

# ALMANAR

FINANCING & LEASING



2023



**Al Manar Financing and Leasing Company K.S.C. (Public)  
and its Subsidiaries  
State of Kuwait**

**Interim Condensed Consolidated Financial Information (Unaudited)  
For the Six month period ended 30 June 2023  
With Review Report**



**Al Manar Financing and Leasing Company K.S.C. (Public)**  
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State of Kuwait

Interim Condensed Consolidated Financial Information (Unaudited)  
For the Six month period ended 30 June 2023  
With Review Report

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Interim Condensed Consolidated Statement of Financial Position as at 30 June 2023 (Unaudited)

(All amounts are in Kuwaiti Dinars)

	Notes	30 June 2023	31 December 2022 (Audited)	30 June 2022
<b>Assets</b>				
Cash and cash equivalents	4	2,572,428	1,433,827	5,502,265
Investments in Murabaha and Wakala receivables	5	9,347,321	9,347,321	4,347,321
Finance receivables	6	14,653,244	14,984,479	13,447,433
Other receivables and prepayments	7	433,869	387,357	744,928
Investments in financial securities	8	11,084,799	11,008,092	7,006,648
Investment properties		3,797,186	3,822,449	3,847,712
Other assets		43,042	61,599	49,304
<b>Total assets</b>		<b>41,931,889</b>	<b>41,045,124</b>	<b>34,945,611</b>
<b>Liabilities and equity</b>				
<b>Liabilities</b>				
Accounts payable and other credit balances	9	1,414,555	2,175,900	1,159,134
Islamic financing payables	10	12,475,710	11,009,032	6,444,065
Provision for staff indemnity		303,899	331,005	506,557
<b>Total liabilities</b>		<b>14,194,164</b>	<b>13,515,937</b>	<b>8,109,756</b>
<b>Equity</b>				
Share capital		26,374,759	26,374,759	26,374,759
Gain on sale of treasury shares		4,995	4,995	4,995
Statutory reserve		295,272	295,272	140,616
Voluntary reserve		295,272	295,272	140,616
Fair value reserve		(725,395)	(787,445)	(464,393)
Retained earnings		1,204,281	1,346,334	639,262
Equity attributable to Shareholders of the Parent Company		27,449,184	27,529,187	26,835,855
		288,541	-	-
<b>Total equity</b>		<b>27,737,725</b>	<b>27,529,187</b>	<b>26,835,855</b>
<b>Total liabilities and equity</b>		<b>41,931,889</b>	<b>41,045,124</b>	<b>34,945,611</b>

The accompanying notes form an integral part of this interim condensed consolidated financial information.

Faisal Abdel Aziz Al-Nassar  
Vice Chairman and CEO

Interim Condensed Consolidated Statement of Income for the six months ended 30 June 2023 (Unaudited)

(All amounts are in Kuwaiti Dinars)

	Notes	Three months ended 30 June		Six months ended 30 June	
		2023	2022	2023	2022
<b>Revenues</b>					
Finance revenues		549,528	404,454	1,043,434	808,084
Rental income		69,410	69,250	139,020	140,885
Net gains/ (losses) from investments in financial securities	11	211,904	(144,598)	332,793	(129,738)
Other income	12	53,133	41,861	224,842	62,069
		<b>883,975</b>	<b>370,967</b>	<b>1,740,089</b>	<b>881,300</b>
<b>Expenses</b>					
Finance cost		183,256	34,470	365,564	74,577
Staff costs		161,909	158,899	309,278	291,878
(Reversal)/ provide of provisions for credit facilities	6	(55,381)	(14,101)	42,108	(111,032)
Other expenses		192,609	48,396	307,433	157,008
		<b>482,393</b>	<b>227,664</b>	<b>1,024,383</b>	<b>412,431</b>
Profit before deductions		401,582	143,303	715,706	468,869
NLST		7,889	3,583	15,742	11,722
Zakat		3,143	1,360	6,075	4,249
KFAS		3,712	1,290	6,539	4,220
Net profit for the period		<b>386,838</b>	<b>137,070</b>	<b>687,350</b>	<b>448,678</b>
<b>Attributable to:</b>					
The Parent Company's Shareholders		397,712	137,070	698,224	448,678
Non-controlling interests		(10,874)	-	(10,874)	-
Net profit for the period		<b>386,838</b>	<b>137,070</b>	<b>687,350</b>	<b>448,678</b>
Basic and diluted earnings per share (fils)	13	<b>1.51</b>	<b>0.46</b>	<b>2.65</b>	<b>1.48</b>

The accompanying notes form an integral part of this interim condensed consolidated financial information.

