

**Boursa Kuwait Securities Company K.P.S.C.
and its Subsidiaries**

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

30 JUNE 2024





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REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF BOURSA KUWAIT SECURITIES COMPANY K.P.S.C.

Report on the Interim Condensed Consolidated Financial Information

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Bursa Kuwait Securities Company K.P.S.C. (the “Parent Company”) and its subsidiaries (collectively, the “Group”) as at 30 June 2024, and the related interim condensed consolidated statement of profit or loss and interim condensed consolidated statement of comprehensive income for the three-month and six-month periods then ended, and the related interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows for the six-month period then ended. Management of the Parent Company is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with International Accounting Standard 34: *Interim Financial Reporting* (“IAS 34”). Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, ‘*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*’. A review of interim 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 IAS 34.

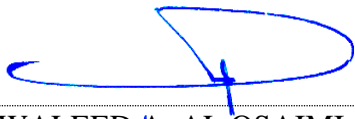
Report on Other Legal and Regulatory Requirements

Furthermore, based on our review, the interim condensed consolidated financial information is in agreement with the books of account of the Parent Company. We further report that, to the best of our knowledge and belief, we have not become aware of any violations of the Companies Law No. 1 of 2016, as amended, and its executive regulations, as amended, or of the Parent Company’s Memorandum of Incorporation and Articles of Association, as amended, during the six-month period ended 30 June 2024 that might have had a material effect on the business of the Parent Company or on its financial position.

REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF BOURSA KUWAIT SECURITIES COMPANY K.P.S.C. (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 7 of 2010 concerning establishment of Capital Markets Authority “CMA” and organization of security activity and its executive regulations, as amended, during the six months period ended 30 June 2024 that might have had a material effect on the business of the Parent Company or on its financial position.



WALEED A. AL OSAIMI
LICENCE NO 68 A
EY
AL AIBAN, AL OSAIMI & PARTNERS

30 July 2024
Kuwait

Boursa Kuwait Securities Company K.P.S.C. and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UNAUDITED)

For the period ended 30 June 2024

	Notes	Three months ended 30 June		Six months ended 30 June	
		2024 KD	2023 KD	2024 KD	2023 KD
REVENUE					
Subscription fees	3	1,733,203	1,792,746	3,539,742	3,585,494
Share in trading commission	3	1,885,976	1,434,049	4,037,372	3,031,706
Clearing operations	3	1,644,852	1,000,082	2,848,219	2,025,357
Central depository services	3	1,018,691	1,063,370	2,125,086	2,147,005
Shareholders register services	3	1,110,072	1,033,310	1,810,528	1,828,081
Settlement operations	3	763,708	475,887	1,511,741	965,617
Miscellaneous fees	3	616,862	630,863	1,274,176	1,507,172
Reversal of provision for expected credit losses	5 & 6	-	53,741	-	53,741
		8,773,364	7,484,048	17,146,864	15,144,173
EXPENSES					
Staff costs		(1,565,477)	(1,550,555)	(2,991,676)	(3,005,900)
General and administrative expense		(1,022,310)	(940,192)	(2,161,586)	(1,826,644)
Depreciation and amortisation		(188,267)	(181,123)	(390,375)	(362,982)
Allowance for provision for expected credit losses	5	-	-	(26,418)	(55,650)
		(2,776,054)	(2,671,870)	(5,570,055)	(5,251,176)
OPERATING PROFIT		5,997,310	4,812,178	11,576,809	9,892,997
Net investment income		22,674	17,752	47,314	43,913
Interest income		677,067	633,605	1,496,071	1,311,595
Rental income		250,091	208,042	457,676	415,860
Other income		21,549	237,058	35,614	242,958
Interest on lease liabilities		(6,058)	(7,838)	(13,405)	(16,864)
PROFIT BEFORE TAX		6,962,633	5,900,797	13,600,079	11,890,459
Contribution to Kuwait Foundation for Advancement of Sciences ("KFAS")		(27,966)	(26,415)	(58,950)	(56,332)
Zakat		(29,560)	(25,378)	(60,835)	(56,528)
National Labour Support Tax ("NLST")		(127,443)	(111,252)	(248,591)	(228,630)
PROFIT FOR THE PERIOD		6,777,664	5,737,752	13,231,703	11,548,969
Attributable to:					
Equity holders of the Parent Company		4,694,640	4,108,095	9,379,160	8,420,353
Non-controlling interests		2,083,024	1,629,657	3,852,543	3,128,616
		6,777,664	5,737,752	13,231,703	11,548,969
BASIC AND DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY					
	4	23.38 Fils	20.46 Fils	46.71 Fils	41.94 Fils

The attached notes 1 to 13 form part of this interim condensed consolidated financial information.

