KUWAIT AND MIDDLE EAST FINANCIAL INVESTMENT COMPANY K.S.C.P. AND ITS SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

31 MARCH 2024



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INDEPENDENT AUDITOR'S REVIEW REPORT ON INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF KUWAIT AND MIDDLE EAST FINANCIAL INVESTMENT COMPANY K.S.C.P.

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Kuwait and Middle East Financial Investment Company K.S.C.P. ("the Parent Company") and its subsidiaries (collectively, the "Group") as at 31 March 2024, and the related interim condensed consolidated statement of profit or loss, interim condensed consolidated statement of comprehensive income, interim condensed consolidated statement of changes in equity, and interim condensed consolidated statement of cash flows for the three-month period then ended. The Parent Company's management is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with 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, it 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 Other Legal and Regulatory Requirements

Furthermore, based on our review, the interim condensed consolidated financial information is in agreement with the books of account of the Parent Company. We further report that, to the best of our knowledge and belief, we have not become aware of any violations of the Companies Law No. 1 of 2016, as amended, and its executive regulations, as amended, or of the Parent Company's Memorandum of Incorporation and Articles of Association, as amended, during the three-month period ended 31 March 2024 that might have had a material effect on the business of the Parent Company or on its financial position.

INDEPENDENT AUDITOR'S REVIEW REPORT ON INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF KUWAIT AND MIDDLE EAST FINANCIAL INVESTMENT COMPANY K.S.C.P. (continued)

Report on 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 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 establishment of Capital Markets Authority "CMA" and organization of security activity and its executive regulations, as amended, during the three-month period ended 31 March 2024 that might have had material effect on the business of the Parent Company or on its financial position except for the matter disclosed in Note 15 to the interim condensed consolidated financial information, which indicates the Parent Company's violation of the provisions of Article (3-1) of Module 17 "*Capital Adequacy Regulations for Licensed Persons*" of the Executive Bylaws of Law No. (7) of 2010 and amendments thereto, whereby the Parent Company, as a Licensed Person, did not maintain an actual Eligible Regulatory Capital in excess of the Risk Based Capital Requirement.



ABDULKARIM ALSAMDAN
LICENCE NO. 208-A
EY
AL AIBAN, AL OSAIMI & PARTNERS

14 May 2024
Kuwait

Kuwait and Middle East Financial Investment Company K.S.C.P. and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

As at 31 March 2024

	Notes	*31 March 2024* **KD**	*(Audited) 31 December 2023* KD	*31 March 2023* KD
ASSETS				
Cash and short-term deposits	3	**3,114,286**	3,790,068	5,680,427
Other assets	4	**7,764,973**	2,631,466	6,188,028
Restricted cash	5	**971,567**	971,572	450,374
Loans and advances	6	**2,378,126**	2,415,384	1,919,390
Investment securities	12	**30,767,327**	26,855,467	29,576,984
Investment properties	7	**22,253,000**	22,253,000	22,710,000
Intangible asset		**8,600,000**	8,600,000	8,600,000
Right-of-use assets		**383,220**	429,195	246,033
Property and equipment		**1,083,624**	1,238,867	1,527,511
TOTAL ASSETS		**77,316,123**	69,185,019	76,898,747
LIABILITIES AND EQUITY				
Liabilities				
Accounts payable and other liabilities		**5,325,470**	5,446,693	7,509,737
Lease liabilities		**386,966**	423,453	235,146
Loans and borrowings	8	**46,474,322**	42,065,700	44,386,579
Total liabilities		**52,186,758**	47,935,846	52,131,462
Equity				
Share capital		**22,000,000**	22,000,000	22,000,000
Statutory reserve		**443,464**	443,464	443,464
Voluntary reserve		**443,464**	443,464	443,464
Fair value reserve		**2**	(8,176)	143,284
Other reserve		**737,078**	737,078	737,078
Retained earnings (accumulated losses)		**492,852**	(3,334,498)	(41,888)
Equity attributable to equity holders of the Parent Company		**24,116,860**	20,281,332	23,725,402
Non-controlling interests		**1,012,505**	967,841	1,041,883
Total equity		**25,129,365**	21,249,173	24,767,285
TOTAL LIABILITIES AND EQUITY		**77,316,123**	69,185,019	76,898,747

Ahmad Abdulrazzaq Ahmad Al Bahar
Vice Chairman

Asser Atef Fahmi Abouheba
Chief Executive Officer

The attached notes 1 to 15 form a part of this interim condensed consolidated financial information.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UNAUDITED)

