
	74,437	70,352	85,960

The interest rates on fixed income securities range from 2% to 7.75% (31 December 2024: 2% to 7% and 31 March 2024: 2.25% to 7.625%) per annum.

10 Financial assets at amortised cost

These represent debt instruments amounting to KD3,477 thousand (31 December 2024: KD3,723 thousand and 31 March 2024: KD4,187 thousand) carrying interest rates ranging from 7.5% to 8% per annum (31 December 2024 and 31 March 2024: 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:

	31 March 2025 (Unaudited) KD '000	31 Dec. 2024 (Audited) KD '000	31 March 2024 (Unaudited) KD '000
Carrying value at the beginning of the period/year	34,757	30,086	30,086
Additions	4,450	8,048	2,279
Disposals	(255)	(2,622)	(913)
Derecognition due to deconsolidation (Note 5.2)	(12,231)	-	-
Reversal of Impairment	-	(98)	-
Depreciation	(95)	(415)	(33)
Foreign currency translation adjustment	394	(242)	(104)
	27,020	34,757	31,315

Investment properties with carrying value of KD18,546 thousand (31 December 2024: KD18,486 thousand and 31 March 2024: KD17,683 thousand) are secured against bank borrowings (Note 12).

12 Borrowings

This represents the following borrowings:

	Interest rates	Available facility limit KD '000	Outstanding balance		
			31 March 2025 (Unaudited) KD '000	31 Dec. 2024 (Audited) KD '000	31 March 2024 (Unaudited) KD '000
Secured*:					
Foreign					
conventional loans	2.45% over SOFR	6,489	4,588	4,453	9,678
	2.75% over USTCMYI (3M)	8,943	7,998	7,882	-
Unsecured:					
Local Islamic borrowings					
	KD loans: 1.75% to 2% over CBDR	10,000	3,000	2,250	-
	USD loans: 2% over SOFR (6M)	6,168	-	-	-
Local conventional loans					
	KD loans: 1.50% to 2% over CBDR	20,000	4,500	4,500	2,000
		51,600	20,086	19,085	11,678

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

**SOFR: Secured Overnight Financing Rate.

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

Notes to the interim condensed consolidated financial information (continued)

12 Borrowings (continued)

Reconciliation of liabilities arising from financing activities

	31 March 2025 (Unaudited) KD '000	31 Dec. 2024 (Audited) KD '000	31 March 2024 (Unaudited) KD '000
Opening balance	19,085	9,413	9,413
Proceeds from bank borrowings	7,739	11,137	3,748
Repayment of bank borrowings	(6,750)	(1,500)	(1,500)
Effect of change in foreign exchange rates	12	35	17
Closing balance	20,086	19,085	11,678

13 Bond issued

On 20 December 2020, the Parent Company issued unsecured debenture bonds in the principal 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 2025 (Unaudited)	31 Dec. 2024 (Audited)	31 March 2024 (Unaudited)
Number of shares	14,855,993	14,855,993	8,391,198
Percentage of issued shares	2.94%	2.94%	1.66%
Market value (KD '000)	2,124	2,184	1,116
Cost (KD'000)	1,606	1,606	851

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 16 March 2025 approved the consolidated financial statements of the Group for the year ended 31 December 2024 and approved the Board of Directors proposal to distribute cash dividend of 7 Fils per share.

The cash dividend payable amounting to KD3,430 thousand is included in accounts payable and other liabilities as at 31 March 2025 and were paid subsequently.

Notes to the interim condensed consolidated financial information (continued)

16 Related party transactions

Related parties represent associates, joint ventures, 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 and balances between the Group and its related parties are disclosed below.

	Three months ended 31 March 2025 (Unaudited) KD '000	Three months ended 31 March 2024 (Unaudited) KD '000
Transactions included in the interim condensed consolidated statement of profit or loss:		
Interest income on financial assets at amortised cost	66	83
Management fees and commission	1,022	937
General and administrative expenses	(131)	(131)
Finance costs	(30)	(36)
<hr/>		
Key management compensation:		
Salaries and other short-term benefits	250	273
End of service benefits	20	22
	270	295