Boursa Kuwait Securities Company K.P.S.C. and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

For the period ended 30 June 2024

	Note	<i>Three months ended</i>		<i>Six months ended</i>	
		<i>30 June</i>		<i>30 June</i>	
		2024	2023	2024	2023
		KD	KD	KD	KD
PROFIT FOR THE PERIOD		6,777,664	5,737,752	13,231,703	11,548,969
Other comprehensive income					
<i>Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:</i>					
Net gain on equity instruments designated at fair value through other comprehensive income	13	-	-	-	122
Other comprehensive income for the period		-	-	-	122
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		6,777,664	5,737,752	13,231,703	11,549,091
Attributable to:					
Equity holders of the Parent Company		4,694,640	4,108,095	9,379,160	8,420,414
Non-controlling interests		2,083,024	1,629,657	3,852,543	3,128,677
		6,777,664	5,737,752	13,231,703	11,549,091

The attached notes 1 to 13 form part of this interim condensed consolidated financial information.

Boursa Kuwait Securities Company K.P.S.C. and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

As at 30 June 2024

		(Audited)	
	Notes	30 June 2024 KD	31 December 2023 KD
		30 June 2023 KD	
ASSETS			
Non-current assets			
Intangible assets		34,138,999	33,712,768
Goodwill		9,492,308	9,492,308
Property and equipment		1,645,672	1,438,230
Right-of-use assets		474,293	682,880
Accounts receivable and other assets	5	276,601	281,506
Financial assets at fair value through other comprehensive income	13	338	338
Debt instruments at amortised cost	6	1,911,425	1,911,725
Restricted cash	8	2,600,000	2,600,000
		<u>50,539,636</u>	<u>50,119,755</u>
			<u>49,442,196</u>
Current assets			
Accounts receivable and other assets	5	3,241,825	3,937,092
Term deposits	7	56,200,000	54,080,000
Cash and cash equivalents	8	3,390,884	10,749,120
		<u>62,832,709</u>	<u>68,766,212</u>
			<u>60,547,759</u>
TOTAL ASSETS		<u><u>113,372,345</u></u>	<u><u>118,885,967</u></u>
			<u><u>109,989,955</u></u>
EQUITY AND LIABILITIES			
Equity			
Share capital		20,077,575	20,077,575
Statutory reserve		9,288,355	9,288,355
Voluntary reserve		9,288,355	9,288,355
Fair value reserve		(252,299)	(252,299)
Retained earnings		20,349,713	25,827,959
		<u>58,751,699</u>	<u>64,229,945</u>
Equity attributable to equity holders of the Parent Company		<u>58,751,699</u>	<u>64,229,945</u>
Non-controlling interests		43,526,243	44,179,325
		<u>102,277,942</u>	<u>108,409,270</u>
			<u>98,089,448</u>
Liabilities			
Non-current liabilities			
Employees' end of service benefits		1,572,226	1,556,269
Lease liabilities		278,855	492,036
		<u>1,851,081</u>	<u>2,048,305</u>
			<u>2,319,521</u>
Current liabilities			
Accounts payable and other liabilities	10	9,096,019	8,206,747
Lease liabilities		147,303	221,645
		<u>9,243,322</u>	<u>8,428,392</u>
			<u>9,580,986</u>
Total liabilities		<u>11,094,403</u>	<u>10,476,697</u>
			<u>11,900,507</u>
TOTAL EQUITY AND LIABILITIES		<u><u>113,372,345</u></u>	<u><u>118,885,967</u></u>
			<u><u>109,989,955</u></u>



Bader Abdullah Al-Kandari
Vice Chairman



Mohammad Saud Al-Osaimi
Chief Executive Officer

The attached notes 1 to 13 form part of this interim condensed consolidated financial information.