For the period ended 31 March 2024

	Notes	*Three months ended 31 March*	
		2024	*2023*
		KD	*KD*
Income			
Management fees	9	**237,234**	362,325
Commission income		**720,601**	605,942
Net gain (loss) on investment securities at FVPL		**4,412,793**	(1,716,689)
Net rental income derived from investment properties		**150,032**	92,075
Vehicle lease income		**120,082**	81,247
Net foreign exchange differences		**85,271**	48,913
Interest income		**80,783**	86,396
Other income		**32**	63
Net operating income (loss)		**5,806,828**	(439,728)
Expenses			
General and administrative expenses		**(1,002,212)**	(870,822)
Provisions and expected credit losses		**(24,776)**	(39,816)
Finance costs		**(667,932)**	(627,154)
Total operating expenses		**(1,694,920)**	(1,537,792)
Profit (loss) before tax		**4,111,908**	(1,977,520)
National Labour Support Tax ("NLST")		**(101,075)**	-
Zakat		**(30,699)**	-
Contribution to Kuwait Foundation for Advancement of Sciences ("KFAS")		**(40,430)**	-
PROFIT (LOSS) FOR THE PERIOD		**3,939,704**	(1,977,520)
Attributable to:			
Equity holders of the Parent Company		**3,834,131**	(1,969,103)
Non-controlling interests		**105,573**	(8,417)
		3,939,704	(1,977,520)
BASIC AND DILUTED EARNINGS (LOSSES) PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY	10	**17.43 Fils**	(8.95) Fils

The attached notes 1 to 15 form a part of this interim condensed consolidated financial information.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

For the period ended 31 March 2024

	Three months ended 31 March	
	2024	*2023*
	KD	*KD*
PROFIT (LOSS) FOR THE PERIOD	**3,939,704**	(1,977,520)
Other comprehensive income		
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:		
Net gain on investment securities at FVOCI	**1,397**	45,289
Other comprehensive income for the period	**1,397**	45,289
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	**3,941,101**	(1,932,231)
Attributable to:		
Equity holders of the Parent Company	**3,835,528**	(1,923,814)
Non-controlling interests	**105,573**	(8,417)
	3,941,101	(1,932,231)

The attached notes 1 to 15 form a part of this interim condensed consolidated financial information.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the period ended 31 March 2024

	Attributable to equity holders of the Parent Company								
	Share capital KD	***Statutory reserve KD***	***Voluntary reserve KD***	***Fair value reserve KD***	***Other reserve KD***	***Retained earnings (accumulated losses) KD***	***Sub-total KD***	***Non-controlling interests KD***	***Total equity KD***
As at 1 January 2024	**22,000,000**	**443,464**	**443,464**	**(8,176)**	**737,078**	**(3,334,498)**	**20,281,332**	**967,841**	**21,249,173**
Profit for the period	-	-	-	-	-	3,834,131	3,834,131	105,573	3,939,704
Other comprehensive income for the period	-	-	-	1,397	-	-	1,397	-	1,397
Total comprehensive income for the period	-	-	-	1,397	-	3,834,131	3,835,528	105,573	3,941,101
Changes in ownership interest in a subsidiary without a change in control (Note 1.2)	-	-	-	-	-	-	-	(60,909)	(60,909)
Transfer of fair value reserve on derecognition of equity instruments designated at FVOCI	-	-	-	6,781	-	(6,781)	-	-	-
At 31 March 2024	**22,000,000**	**443,464**	**443,464**	**2**	**737,078**	**492,852**	**24,116,860**	**1,012,505**	**25,129,365**
As at 1 January 2023	22,000,000	443,464	443,464	97,995	737,078	1,927,215	25,649,216	1,050,300	26,699,516
Loss for the period	-	-	-	-	-	(1,969,103)	(1,969,103)	(8,417)	(1,977,520)
Other comprehensive income for the period	-	-	-	45,289	-	-	45,289	-	45,289
Total comprehensive income (loss) for the period	-	-	-	45,289	-	(1,969,103)	(1,923,814)	(8,417)	(1,932,231)
At 31 March 2023	22,000,000	443,464	443,464	143,284	737,078	(41,888)	23,725,402	1,041,883	24,767,285

The attached notes 1 to 15 form a part of this interim condensed consolidated financial information.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

As at and for the period ended 31 March 2024

	Notes	*Three months ended 31 March*	
		2024	*2023*
		KD	*KD*
OPERATING ACTIVITIES			
Profit (loss) before tax		**4,111,908**	(1,977,520)
Adjustments to reconcile profit (loss) before tax to net cash flows:			
Depreciation of property and equipment		**220,531**	113,000
Depreciation of right-of-use assets		**59,535**	64,092
Interest income		**(80,783)**	(86,396)
Realised gain from sale of investments at FVPL		**(1,002,461)**	(19,465)
Unrealised (gain) loss on investments at FVPL		**(3,410,332)**	1,736,154
Finance costs on loans and borrowings		**662,296**	624,433
Interest expense on lease liabilities		**5,636**	2,721
Provisions and expected credit losses		**24,776**	39,816
Provision for employees' end of service benefits		**27,160**	23,875
		618,266	520,710
Changes in operating assets and liabilities:			
Investments securities at FVPL		**493,723**	(2,043,001)
Other assets		**(522,627)**	170,008
Release of restricted cash		**5**	76,541
Loans and advances		**18,458**	770,405
Accounts payable and other liabilities		**(141,273)**	54,903
Cash flows from (used in) operations		**466,552**	(450,434)
Interest income received		**48,927**	10,492
Taxes paid		**-**	(19,832)
Employees' end of service benefits paid		**(162,888)**	(4,384)
Net cash flows from (used in) operating activities		**352,591**	(464,158)
INVESTING ACTIVITIES			
Net movement in term deposits		**(775,650)**	(343,215)
Purchase of property and equipment		**(65,288)**	(81,177)
Advances paid to acquire investment properties	4	**(4,585,000)**	-
Proceed from sale of investments securities at FVOCI		**8,607**	-
Net cash flows used in investing activities		**(5,417,331)**	(424,392)
FINANCING ACTIVITIES			
Proceeds from loans and borrowings		**4,585,000**	1,270,000
Repayment of loans and borrowings		**(176,378)**	(262,313)
Finance costs paid		**(678,722)**	(169,075)
Payment of lease liabilities		**(55,683)**	(73,421)
Cash dividends paid		**-**	(2,702)
Net movement in non-controlling interests		**(60,909)**	-
Net cash flows from financing activities		**3,613,308**	762,489
NET DECREASE IN CASH AND CASH EQUIVALENTS		**(1,451,432)**	(126,061)
Cash and cash equivalents at 1 January	3	**3,183,318**	3,931,773
CASH AND CASH EQUIVALENTS AT 31 MARCH	3	**1,731,886**	3,805,712
Non-cash items excluded from the interim condensed consolidated statement			
Additions to right-of-use assets		**(13,560)**	-
Additions to lease liabilities		**13,560**	-