Interim Condensed Consolidated Statement of Comprehensive Income for the six months ended 30 June 2023 (Unaudited)

(All amounts are in Kuwaiti Dinars)

	Three months ended 30 June		Six months ended 30 June	
	2023	2022	2023	2022
Net profit for the period	386,838	137,070	687,350	448,678

Items that will not be reclassified subsequently to interim condensed consolidated statement of comprehensive income.

Change in fair value of equity investments at fair value through other comprehensive income	367,654	(133,145)	12,431	(173,204)
Other comprehensive income/ (loss) for the period	367,654	(133,145)	12,431	(173,204)
Total comprehensive income	754,492	3,925	699,781	275,474

**Attributable to:**

The Parent Company's Shareholders	765,951	3,925	711,240	275,474
Non-controlling interests	(11,459)	-	(11,459)	-
Total comprehensive income	754,492	3,925	699,781	275,474

The accompanying notes form an integral part of this interim condensed consolidated financial information.

Interim Condensed Consolidated Statements of Changes in Equity for the six months ended 30 June 2023 (Unaudited)

(All amounts are in Kuwaiti Dinars)

	Share capital	Gain on sale of treasury shares	Statutory reserve	Voluntary reserve	Fair value reserve	Retained earnings	Total	Non-controlling interests	Total equity
<b>Balance at 1 January 2022</b>	30,874,759	4,995	140,616	140,616	(299,553)	198,948	31,060,381	-	<b>31,060,381</b>
Reduction of share capital	(4,500,000)	-	-	-	-	-	(4,500,000)	-	<b>(4,500,000)</b>
Net profit for the period	-	-	-	-	-	448,678	448,678	-	<b>448,678</b>
Other comprehensive loss for the period	-	-	-	-	(173,204)	-	(173,204)	-	<b>(173,204)</b>
Transfer on disposal of investments	-	-	-	-	8,364	(8,364)	-	-	<b>-</b>
<b>Balance at 30 June 2022</b>	<b>26,374,759</b>	<b>4,995</b>	<b>140,616</b>	<b>140,616</b>	<b>(464,393)</b>	<b>639,262</b>	<b>26,835,855</b>	<b>-</b>	<b>26,835,855</b>
<b>Balance at 1 January 2023</b>	<b>26,374,759</b>	<b>4,995</b>	<b>295,272</b>	<b>295,272</b>	<b>(787,445)</b>	<b>1,346,334</b>	<b>27,529,187</b>	<b>-</b>	<b>27,529,187</b>
Net profit for the period	-	-	-	-	-	698,224	698,224	(10,874)	<b>687,350</b>
Other comprehensive income for the period	-	-	-	-	13,016	-	13,016	(585)	<b>12,431</b>
Transfers on disposal of investments	-	-	-	-	49,034	(49,034)	-	-	<b>-</b>
Cash dividends (note 16)	-	-	-	-	-	(791,243)	(791,243)	-	<b>(791,243)</b>
Acquisition of subsidiary (note 17.1)	-	-	-	-	-	-	-	300,000	<b>300,000</b>
<b>Balance at 30 June 2023</b>	<b>26,374,759</b>	<b>4,995</b>	<b>295,272</b>	<b>295,272</b>	<b>(725,395)</b>	<b>1,204,281</b>	<b>27,449,184</b>	<b>288,541</b>	<b>27,737,725</b>

The accompanying notes form an integral part of this interim condensed consolidated financial information.

**Interim Condensed Consolidated Statement of Cash Flows for the six months ended 30 June 2023 (Unaudited)**

(All amounts are in Kuwaiti Dinars)

	Notes	Six months ended 30 June	
		2023	2022
<b>Operating activities</b>			
Net profit for the period		687,350	448,678
Adjustments for:			
Depreciation and amortization		44,380	45,015
Net gains from investments in financial securities	11	(332,793)	129,738
Provide/ (reversal) of provisions for credit facilities		42,108	(111,032)
Finance cost		365,564	74,577
Provision for staff indemnity		15,548	25,550
Operating profit before changes in working capital		822,157	612,526
Finance receivables		289,127	459,669
Other receivables and prepayments		248,608	426,196
Financial assets at fair value through profit or loss (net movement)		71,977	(50,000)
Accounts payable and other credit balances		(625,605)	101,775
Payment of staff indemnity		(37,774)	(69,471)
Net cash generated from operating activities		<b>768,490</b>	<b>1,480,695</b>
<b>Investing activities</b>			
Dividends income received		135,737	34,983
Purchase of financial securities (FVTOCI and amortized cost)		(287,739)	(142,413)
Proceeds from sale of financial securities (FVTOCI and amortized cost)		353,753	384,484
Purchase of other assets		(560)	(85)
Net cash generated from investing activities		201,191	276,969
<b>Financing activities</b>			
Proceeds from Islamic financing payables		4,791,700	3,000,000
Payment for Islamic financing payables		(3,325,022)	(1,433,679)
Payment for capital reduction		(180,195)	(4,095,683)
Dividends paid		(751,999)	(28,608)
Finance cost paid		(365,564)	(74,577)
Net cash generated from/ (used in) financing activities		168,920	(2,632,547)
<b>Net increase/ (decrease) in cash and cash equivalents</b>		<b>1,138,601</b>	<b>(874,883)</b>
<b>Cash and cash equivalents at beginning of the period</b>		<b>1,433,827</b>	<b>6,377,148</b>
<b>Cash and cash equivalents at end of the period</b>	4	<b>2,572,428</b>	<b>5,502,265</b>