Boursa Kuwait Securities Company K.P.S.C. and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the period ended 30 June 2024

	<i>Attributable to equity holders of the Parent Company</i>					<i>Sub-total KD</i>	<i>Non- controlling interests KD</i>	<i>Total equity KD</i>
	<i>Share capital KD</i>	<i>Statutory reserve KD</i>	<i>Voluntary reserve KD</i>	<i>Fair value reserve KD</i>	<i>Retained earnings KD</i>			
As at 1 January 2024 (Audited)	20,077,575	9,288,355	9,288,355	(252,299)	25,827,959	64,229,945	44,179,325	108,409,270
Profit for the period	-	-	-	-	9,379,160	9,379,160	3,852,543	13,231,703
Other comprehensive income for the period	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	9,379,160	9,379,160	3,852,543	13,231,703
Dividend paid to equity holders of the Parent Company (Note 9)	-	-	-	-	(14,857,406)	(14,857,406)	-	(14,857,406)
Dividend paid to non-controlling interests	-	-	-	-	-	-	(4,505,625)	(4,505,625)
At 30 June 2024	20,077,575	9,288,355	9,288,355	(252,299)	20,349,713	58,751,699	43,526,243	102,277,942
As at 1 January 2023 (Audited)	20,077,575	7,628,311	7,628,311	(251,724)	30,415,469	65,497,942	42,613,979	108,111,921
Profit for the period	-	-	-	-	8,420,353	8,420,353	3,128,616	11,548,969
Other comprehensive income for the period	-	-	-	61	-	61	61	122
Total comprehensive income for the period	-	-	-	61	8,420,353	8,420,414	3,128,677	11,549,091
Transfer of fair value reserve on derecognition of equity instruments designated at FVOCI	-	-	-	(636)	636	-	-	-
Dividend paid to equity holders of the Parent Company (Note 9)	-	-	-	-	(17,065,939)	(17,065,939)	-	(17,065,939)
Dividend paid to non-controlling interests	-	-	-	-	-	-	(4,505,625)	(4,505,625)
At 30 June 2023	20,077,575	7,628,311	7,628,311	(252,299)	21,770,519	56,852,417	41,237,031	98,089,448

The attached notes 1 to 13 form part of this interim condensed consolidated financial information.

Boursa Kuwait Securities Company K.P.S.C. and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

For the period ended 30 June 2024

	Notes	Six months ended 30 June	
		2024 KD	2023 KD
OPERATING ACTIVITIES			
Profit before tax		13,600,079	11,890,459
<i>Adjustment to reconcile profit before tax to net cash flows:</i>			
Depreciation of property and equipment		142,344	103,379
Depreciation of right-of-use assets		101,809	112,218
Amortisation of intangible asset		146,222	147,385
Reversal of provision for expected credit losses	5 & 6	-	(53,741)
Allowance for provision for expected credit losses	5	26,418	55,650
Interest income		(1,496,071)	(1,311,595)
Net investment income		(47,314)	(43,913)
Foreign exchange differences		300	(750)
Gain on derecognition of lease		(3,188)	-
Interest on lease liabilities		13,405	16,864
Provision for employee's end of service benefits		214,776	263,770
		12,698,780	11,179,726
<i>Working capital changes:</i>			
Accounts receivable and other assets		478,642	(121,842)
Accounts payable and other liabilities		1,146,044	589,130
Cash flows from operations		14,323,466	11,647,014
Employees' end of service benefits paid		(198,819)	(15,531)
Taxation paid		(614,833)	(745,833)
Board of Directors' remuneration paid		(176,000)	(200,000)
Net cash flows from operating activities		13,333,814	10,685,650
INVESTING ACTIVITIES			
Purchase of property and equipment		(349,786)	(310,426)
Additions of intangible assets		(572,453)	(257,108)
Proceeds from recovery of debt instruments at amortised cost		-	691,199
Placement of term deposits		(59,400,000)	(53,550,000)
Maturity of term deposits		57,280,000	57,064,445
Proceeds on liquidation of investment securities		-	33,208
Net investment income received		47,503	51,627
Interest income received		1,690,994	1,697,357
Net cash flows (used in) from investing activities		(1,303,742)	5,420,302
FINANCING ACTIVITIES			
Payment of lease liabilities		(190,962)	(197,066)
Dividends paid to equity holders of the Parent Company		(14,691,721)	(16,660,752)
Dividends paid to non-controlling interests		(4,505,625)	(4,505,625)
Net cash flows used in financing activities		(19,388,308)	(21,363,443)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(7,358,236)	(5,257,491)
Cash and cash equivalents at 1 January		10,749,120	9,542,599
CASH AND CASH EQUIVALENTS AT 30 JUNE	8	3,390,884	4,285,108
Non-cash transactions excluded from the interim condensed consolidated statement of cash flows are as follows:			
Additions to right-of-use assets		(19,241)	-
Additions to lease liabilities		19,241	-
Derecognition of leases (adjusted with right-of-use assets)		126,019	-
Derecognition of leases (adjusted with lease liabilities)		(126,019)	-