The attached notes 1 to 15 form a part of this interim condensed consolidated financial information.

1. CORPORATE AND GROUP INFORMATION

1.1 CORPORATE INFORMATION

The interim condensed consolidated financial information of Kuwait and Middle East Financial Investment Company K.S.C.P. (the "Parent Company") and its subsidiaries (collectively, the "Group") for the three months ended 31 March 2024 was authorised for issue in accordance with a resolution of the Board of Directors on 14 May 2024.

The shareholders of the Parent Company at the annual general assembly meeting ("AGM") held on 13 May 2024 approved the consolidated financial statements for the year ended 31 December 2023 and resolved not to distribute any dividends for the year then ended.

The Parent Company is a public shareholding company incorporated on 1 January 1984 and domiciled in Kuwait and whose shares are publicly traded on Boursa Kuwait. The Parent Company is regulated by the Capital Markets Authority (CMA) and Central Bank of Kuwait (CBK) as an investment and finance company.

In accordance with the Parent Company's Memorandum and Articles of Associations the principal activities of the Parent Company comprise the following:

- Carrying out financial investment activities in various economic sectors inside and outside the State of Kuwait directly or by contributing to the existing companies in the same activities through establishing subsidiaries or by participating with others in the establishment of specialised companies or by buying shares of these companies;
- Managing portfolios, investing and developing funds for its own account or for clients locally and internationally, trading of securities, issuance and managing securities, issuance of various types of bonds to third parties or otherwise, to exercise all types of brokerage activities, to do financing locally and internationally, acceptance and management of credit contracts,
- Conducting studies, research and providing financial advices,
- Providing market maker services.

The Parent Company is a subsidiary of Evian Company for Selling and Buying Shares and Bonds for Company's Account only (referred to therein as the "major shareholder" or the "Ultimate Parent Company").

The head office of the Parent Company is located at Al-Qibla, Block 1, Arabian Gulf Street, Khalid Tower, Floor 5 and its registered postal address is P.O. Box 819, Safat 13009, Kuwait City, Kuwait.

1.2 GROUP INFORMATION

The interim condensed consolidated financial information of the Group include the following:

		% equity interest			
			(Audited)		
Name of subsidiary	***Country of incorporation***	***31 March 2024***	*31 December 2023*	*31 March 2023*	**Principal activities**
Directly held:					
Al Awsat Aloula Holding Company K.S.C. (Closed) ("Al Awsat")*	Kuwait	**99.9%**	99.9%	99.9%	Investment
Gulf Gate Fund (the "Fund")	Kuwait	**63%**	66.6%	66.6%	Managed fund
Middle East Financial Brokerage Company K.S.C. (Closed) ("MEFBC")	Kuwait	**100%**	100%	100%	Brokerage
KMEFIC for Renting and Leasing Cars W.L.L.	Kuwait	**99%**	99%	99%	Vehicle leasing
Indirectly held through Al Awsat:					
KMEFIC REIT Company W.L.L.	Kuwait	**99%**	99%	99%	Real estate

* Residual interests in the subsidiary are held by nominees on behalf of the Group, and there are letters of renunciation in favour of the Group confirming that the Group is the beneficial owner of such shares.

2. BASIS OF PREPARATION AND CHANGES TO THE GROUP'S ACCOUNTING POLICIES

2.1 Basis of preparation

The interim condensed consolidated financial information for the three months ended 31 March 2024 has been prepared in accordance with IAS 34 *Interim Financial Reporting*, except as noted below.

The interim condensed consolidated financial information for the three months ended 31 March 2024 is prepared in accordance with the regulations issued by the CBK for financial services institutions in the State of Kuwait. These regulations require the expected credit loss ("ECL") on credit facilities to be measured at the higher of the amount computed under IFRS 9 in accordance to the CBK guidelines or the provisions as required by CBK instructions; the consequent impact on related disclosures; and the adoption of all other requirements of International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board ("IASB") (collectively referred to as IFRS, as adopted by CBK for use by the State of Kuwait).

The Group has prepared the financial information on the basis that it will continue to operate as a going concern. The management considers that there are no material uncertainties that may cast doubt significant doubt over this assumption. They have formed a judgement that there is a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, and not less than 12 months from the end of the reporting period.