	31 March 2025 (Unaudited) KD '000	31 Dec. 2024 (Audited) KD '000	31 March 2024 (Unaudited) KD '000
Balances included in the interim condensed consolidated statement of financial position:			
Loans to customers	49	47	73
Financial assets at amortised cost	3,477	3,723	4,187
Right-of-use assets	1,750	1,881	2,275
Accounts receivable and other assets	2,859	2,993	3,238
Accounts payable and other liabilities	3,012	3,241	4,031
Commitments:			
Unsold borrowed equity securities	364	174	-

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 or losses generated from, and assets allocated to Group's business are as follows:

	Asset Management (Unaudited)		Investment Banking (Unaudited)		Others (Unaudited)		Total (Unaudited)	
	31 March 2025 (Unaudited) KD'000	31 March 2024 (Unaudited) KD'000	31 March 2025 (Unaudited) KD'000	31 March 2024 (Unaudited) KD'000	31 March 2025 (Unaudited) KD'000	31 March 2024 (Unaudited) KD'000	31 March 2025 (Unaudited) KD'000	31 March 2024 (Unaudited) KD'000
Segment revenue	5,814	6,142	303	69	376	(153)	6,493	6,058
Segment result	3,055	4,019	22	(65)	(503)	(974)	2,574	2,980
Provisions for KFAS, NLST and Zakat	(128)	(134)	(1)	-	-	-	(129)	(134)
Profit/(loss) for the period	2,927	3,885	21	(65)	(503)	(974)	2,445	2,846
Total assets	175,612	166,353	87	-	8,675	9,511	184,374	175,864

18 Fiduciary accounts

The Group manages portfolios and mutual funds on behalf of others, 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 2025 amounted to KD1,440,637 thousand (31 December 2024: KD1,409,466 thousand and 31 March 2024: KD1,299,430 thousand) which include related party assets under management at 31 March 2025 amounting to KD468,149 thousand (31 December 2024: KD465,009 thousand and 31 March 2024: KD450,437 thousand). The Group earned management fees of KD1,674 thousand (31 March 2024: KD1,690 thousand) from the asset management activities.

19 Commitments

	31 March 2025 (Unaudited) KD '000	31 Dec. 2024 (Audited) KD '000	31 March 2024 (Unaudited) KD '000
Commitments for purchase of investments	792	818	1,089
Commitments for investment properties	1,901	9,843	3,989
Unsold borrowed equity securities	1,056	823	660
Letter of guarantee	-	-	342
	3,749	11,484	6,080

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 2025 (Unaudited)		31 Dec. 2024 (Audited)		31 March 2024 (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	11,476	(34)	10,758	(117)	10,740	(21)

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
31 March 2025 (Unaudited)				
Financial assets at FVTPL				
Quoted securities	26,905	-	-	26,905
Managed funds	3,197	12,610	-	15,807
Equity participation	-	-	13,101	13,101
Fixed income securities	17,224	-	1,400	18,624
	47,326	12,610	14,501	74,437
Derivative				
Forward foreign currency contracts held for trading	-	(34)	-	(34)
	47,326	12,576	14,501	74,403

Notes to the interim condensed consolidated financial information (continued)

21 Fair value measurement (continued)

	KD'000			Total
	Level 1	Level 2	Level 3	
31 December 2024 (Audited)				
Financial assets at FVTPL				
Quoted securities	26,004	-	-	26,004
Managed funds	3,641	12,064	-	15,705
Equity participations	-	-	11,071	11,071
Fixed income securities	16,072	-	1,500	17,572
	45,717	12,064	12,571	70,352
Derivative				
Forward foreign currency contracts held for trading	-	(117)	-	(117)
	45,717	11,947	12,571	70,235
31 March 2024 (Unaudited)				
Financial assets at FVTPL				
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
	40,728	33,819	11,413	85,960
Derivative				
Forward foreign currency contracts held for trading	-	(21)	-	(21)
	40,728	33,798	11,413	85,939

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 2025 (Unaudited) KD '000	31 Dec. 2024 (Audited) KD '000	31 March 2024 (Unaudited) KD '000
Opening balance	12,571	12,310	12,310
Net purchase /(redemption)	1,944	1,521	(924)
Net change in fair value	(14)	(1,260)	27
Closing balance	14,501	12,571	11,413

Notes to the interim condensed consolidated financial information (continued)

22 Structured entities (Special Purpose Vehicles)

The Group has established 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 and as the Group does not control these SPVs as at the reporting date in accordance with the definition of control in IFRS 10, these 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.