The attached notes 1 to 13 form part of this interim condensed consolidated financial information.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL
INFORMATION (UNAUDITED)

As at and for the period ended 30 June 2024

1 CORPORATE AND GROUP INFORMATION

The interim condensed consolidated financial information of Boursa Kuwait Securities Company K.P.S.C. (“the Parent Company”) and its subsidiaries (collectively, the “Group”) for the six months ended 30 June 2024 were authorised for issue in accordance with a resolution of the board of directors on 30 July 2024.

The consolidated financial statements for the year ended 31 December 2023 were approved by the shareholders at the Annual General Assembly meeting (“AGM”) held on 28 March 2024. Dividends declaration and payment by the Parent Company for the year then ended are provided in Note 9.

The Parent Company is a public shareholding company incorporated and domiciled in Kuwait and whose shares are publicly traded. The registered office of the Parent Company is located at Boursa Building, Sharq and its registered postal address is P.O. Box 1027, Dasman 15461 - State of Kuwait.

The Parent Company is regulated by the Capital Markets Authority (“CMA”) and its primary objectives are, as follows:

- ▶ Operate as a stock exchange, incorporate, or operate or contribute in the incorporation or operation of a stock exchange to reconcile buy and sell orders of securities and to follow specific procedures relating to trading and perform usual functions exercised by stock exchanges. Provide design, development and processing of electronic data services related to the field of operating securities exchanges.
- ▶ Provide design, development and information technology solutions in the field and activities of stock exchanges.
- ▶ Provide supporting services to third parties in the securities and stock markets fields.
- ▶ Offer advisory services relating to the stock exchange activities and the regulations applying to its members. Prepare economic feasibility studies in the stock exchange field.
- ▶ Incorporate and participate in the incorporation of companies inside the State of Kuwait and abroad of different types and legal forms within the scope of the Parent Company’s objectives.
- ▶ Own securities in companies that work in the field of stock market or securities activities.
- ▶ The Parent Company may have interests in, or cooperate or contribute or participate in any way in other financial markets or companies or entities engaged in any type of business, activities, or similar activities or those that may support the Parent Company in achieving its purposes inside the State of Kuwait or abroad pursuant to the applicable laws and regulations.
- ▶ The Parent Company may exploit the available financial surpluses by investing in bank deposits or government securities inside the State of Kuwait or abroad. The Parent Company shall make any other types of investments inside the State of Kuwait and abroad.
- ▶ Any other purposes relating to stock exchanges provided for in the CMA Law and in the decisions issued by the CMA.

The Parent Company may carry out the above business in the State of Kuwait or abroad.

Boursa Kuwait Securities Company K.P.S.C. and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 June 2024

1 CORPORATE AND GROUP INFORMATION (continued)

The interim condensed consolidated financial information of the Group include:

Name of the subsidiary	Country of incorporation	% equity interest			Principal activities
		30 June 2024	31 December 2023	30 June 2023	
<i>Directly held:</i>					
Boursa Kuwait Company for Business Economic and IT Consultancy S.P.C.	Kuwait	100%	100%	100%	Administrative, economic and information technology consulting.
Kuwait Clearing Company K.S.C. (Closed) (“KCC”)	Kuwait	50%	50%	50%	Provides clearing, settlement and depository services.
<i>Held through KCC:</i>					
Kuwait International Trustee Company K.S.C. (Closed)	Kuwait	100%	100%	100%	Providing trustee services. Performing clearing and settlement between securities trading operations.
Kuwait Clearing House K.S.C. (Closed)	Kuwait	100%	100%	100%	Providing central depository, register services and transfer of ownership services.
Kuwait Central Securities Depository K.S.C. (Closed)	Kuwait	100%	100%	100%	

2 BASIS OF PREPARATION AND CHANGES TO GROUP’S ACCOUNTING POLICIES

2.1 Basis of preparation

The interim condensed consolidated financial information for the six months ended 30 June 2024 has been prepared in accordance with IAS 34 *Interim Financial Reporting*.