The interim condensed consolidated financial information does not include all the information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2023.

The interim condensed consolidated financial information provides comparative information in respect of the previous period. Certain comparative information has been reclassified and represented to conform to classification in the current period. Such reclassification has been made to improve the quality of information presented.

2.2 New standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2023, except for the adoption of new standards effective as of 1 January 2024. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Several amendments and interpretations apply for the first time in 2024, but do not have an impact on the interim condensed consolidated financial information of the Group.

Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7

In May 2023, the IASB issued amendments to IAS 7 *Statement of Cash Flows* and IFRS 7 *Financial Instruments: Disclosures* to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The transition rules clarify that an entity is not required to provide the disclosures in any interim periods in the year of initial application of the amendments. Thus, the amendments had no impact on the Group's interim condensed consolidated financial information.

Amendments to IFRS 16: *Lease Liability in a Sale and Leaseback*

In September 2022, the IASB issued amendments to IFRS 16 to specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

The amendments had no impact on the Group's interim condensed consolidated financial information.

2. BASIS OF PREPARATION AND CHANGES TO THE GROUP'S ACCOUNTING POLICIES (continued)

2.2 New standards, interpretations and amendments adopted by the Group (continued)

Amendments to IAS 1: Classification of Liabilities as Current or Non-current
In January 2020 and October 2022, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

In addition, a requirement has been introduced whereby an entity must disclose when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

The amendments had no impact on the Group's interim condensed consolidated financial information.

3. CASH AND CASH EQUIVALENTS

For the purpose of the interim condensed consolidated statement of cash flows, cash and cash equivalents comprise the following:

	31 March 2024 KD	*(Audited) 31 December 2023 KD*	*31 March 2023 KD*
Cash on hand	**1,350**	1,350	1,500
Cash at banks	**508,336**	1,186,718	2,047,662
Short-term deposits maturing within 3 months	**1,222,200**	1,995,250	1,756,550
Cash and cash equivalents in the interim condensed consolidated statement of cash flows	**1,731,886**	3,183,318	3,805,712
Short-term deposit with an original maturity period exceeding 3 months but not more than 12 months	**1,382,400**	606,750	1,874,715
Cash and short-term deposits as per the interim condensed consolidated statement of financial position	**3,114,286**	3,790,068	5,680,427

Short-term deposits represent placements with local banks with a maturity of not more than twelve months from the date of placement and earn interest at an average effective interest rate ranging from 4.37% to 4.6% (31 December 2023: 4.375% to 5.1% and 31 March 2023: 3.87% to 5.1%) per annum.

4. OTHER ASSETS

	31 March 2024 KD	*(Audited) 31 December 2023 KD*	*31 March 2023 KD*
Management fees receivable	**1,044,318**	838,783	369,290
Commission income receivable	**401,964**	358,505	418,865
Prepayments	**183,269**	240,489	201,870
Amounts due from unsettled trades and brokers	**226,882**	203,898	352,336
Advance payments towards purchase of investment properties *	**4,585,000**	-	2,290,000
Amount due from related parties	-	190,000	-
Other receivables	**1,323,540**	799,791	2,555,667
	7,764,973	2,631,466	6,188,028

* During the current period, the Group entered into one preliminary contract (the "Contract") to acquire a certain investment property in the State of Kuwait and paid advances of KD 4,585,000. The Contract specify the terms of sale and the contractual obligations of each party. The legal proceeding to transfer the property to the Group are still in progress as at the authorisation date of this interim condensed consolidated financial information.

	31 March 2024 KD	*(Audited) 31 December 2023 KD*	*31 March 2023 KD*
Other assets (gross)	**8,593,396**	3,453,913	6,919,064
Provision for expected credit losses	**(828,423)**	(822,447)	(731,036)
	7,764,973	2,631,466	6,188,028

Set out below is the movement in the allowance for expected credit losses of other assets at amortised cost:

	31 March 2024 KD	*(Audited) 31 December 2023 KD*	*31 March 2023 KD*
As at 1 January	**822,447**	731,036	731,036
Charge for the period/year	**5,976**	91,411	-
As at 31 December	**828,423**	822,447	731,036

5. RESTRICTED CASH

Restricted cash represents bank balances of KD 971,567 (31 December 2023: KD 971,572 and 31 March 2023: KD 450,374) which are restricted for use by the Kuwait Clearing Company ("KCC") to fulfil the Group's obligations against any shortfall in trading activities.

6. LOANS AND ADVANCES

	31 March 2024 ***KD***	*(Audited) 31 December 2023 KD*	*31 March 2023 KD*
Loans to customers*	**10,017,581**	10,036,039	9,486,778
Less: General provision	**(22,704)**	(23,905)	(19,388)
Less: Specific provision	**(7,616,751)**	(7,596,750)	(7,548,000)
	2,378,126	2,415,384	1,919,390

* Loans and advances include a loan granted to a customer amounting to KD 7,500,000 (31 December 2023: KD 7,500,000 and 31 March 2023: KD 7,500,000) in lieu of a wakala investment backed up by a debt admission authenticated by the Ministry of Justice - Department of Authentication and registered under no. 3427/2011 (Volume 6); and for which an enforcement action has commenced under no. 14179653. No recoveries from collections were made due to the significant financial difficulties encountered by the debtor. Accordingly, the debt is considered credit impaired and has been fully provided for in previous years.

The below analysis shows the provision for loans and advances as per CBK instructions:

	31 March 2024		
	General KD	***Specific KD***	***Total KD***
As at 1 January 2024	**(23,905)**	**(7,596,750)**	**(7,620,655)**
Reversal (charge) during the period	**1,201**	**(20,001)**	**(18,800)**
As at 31 March 2024	**(22,704)**	**(7,616,751)**	**(7,639,455)**

	31 December 2023 (Audited)		
	General KD	*Specific KD*	*Total KD*
As at 1 January 2023	(27,572)	(7,500,000)	(7,527,572)
Reversal (charge) during the year	3,667	(96,750)	(93,083)
As at 31 December 2023	(23,905)	(7,596,750)	(7,620,655)

	31 March 2023		
	General KD	*Specific KD*	*Total KD*
As at 1 January 2023	(27,572)	(7,500,000)	(7,527,572)
Reversal (charge) during the period	8,184	(48,000)	(39,816)
As at 31 March 2023	(19,388)	(7,548,000)	(7,567,388)

Expected credit loss on loans and advances computed under IFRS 9 in accordance with the CBK guidelines amounted to KD 7,608,457 (31 December 2023: KD 7,600,827 and 31 March 2023: KD 7,553,443) which is lower than the provision of KD 7,639,455 (31 December 2023: KD 7,620,655 and 31 March 2023: KD 7,567,388) computed under CBK instructions.

7. INVESTMENT PROPERTIES

	31 March 2024 KD	*(Audited) 31 December 2023 KD*	*31 March 2023 KD*
At the beginning of the period/year	**22,253,000**	22,710,000	22,710,000
Fair value adjustment to investment properties	-	(457,000)	-
At the end of the period/year	**22,253,000**	22,253,000	22,710,000

Investment properties represent commercial and residential properties in the State of Kuwait with a carrying value of KD 22,253,000 (31 December 2023: KD 22,253,000 and 31 March 2023: KD 22,710,000) are pledged as security in order to fulfil collateral requirements of certain loans and borrowings (Note 8).

The Group has no restrictions on the realisability of its investment properties and no contractual obligations to either purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

The valuations of investment properties were performed at 31 December by two accredited independent valuers with recognised and relevant professional qualification and experience in the locations and categories of the investment properties being valued. As required by the Capital Market Authority (CMA), the Group has selected the lower of these valuations. The valuation models applied are consistent with the principles in IFRS 13 and fair value is determined using a mix of the income capitalisation method and the market comparison approach considering the nature and usage of each property. Valuation of the Group's investment property portfolio is performed on an annual basis as management believes that there are no significant circumstances that have arisen during the interim reporting period, which may have a material impact on fair value.

8. LOANS AND BORROWINGS

	31 March 2024 KD	*(Audited) 31 December 2023 KD*	*31 March 2023 KD*
Islamic finance payables			
- Tawarruq facilities (a)	**4,439,322**	4,615,700	5,136,579
- Murabaha facilities (b)	**23,200,000**	23,200,000	25,000,000
	27,639,322	27,815,700	30,136,579
Revolving loan (c)	**18,835,000**	14,250,000	14,250,000
	46,474,322	42,065,700	44,386,579
Current	**42,571,331**	38,162,709	39,947,257
Non-current	**3,902,991**	3,902,991	4,439,322

(a) The tawarruq facility is granted by a local bank, denominated in Kuwaiti Dinars and carries an average profit rate of 2% (31 December 2023: 2% and 31 March 2023: 2%) over the CBK discount rate per annum.

(b) The murabaha facility is granted by a local bank amounting to KD 25,000,000 with a tenor of 1 year and a profit rate of 1.75% per annum (31 December 2023: 1.75% and 31 March 2023: 1.75%) over the CBK discount rate. The revolving facility was obtained to facilitate certain investing activities. This facility is pledged against quoted equity securities amounting to KD 22,710,384 (31 December 2023: KD 19,666,762 and 31 March 2023: 22,685,510).

8. LOANS AND BORROWINGS (continued)

(c) Revolving loan is granted by a local bank, denominated in Kuwaiti Dinars and carries an average interest rate of 1.75% (31 December 2023: 2% and 31 March 2023: 2%) per annum over the CBK discount rate and are repayable in full within 1 year.

The tawarruq facility and revolving loan are secured over investment properties amounting to KD 22,253,000 as at 31 March 2024 (31 December 2023: KD 22,253,000 and 31 March 2023: KD 22,710,000) and advance payments towards purchase of investment properties amounting to KD 4,585,000 as at 31 March 2024 (31 December 2023: KD Nil and 31 March 2023: KD 2,290,000).

At 31 March 2024, the Group had available KD 1,165,000 of undrawn committed borrowing facilities (31 December 2023: KD 5,750,000 and 31 March 2023: KD 6,500,000).