The interim condensed consolidated financial information is presented in Kuwaiti Dinars (“KD”), which is also the functional currency of the Group.

The Group has prepared the interim condensed consolidated 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 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.

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 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.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 June 2024

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)

Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7 (continued)

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.

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.

Boursa Kuwait Securities Company K.P.S.C. and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 June 2024

3 REVENUE FROM CONTRACTS WITH CUSTOMERS

Set out below is the disaggregation of the Group's revenue:

	<i>Three months ended 30 June</i>		<i>Six months ended 30 June</i>	
	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
Types of services:				
<i>Subscription fees</i>	1,733,203	1,792,746	3,539,742	3,585,494
<i>Share in trading commission</i>				
▪ Main commission	1,832,312	1,395,624	3,933,052	2,973,522
▪ Special transaction commission	53,664	38,425	104,320	58,184
	1,885,976	1,434,049	4,037,372	3,031,706
<i>Clearing operations</i>	1,644,852	1,000,082	2,848,219	2,025,357
<i>Central depository services</i>	1,018,691	1,063,370	2,125,086	2,147,005
<i>Settlement operations</i>	763,708	475,887	1,511,741	965,617
<i>Shareholders register services</i>	1,110,072	1,033,310	1,810,528	1,828,081
<i>Miscellaneous fees</i>				
▪ Trustee and investment controller services	171,713	169,789	337,797	323,670
▪ Trading commission of non-listed companies	83,246	99,694	164,958	391,829
▪ Transferring of ownership and acquisition fees	118,098	150,125	293,849	377,165
▪ Data services subscriptions	113,145	92,413	222,675	182,257
▪ Online trading lines and X-stream line	54,823	57,803	109,508	115,446
▪ Registration fees for listed entities	10,000	-	10,000	-
▪ Collateral services	22,772	24,551	47,762	46,595
▪ Other operating income	43,065	36,488	87,627	70,210
	616,862	630,863	1,274,176	1,507,172
	8,773,364	7,430,307	17,146,864	15,090,432
Geographical markets:				
State of Kuwait	8,773,364	7,430,307	17,146,864	15,090,432
Timing of revenue recognition:				
Services transferred over time	3,206,981	3,171,982	6,070,496	6,084,305
Services transferred in a point in time	5,566,383	4,258,325	11,076,368	9,006,127
	8,773,364	7,430,307	17,146,864	15,090,432

4 BASIC AND DILUTED EARNINGS PER SHARE "(EPS)"

Basic EPS amounts are calculated by dividing the profit 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 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 earnings per share are identical.

Boursa Kuwait Securities Company K.P.S.C. and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 June 2024

4 BASIC AND DILUTED EARNINGS PER SHARE "(EPS)" (continued)

	<i>Three months ended</i>		<i>Six months ended</i>	
	<i>30 June</i>		<i>30 June</i>	
	2024	2023	2024	2023
Profit for the period attributable to equity holders of the Parent Company (KD)	4,694,640	4,108,095	9,379,160	8,420,353
Weighted average of shares (Number of shares)	200,775,750	200,775,750	200,775,750	200,775,750
Basic and diluted EPS attributable to equity holders of the Parent Company (Fils)	23.38	20.46	46.71	41.94

* The weighted average number of shares takes into account the weighted average effect of changes in treasury shares during the period.