9. FIDUCIARY ASSETS

The Group manages investment portfolios and funds on behalf of clients and provides online trading facilities. The total carrying value of these portfolios as at 31 March 2024 amounted to KD 368 million (31 December 2023: KD 346 million and 31 March 2023: KD 352 million) which are not reflected in the interim condensed consolidated financial information. The portfolios have no recourse to the general assets of the Group. The Group makes investment decisions in line with the respective agreements.

Management fee earned from the above fiduciary assets for the three months ended 31 March 2024 amounted to KD 237,234 (31 March 2023: KD 362,325) and commission income earned on assets under management amounted to KD 431,830 (31 March 2023: KD 370,129).

10. EARNINGS (LOSSES) PER SHARE (EPS)

Basic EPS amounts are calculated by dividing the profit (loss) for the period attributable to equity holders of the Parent Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is calculated by dividing the profit (loss) attributable to ordinary equity holders of the Parent Company by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares. As there are no dilutive instruments outstanding, basic and diluted EPS are identical.

	Three months ended 31 March	
	2024	*2023*
Profit (loss) for the period attributable to equity holders of the Parent Company (KD)	**3,834,131**	(1,969,103)
Weighted average number of shares outstanding during the period (shares)	**220,000,001**	220,000,001
Basic and diluted earnings (losses) per share (Fils)	**17.43**	(8.95)

There have been no transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of authorisation of this interim condensed consolidated financial information which would require the restatement of EPS.

11. RELATED PARTY DISCLOSURES

The Group's related parties include its major shareholders, entities under common control, directors and executive officers of the Group, close members of their families and entities of which they are principal owners or over which they are able to exercise significant influence or joint control. Pricing policies and terms of these transactions are approved by the Group's management.

The following table provides the total amount of transactions that have been entered into with related parties during the three months ended 31 March 2024 and 2023, and balances with related parties as at 31 March 2024, 31 December 2023 and 31 March 2023:

	Three months ended 31 March	
	2024	*2023*
	KD	*KD*
Interim condensed consolidated statement of profit or loss:		
Net gain (loss) from funds managed by the Parent Company	**245,159**	(72,036)
General and administrative expenses	**(21,738)**	(31,191)

		(Audited)	
	31 March 2024	*31 December 2023*	*31 March 2023*
	KD	*KD*	*KD*
Interim condensed consolidated statement of financial position:			
Investments in funds managed by the Parent Company	**2,880,617**	2,653,563	3,179,557
Other receivables	-	190,000	-
Other payables	**(31,625)**	-	(434,995)
Other transactions			
Net purchases of property and equipment	**27,586**	268,274	46,450

Transactions with key management personnel
Key management personnel comprise of the Board of Directors and key members of management having authority and responsibility for planning, directing and controlling the activities of the Group.

The aggregate value of transactions and outstanding balances related to key management personnel were as follows.

	Transaction values for the three months ended	
	31 March 2024	*31 March 2023*
	KD	*KD*
Salaries and other short-term benefits	**95,836**	123,053
Employees end of service benefits	**5,487**	7,790
	101,323	130,843

11. RELATED PARTY DISCLOSURES (continued)

	Balance outstanding as at		
		(Audited)	
	31 March 2024	*31 December 2023*	*31 March 2023*
	KD	*KD*	*KD*
Salaries and other short-term benefits	**5,453**	5,795	6,927
Employees end of service benefits	**166,053**	311,647	287,075
	171,506	317,442	294,002

The Board of Directors at the meeting held on 28 March 2024 proposed directors' remuneration of KD 36,000 for the year ended 31 December 2023. The remuneration was approved by the shareholders at the AGM held on 13 May 2024.

12. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

Fair value hierarchy
All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole, as follows:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the interim condensed consolidated financial information at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. The methods and valuation techniques used for the purpose of measuring fair value are unchanged compared to the previous reporting period.

Set out below that are a summary of financial instruments measured at fair value on a recurring basis, other than those with carrying amounts that are reasonable approximations of fair values:

	Fair value measurement using			
31 March 2024	***Quoted prices in active markets (Level 1) KD***	***Significant observable inputs (Level 2) KD***	***Significant unobservable inputs (Level 3) KD***	***Total KD***
Financial instruments				
Investment securities at FVPL:				
- Quoted equity securities	**26,450,162**	-	-	**26,450,162**
- Funds	-	**3,566,416**	**750,747**	**4,317,163**
	26,450,162	**3,566,416**	**750,747**	**30,767,325**
Investment securities at FVOCI:				
- Unquoted equity securities	-	-	**2**	**2**
Investment securities (at fair value)	**26,450,162**	**3,566,416**	**750,749**	**30,767,327**
Non-financial assets				
Investment properties	-	-	**22,253,000**	**22,253,000**

12. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (continued)

	Fair value measurement using			
	Quoted prices in active markets (Level 1) KD	*Significant observable inputs (Level 2)* KD	*Significant unobservable inputs (Level 3)* KD	*Total* KD
31 December 2023 (Audited)				
Investment securities at FVPL:				
- Quoted equity securities	23,117,836	-	-	23,117,836
- Funds	-	2,965,980	764,439	3,730,419
	23,117,836	2,965,980	764,439	26,848,255
Investment securities at FVOCI				
Unquoted equity securities	-	-	7,212	7,212
Investment securities (at fair value)	23,117,836	2,965,980	771,651	26,855,467
Non-financial assets				
Investment properties	-	-	22,253,000	22,253,000