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

5 ACCOUNTS RECEIVABLE AND OTHER ASSETS

	<i>30 June</i>	<i>(Audited)</i>	<i>30 June</i>
	2024	<i>31 December</i>	<i>30 June</i>
	KD	<i>KD</i>	<i>KD</i>
Trade receivables, gross	2,266,815	2,174,523	2,349,800
Less: Allowance for expected credit losses	(671,312)	(710,666)	(1,093,496)
Trade receivables, net	1,595,503	1,463,857	1,256,304
Prepayments and advances*	527,010	255,042	537,503
Amounts due from related parties (Note 11)	510,844	1,057,954	492,378
Refundable deposits	276,601	261,682	253,398
Accrued interest income*	581,541	1,104,424	369,117
Other receivables*	26,927	75,639	90,988
	3,518,426	4,218,598	2,999,688
Non-current	276,601	281,506	287,037
Current	3,241,825	3,937,092	2,712,651
	3,518,426	4,218,598	2,999,688

* Include amounts receivable from related parties amounting to KD 440,200 (31 December 2023: KD 701 and 30 June 2023: KD 2,052) (Note 11).

Boursa Kuwait Securities Company K.P.S.C. and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 June 2024

5 ACCOUNTS RECEIVABLE AND OTHER ASSETS (continued)

Set out below is the movement in allowance for trade receivables:

	30 June	<i>(Audited)</i>	30 June
	2024	31 December	2023
	KD	KD	KD
As at 1 January	710,666	1,084,286	1,084,286
ECL allowance recognised during the period/year	26,418	55,650	55,650
Reversal of ECL allowance during the period/year	-	(46,440)	(46,440)
	<hr/>	<hr/>	<hr/>
Net remeasurement of loss allowance recognised in profit or loss	26,418	9,210	9,210
ECL allowance written off during the period/year	(65,772)	(382,830)	-
	<hr/>	<hr/>	<hr/>
As at the end of the period/year	671,312	710,666	1,093,496
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

6 DEBT INSTRUMENTS AT AMORTISED COST

	30 June	<i>(Audited)</i>	30 June
	2024	31 December	2023
	KD	KD	KD
Debt instrument at amortised cost	1,921,450	1,921,750	1,422,650
Less: Allowance for expected credit losses	(10,025)	(10,025)	(8,783)
	<hr/>	<hr/>	<hr/>
Debt instrument at amortised cost, net	1,911,425	1,911,725	1,413,867
	<hr/>	<hr/>	<hr/>
Non-current	1,911,425	1,911,725	1,413,867
Current	-	-	-
	<hr/>	<hr/>	<hr/>
	1,911,425	1,911,725	1,413,867
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Set out below is the movement in allowance for debt instruments at amortised cost:

	30 June	<i>(Audited)</i>	30 June
	2024	31 December	2023
	KD	KD	KD
As at 1 January	10,025	16,084	16,084
ECL allowance recognised in profit or loss	-	1,242	-
Reversal of ECL allowance	-	(7,301)	(7,301)
	<hr/>	<hr/>	<hr/>
As at the end of the period/year	10,025	10,025	8,783
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Debt instruments at amortised cost represents the Group's investment in locally issued bonds that carry an effective interest rate ranging from 4% to 7.31% (31 December 2023: 4% to 7.5% and 30 June 2023: 4% to 7%) per annum and maturing over a period ranging from 6 to 9 years.

Boursa Kuwait Securities Company K.P.S.C. and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 June 2024

7 TERM DEPOSITS

Term deposits are placed with a local bank, denominated in Kuwaiti Dinar and carry an effective interest rate ranging from 4.25% to 4.90% as at 30 June 2024 (31 December 2023: 4.45% to 5.28% and 30 June 2023: 5% to 5.5%) per annum and maturing within twelve months from the date of placement.

Certain term deposits are held with a related party bank of KD 31,250,000 (31 December 2023 and 30 June 2023: Nil) (Note 11).

8 CASH AND CASH EQUIVALENTS

	<i>30 June</i>	<i>(Audited)</i>	
	<i>2024</i>	<i>31 December</i>	<i>30 June</i>
	<i>KD</i>	<i>2023</i>	<i>2023</i>
		<i>KD</i>	<i>KD</i>
Cash at banks	5,737,169	5,000,405	6,179,353
Cash on hands	6,717	1,717	4,725
Short term deposits *	250,000	8,350,000	704,032
Cash and short-term deposits	5,993,886	13,352,122	6,888,110
Less: restricted cash **	(2,600,000)	(2,600,000)	(2,600,000)
Less: expected credit loss	(3,002)	(3,002)	(3,002)
Cash and cash equivalents	3,390,884	10,749,120	4,285,108

* Short-term deposits are made for varying periods maturing within three months from the date of placements, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

** Restricted cash represents a balance deposited in a local bank in accordance with the financial clearance guarantee policy stipulated by the CMA to be used to cover default resulting from the trading of the broker's clients or custodian's clients, after the financial guarantee provided to these clients (the broker and custodian) has been exhausted. These amounts are not available for day-to-day operations.