	Fair value measurement using			
	Quoted prices in active markets (Level 1) KD	*Significant observable inputs (Level 2)* KD	*Significant unobservable inputs (Level 3)* KD	*Total* KD
31 March 2023				
Investment securities at FVPL:				
- Quoted equity securities	25,099,831	-	-	25,099,831
- Funds	-	3,453,311	694,893	4,148,204
	25,099,831	3,453,311	694,893	29,248,035
Investment securities at FVOCI:				
- Unquoted equity securities	-	-	328,949	328,949
Investment securities (at fair value)	25,099,831	3,453,311	1,023,842	29,576,984
Non-financial assets				
Investment properties	-	-	22,710,000	22,710,000

There were no transfers between Level 1 and Level 2 fair value measurements during 31 March 2024, 31 December 2023, and 31 March 2023, and no transfers into or out of Level 3 fair value measurements during 31 March 2024, 31 December 2023, and 31 March 2023.

12. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (continued)

Reconciliation of Level 3 fair values

The following table shows a reconciliation of all movements in the fair value of items categorised within Level 3 between the beginning and the end of the reporting period:

	Non-listed equity investments and funds		
	FVPL	***FVOCI***	***Total***
31 March 2024	***KD***	***KD***	***KD***
As at 1 January 2024	**764,439**	**7,212**	**771,651**
Remeasurement recognised in profit or loss	**24,739**	-	**24,739**
Net disposals	**(38,431)**	**(8,607)**	**(47,038)**
Remeasurement recorded in OCI	-	**1,397**	**1,397**
As at 31 March 2024	**750,747**	**2**	**750,749**

	Non-listed equity investments and funds		
	FVPL	*FVOCI*	*Total*
31 December 2023 (Audited)	*KD*	*KD*	*KD*
As at 1 January 2023	893,243	283,660	1,176,903
Remeasurement recognised in profit or loss	(27,090)	-	(27,090)
Net purchases	(101,714)	(275,448)	(377,162)
Remeasurement recorded in OCI	-	(1,000)	(1,000)
As at 31 December 2023	764,439	7,212	771,651

	Non-listed equity investments and funds		
	FVPL	*FVOCI*	*Total*
31 March 2023	*KD*	*KD*	*KD*
As at 1 January 2023	893,243	283,660	1,176,903
Remeasurement recognised in profit or loss	(20,727)	-	(20,727)
Net purchases	(177,623)	-	(177,623)
Remeasurement recorded in OCI	-	45,289	45,289
As at 31 March 2023	694,893	328,949	1,023,842

The valuation techniques and inputs used in this interim condensed consolidated financial information are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2023.

The fair value of financial instruments classified as level 3 are, in certain circumstances, measured using valuation techniques that incorporate assumptions that are not evidenced by the prices from observable current market transactions in the same instrument and are not based on observable market data. The Group employs valuation techniques, depending on the instrument type and available market data. For example, in the absence of active market, an investment's fair value is estimated on the basis of an analysis of the investee's financial position and results, risk profile and other factors. Favourable and unfavourable changes in the value of financial instruments are determined on the basis of changes in the value of the instruments as a result of varying the levels of the unobservable parameters, quantification of which is judgmental. The management assessed that the impact on profit or loss or other comprehensive income would be immaterial if the relevant risk variables used to fair value the financial instruments classified as Level 3 were altered by 5 percent.

12. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (continued)

For other financial assets and financial liabilities carried at amortised cost, the carrying value is not significantly different from their fair value as most of these assets and liabilities are of short-term maturity or are re-priced immediately based on market movement in interest rates.

13. SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on its products and services and has five reportable segments, as follows:

- **Asset Management:** engaged in providing third party fund and portfolio management services on a fiduciary basis.
- **Brokerage and online trading:** engaged in on-line and brokerage services across Middle East and North Africa (MENA) and United States of America (USA) based stock exchanges.
- **Credit operations:** engaged in providing margin loans to the clients trading in Boursa Kuwait and commercial loans to the clients.
- **Investment, real estate and treasury:** engaged in money market placements, real estate activities and includes proprietary trading in equity stocks and funds across Gulf Cooperation Countries (GCC) and International markets.
- **Rental and leasing activities:** Rental and leasing activities in the State of Kuwait.

The Chief Operating Decision Maker (CODM) monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the interim condensed consolidated financial information.