Cash at banks contains cash at a related party bank of Nil as at 30 June 2024 (31 December 2023: KD 1,000 and 30 June 2023: KD 1,000) (Note 11).

9 DIVIDENDS DECLARED AND PAID

On 28 March 2024, the shareholders approved in the AGM the distribution of cash dividends of 74 fils per share to the shareholders registered on 21 April 2024 aggregating to KD 14,857,406 for the year ended 31 December 2023. The dividends were paid subsequently. Dividends amounting to KD 1,444,488 are payable as at the reporting date (Note 10).

On 23 March 2023, the shareholders approved in the AGM the distribution of cash dividends of 85 fils per share to the shareholders aggregating to KD 17,065,939 for the year ended 31 December 2022.

Boursa Kuwait Securities Company K.P.S.C. and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 June 2024

10 ACCOUNTS PAYABLE AND OTHER LIABILITIES

	30 June	<i>(Audited)</i> 31 December	30 June
	2024	2023	2023
	KD	KD	KD
Unearned revenue *	4,865,087	1,476,576	4,992,110
Trade payables	484,887	419,136	456,383
Accrued expenses	1,111,972	3,743,407	1,193,385
Commission payable to CMA	134,465	237,574	112,864
Staff leave provision	739,182	692,908	871,677
Dividends payable	1,444,488	1,278,802	1,442,794
Other payables*	315,938	358,344	292,436
	9,096,019	8,206,747	9,361,649

* Include amounts payable to related parties of KD 413,918 (31 December 2023: KD 11,968 and 30 June 2023: KD 292,976) (Note 11).

11 RELATED PARTY DISCLOSURES

Related parties represent the major shareholders, directors and key management personnel of the Parent Company, and entities controlled, jointly controlled, or significantly influenced by such parties. Transactions with related parties were made on substantially the same terms, prevailing at the same time for comparable transactions with unrelated parties and are approved by the Parent Company's management.

The following table provides the total amount of transactions that have been entered into with related parties during the six months period ended 30 June 2024 and 2023, as well as balances with related parties as at 30 June 2024, 31 December 2023 and 30 June 2023:

	<i>Six months ended 30 June</i>			
	<i>Major</i>	<i>Other related</i>	2024	2023
	<i>shareholders</i>	<i>parties</i>	2024	2023
	KD	KD	KD	KD
<i>Interim condensed consolidated statement of profit or loss:</i>				
Subscription fees	145,000	243,668	388,668	281,138
General and administrative expense	-	350	350	760
Miscellaneous fees	4,750	1,933	6,683	6,227
Interest income	-	459,295	459,295	-
Rental income	-	4,750	4,750	4,748

Boursa Kuwait Securities Company K.P.S.C. and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 June 2024

11 RELATED PARTY DISCLOSURES (continued)

Balances with related parties included in the interim condensed consolidated statement of financial position are as follows:

	<i>Major shareholders KD</i>	<i>Other related parties KD</i>	<i>30 June 2024 KD</i>	<i>(Audited) 31 December 2023 KD</i>	<i>30 June 2023 KD</i>
<i>Interim condensed consolidated statement of financial position:</i>					
Amounts due from related parties (Note 5)	-	510,844	510,844	1,057,954	492,378
Accounts receivable and other assets (Note 5)	-	440,200	440,200	701	2,052
Term deposits (Note 7)	-	31,250,000	31,250,000	-	-
Cash and cash equivalents (Note 8)	-	-	-	1,000	1,000
Accounts payable and other liabilities (Note 10)	145,250	268,668	413,918	11,968	292,976

Compensation of key management personnel and Board of Directors

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:

	<i>Transaction values for the Six months ended</i>		<i>Balances outstanding as at</i>		
	<i>30 June 2024 KD</i>	<i>30 June 2023 KD</i>	<i>(Audited) 30 June 2024 KD</i>	<i>31 December 2023 KD</i>	<i>30 June 2023 KD</i>
Salaries and other short-term benefits	778,558	820,934	153,796	576,632	137,519
Employees end of service benefits	29,305	27,421	292,703	263,399	233,531
Board of Directors' remuneration	-	-	-	176,000	-
Board of Directors' committee remuneration	-	-	-	32,000	-
	807,863	848,355	446,499	1,048,031	371,050

The Board of Directors of the Parent Company proposed a directors' remuneration of KD 176,000 for the year ended 31 December 2023. This proposal was approved by the shareholders of the Parent Company at the AGM held on 28 March 2024.