The following tables present revenue and profit information for the Group's operating segments for the three months ended 31 March 2024 and 2023, respectively:

	Three months ended 31 March 2024					
	Asset management KD	***Brokerage & online trading KD***	***Credit operations KD***	***Investment, real estate and treasury KD***	***Rental and leasing activities KD***	***Total KD***
Operating income	**416,739**	**949,195**	**49,546**	**4,271,266**	**120,082**	**5,806,828**
Expenses	**(36,457)**	**(184,006)**	**(24,776)**	**(1,350,243)**	**(99,438)**	**(1,694,920)**
Segment results before tax	**380,282**	**765,189**	**24,770**	**2,921,023**	**20,644**	**4,111,908**
Taxes						**(172,204)**
Profit for the period						**3,939,704**

	Three months ended 31 March 2023					
	Asset management KD	*Brokerage & online trading KD*	*Credit operations KD*	*Investment, real estate and treasury KD*	*Rental and leasing activities KD*	*Total KD*
Operating income (loss)	325,264	605,942	76,702	(1,528,883)	81,247	(439,728)
Expenses	(204,397)	(322,127)	(42,300)	(868,230)	(100,738)	(1,537,792)
Segment results	120,867	283,815	34,402	(2,397,113)	(19,491)	(1,977,520)

The following table presents assets and liabilities information for the Group's operating segments as at 31 March 2024, 31 December 2023 and 31 March 2023, respectively:

13. SEGMENT INFORMATION (continued)

	Asset management KD	*Brokerage & online trading KD*	*Credit operations KD*	*Investment, real estate and treasury KD*	*Rental and leasing activities KD*	*Total KD*
ASSETS						
31 March 2024	**7,664,959**	**10,698,860**	**2,914,585**	**55,023,606**	**1,014,113**	**77,316,123**
31 December 2023 (audited)	3,980,797	9,037,402	2,791,081	52,553,091	822,648	69,185,019
31 March 2023	3,640,527	9,407,967	2,173,395	60,541,959	1,134,899	76,898,747
LIABILITIES						
31 March 2024	**32,103**	**341,443**	**10,000**	**51,587,194**	**216,018**	**52,186,758**
31 December 2023 (audited)	11,856	370,257	35,685	47,398,209	119,839	47,935,846
31 March 2023	319,184	600,499	925,267	50,167,395	119,117	52,131,462

14. COMMITMENTS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

	31 March 2024 KD	*(Audited) 31 December 2023 KD*	*31 March 2023 KD*
Commitments			
Uncalled capital contributions relating to investments at FVPL	**26,608**	33,888	33,867
Contingent liabilities			
Guarantee	**636,323**	664,210	699,422

14.1 Bank guarantee

The Guarantee issued by the Group noted above exclude the corporate guarantee provided to an entity of KD 44.89 million (31 December 2023: KD 44.80 million and 31 March 2023: KD 46.75 million) since this guarantee is backed by an irrevocable counter corporate guarantee of an equal amount issued in favour of the Group by a sovereign authority in Kuwait. The Parent Company is a shareholder in this entity, which is incorporated in Kingdom of Bahrain, in a fiduciary capacity. This entity is neither consolidated nor equity accounted for as this entity represents a structured entity and the Parent Company has no control, joint control or significant influence over the entity.

Furthermore, as at 31 March 2024, the Group's bankers had outstanding letter of guarantees and credits amounting to KD 636,323 (31 December 2023: KD 664,210 and 31 March 2023: KD 699,422) from which it is anticipated that no material liabilities will arise.

14.2 Legal claim contingency

In prior years certain unit holders ("unit holders") applied for redemption of their units in funds managed by the Parent Company ("the funds"). However the funds, due to liquidity issues, suspended redemptions temporarily and started an orderly liquidation in 2008. Accordingly, certain unit holders initiated legal actions against the funds and the Parent Company to redeem their units and requested for a compensation. Further, the Parent Company in its capacity as the liquidator of the funds have filed a counter claim against certain debtors of the funds to recover outstanding receivables to enable the orderly liquidation.

14. COMMITMENTS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS (continued)

14.2 Legal claim contingency (continued)

The legal actions commenced by the unit holders against the Parent Company and the funds are in various phases of litigation and no final court rulings have been issued by the Court of Cassation as of date.

As part of the Parent Company's regular review of ongoing litigations, and based on the legal opinion received from its external and in-house legal counsel and facts disclosed above, the management have determined that it is not possible to reach a reliable estimate for the most likely outcome. Accordingly, no provision for any liability has been made in this interim condensed consolidated financial information.

15. CAPITAL MANAGEMENT

The primary objectives of the Group's capital management are to ensure that the Group complies with externally imposed capital requirements and that the Group maintains strong and healthy capital ratios in order to support its business and to maximise shareholder value.

The Group actively manages its capital base in order to cover risks inherent in the business. The adequacy of the Group's capital is monitored using, among other measures, the rules and ratios established by the Capital Markets Authority in supervising the Group.

The Group's regulatory capital and capital adequacy ratios for the period ended 31 March 2024, year ended 31 December 2023 and the period ended 31 March 2023 are calculated in accordance with provisions of Module seventeen (Capital Adequacy Regulations for Licensed Persons) of the Executive Bylaws of Law No. (7) of 2010 and their amendments thereto.

	31 March 2024	*(Audited) 31 December 2023*	*31 March 2023*
Available (eligible) regulatory Capital (KD)	**4,550,571**	2,250,226	11,224,766
Required regulatory capital (KD)	**15,987,227**	15,645,129	19,376,222
Capital adequacy ratio (%)	**28%**	14%	58%

As at 31 March 2024, the Parent Company as a Licensed Person did not maintain its minimum Eligible Regulatory Capital in excess of its risk-based capital and therefore violated the provisions of the requirement set forth in Article (3-1) of Module seventeen (Capital Adequacy Regulations for Licensed Persons) of the Executive Bylaws of Law No. (7) of 2010 and their amendments thereto.

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