12 SEGMENT INFORMATION

The Group's operating segments are determined based on the reports reviewed by the decision makers that are used for strategic decisions. These segments are strategic business units that offer different products and services. They are managed separately since the nature of the products and services; class of customers and marketing strategies of these segments are different.

Operating revenue recognised in the interim condensed consolidated statement of profit or loss represents revenue from external customers and originated in the State of Kuwait.

Boursa Kuwait Securities Company K.P.S.C. and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 June 2024

12 SEGMENT INFORMATION (continued)

The Group is primarily engaged in operating securities exchange related activities in the State of Kuwait. Management monitors the operating results of its operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on return on investments.

The following tables present information regarding the Group's segments activities:

	<i>As at and for the six-month period ended 30 June 2024</i>			<i>As at and for the six-month period ended 30 June 2023</i>		
	<i>Securities exchange KD</i>	<i>Clearing KD</i>	<i>Total KD</i>	<i>Securities exchange KD</i>	<i>Clearing KD</i>	<i>Total KD</i>
Operating revenue	8,384,433	8,762,431	17,146,864	7,709,318	7,434,855	15,144,173
Operating expenses	(3,301,345)	(2,113,069)	(5,414,414)	(2,998,248)	(2,119,705)	(5,117,953)
Operating profit	5,083,088	6,649,362	11,732,450	4,711,070	5,315,150	10,026,220
Non-operating revenue	789,005	1,247,670	2,036,675	920,319	1,094,007	2,014,326
Non-operating expenses	(380,720)	(156,702)	(537,422)	(356,316)	(135,261)	(491,577)
Segment results	5,491,373	7,740,330	13,231,703	5,275,073	6,273,896	11,548,969
Segment assets	55,764,199	57,608,146	113,372,345	56,014,088	53,975,867	109,989,955
Segment liabilities	8,838,484	2,255,919	11,094,403	8,698,444	3,202,063	11,900,507

13 FAIR VALUE MEASUREMENT

Fair value is 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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- ▶ In the principal market for the asset or liability; or
- ▶ In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 June 2024

13 FAIR VALUE MEASUREMENT (continued)

Fair value hierarchy

All assets and liabilities for which fair value is measured or disclosed are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- ▶ 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 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.

Valuation methods and assumptions

The following methods and assumptions were used to estimate the fair values:

Financial assets and liabilities at amortised cost

Fair value of financial instruments at amortised cost is not materially different from their carrying values, at the reporting date, as most of these instruments are of short-term maturity or re-priced immediately based on market movement in interest rates.

Unlisted equity investments

The Group invests in private equity companies that are not quoted in an active market. Transactions in such investments do not occur on a regular basis. The Group uses a market-based valuation technique for the majority of these positions. The Group determines comparable public companies (peers) based on industry, size, leverage and strategy, and calculates an appropriate trading multiple for each comparable company identified. The trading multiple is then discounted for considerations such as illiquidity and size differences between the comparable companies based on company-specific facts and circumstances. The discounted multiple is applied to the corresponding earnings measure of the investee company to measure the fair value. The Group classifies the fair value of these investments as Level 3.

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:

	<i>Unquoted equity shares</i>		
	<i>30 June</i>	<i>31 December</i>	<i>30 June</i>
	<i>2024</i>	<i>2023</i>	<i>2023</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>
As at 1 January	338	33,424	33,424
Remeasurement recognised in OCI	-	122	122
Purchases / (sales), net	-	(33,208)	(33,208)
As at end of the period/year	338	338	338

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.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL
INFORMATION (UNAUDITED)

As at and for the period ended 30 June 2024

13 FAIR VALUE MEASUREMENT (continued)

Reconciliation of Level 3 fair values (continued)

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.

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