The accompanying notes form an integral part of this interim condensed consolidated financial information.



**Notes to the Interim Condensed Consolidated Financial Information for the six months ended 30 June 2023 (Unaudited)**

*(All amounts are in Kuwaiti Dinars unless otherwise stated)*

**1. Formation and principal activities**

Al Manar Financing and Leasing Company K.S.C. (Public) (“the Parent Company”) was incorporated in the State of Kuwait in 2003 by the authorized letter of incorporation no. 4857 file 1 dated 6 December 2003.

The main activities of the Parent Company and its subsidiaries (together referred to as “the Group”) are all financing and investing activities according to the Islamic Shari’a principles.

The Parent Company is subject to instructions and monitoring by the Central Bank of Kuwait and Capital Markets Authority.

The registered office of the Parent Company is P.O. Box 22828, Safat 13089, Kuwait.

The interim condensed consolidated financial information includes the financial information of the Parent Company and its subsidiaries (the Group) as follows

Company name	Ownership percentage (%)			Activity	Country of incorporation
	30 June 2023	31 Dec 2022	30 June 2022		
Manarat Tasaheel Real Estate Company W.L.L	100	100	100	Real estate	Kuwait
Al-Manar Express for Marketing Consulting Company W.L.L	100	100	100	Consulting	Kuwait
Al- Manar Watania for Administrative Consulting Company W.L.L	100	100	100	Consulting	Kuwait
Al Jawhara Company for Buying and Selling Shares & Bonds W.L.L (note 17.1)	70	-	-	Investments	Kuwait

Subsidiaries’ management accounts have been used for the consolidation purposes as at 30 June 2023.

The total assets of the subsidiaries are KD 4,390,813 (KD 4,108,753 as at 31 December 2022, KD 4,230,812 as at 30 June 2022), net gains of KD 70,661 during the six months ended 30 June 2023 (net gains KD 11,203 during the six months ended 30 June 2022).

On 12 April 2023, the General Assembly approved the consolidated financial statements for the year ended 31 December 2022.

The interim condensed consolidated financial information was approved for issue by the Board of Directors on 07 August 2023.

**2. Basis of preparation and significant accounting policies**

**2.1 Basis of preparation**

The interim condensed consolidated financial information of the Group has been prepared in accordance with International Accounting Standard (IAS) 34, ‘Interim Financial Reporting’.

The annual consolidated financial statements for the year ended 31 December 2022 were prepared in accordance with the regulations of the State of Kuwait for financial services institutions regulated by the CBK. These regulations require expected credit loss (“ECL”) to be measured at the higher of the ECL on credit facilities computed under IFRS 9 according 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 for use by the State of Kuwait).

The interim condensed consolidated financial information does not contain all information and disclosures required for the annual consolidated financial statements prepared in accordance with IFRSs, and should be read in conjunction with the Group’s annual consolidated financial statements as at 31 December 2022. Further, results for interim periods are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2023.

**2.2 Significant accounting policies**

The accounting policies used in the preparation of these interim condensed consolidated financial information are consistent with those used in the preparation of the annual consolidated financial statements for the year ended 31 December 2022, except for the adoption of the amendments and annual improvements to IFRS, relevant to the Group which are effective for annual reporting period starting from 1 January 2023 and which did not result in any material impact on the accounting policies, financial position or performance of the Group. The Group has not early adopted any standards, interpretations and amendments that had been issued but is not yet effective.

Notes to the Interim Condensed Consolidated Financial Information for the six months ended 30 June 2023  
(Unaudited)

(All amounts are in Kuwaiti Dinars unless otherwise stated)

not yet effective.

3. Fair value estimation

The fair values of financial assets and financial liabilities are determined as follows:

- Level one: Quoted prices in active markets for identical assets or liabilities.
- Level two: Quoted prices in an active market for similar instruments. Quoted prices for identical assets or liabilities in market that are not active. Inputs other than quoted prices that are observable for assets and liabilities.
- Level six: Inputs for the asset or liabilities that are not based on observable market data.

Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis:

Financial assets	Fair value as at			Fair value hierarchy	Valuation technique(s) and Key input(s)	Significant unobservable inputs)	Relationship of unobservable inputs to fair value
	30 June 2023	31 December 2022 (Audited)	30 June 2022				
<b>Financial assets at fair value through profit or loss:</b>							
- Quoted foreign funds	1,202,681	1,027,904	1,017,265	Level 1	Last bid prices	N/A	N/A
- Quoted local shares	62,863	50,442	52,648	Level 1	Last bid prices	N/A	N/A
- Unquoted foreign funds	572,750	604,239	597,995	Level 2	Net assets value	Net assets value	N/A
- Unquoted local shares	477,664	477,664	592,864	Level 3	Market comparatives and Net assets value	Illiquidity discount	The higher the discount rate the lower the value
- Unquoted foreign shares	106,170	136,800	129,186	Level 3	Market comparatives and Net assets value	Illiquidity discount	The higher the discount rate the lower the value
<b>Financial assets at fair value through OCI:</b>							
- Quoted local shares	4,344,637	4,112,451	-	Level 1	Last bid prices	N/A	N/A
- Quoted foreign shares	785,652	1,071,421	1,005,280	Level 1	Last bid prices	N/A	N/A
- Unquoted foreign shares	1,399,012	1,399,012	1,480,472	Level 3	Market comparatives and Net assets value	Illiquidity discount	The higher the discount rate the lower the value
<b>Financial assets at amortized costs:</b>							
- Debt sukuks – quoted at foreign stock exchanges	1,929,525	1,925,919	1,968,028	Level 1	Last bid prices	N/A	N/A

Reconciliation of level 3 fair value measurements

	30 June 2023	31 December 2022 (Audited)	30 June 2022
Balance at the beginning of the period/ year	2,013,476	2,159,322	2,159,322
Change in fair value	-	(145,846)	43,200
Capital reduction	(30,630)	-	-
<b>Balance at the end of the period/ year</b>	<b>1,982,846</b>	<b>2,013,476</b>	<b>2,202,522</b>

Fair values of the Group's other financial assets and financial liabilities are approximately equal to their carrying value.

Notes to the Interim Condensed Consolidated Financial Information for the six months ended 30 June 2023  
(Unaudited)

(All amounts are in Kuwaiti Dinars unless otherwise stated)

4. Cash and cash equivalents

	30 June 2023	31 December 2022 (Audited)	30 June 2022
Cash at banks and portfolios	2,571,683	1,430,103	4,997,192
Wakala with banks (less than 3 months)	-	-	503,323
Cash on hand	745	3,724	1,750
	<b>2,572,428</b>	<b>1,433,827</b>	<b>5,502,265</b>

5. Investments in Murabaha and Wakala receivables

Investments in Murabaha and Wakala receivables have been deposited at local financial institutions according to Murabaha and Wakala contracts. The average yield on those contracts is 4.125% - 5.00% per annum as at 30 June 2023 (31 December 2022: 3% - 4.3125% and 30 June 2022: 1.775% per annum). Expected credit losses amounted to KD 17,679 as at 30 June 2023 (KD 17,679 as at 31 December 2022 and 30 June 2022).

6. Finance receivables

	30 June 2023	31 December 2022 (Audited)	30 June 2022
Finance receivables	20,281,154	20,350,449	19,117,526
Less: deferred revenues	(2,878,756)	(2,694,173)	(2,254,692)
Less: provision for impairment in value/ expected credit losses	(2,749,154)	(2,671,797)	(3,415,401)
<b>Finance receivables – net</b>	<b>14,653,244</b>	<b>14,984,479</b>	<b>13,447,433</b>

6.1 Expected credit losses on credit facilities determined under IFRS 9 according to CBK guidelines amounted to KD 2,749,154 as at 30 June 2023 (31 December 2022: KD 2,671,797 and 30 June 2022: KD 2,866,709), which is equal to/ lower than the provision for credit facilities required by CBK instructions of KD 2,749,154 as at 30 June 2023 (31 December 2022: KD 2,671,797 and 30 June 2022: KD 3,415,401).

6.2 The movement in gross credit facilities is as follows:

	Stage 1	Stage 2	Stage 3	Total
<b>Balance at 1 January 2022</b>	<b>11,847,037</b>	<b>3,586,962</b>	<b>4,172,176</b>	<b>19,606,175</b>
Written off during the period	-	-	(25,688)	(25,688)
Net collection	1,184,683	(1,107,046)	(540,598)	(462,961)
Transfer from/ to Stage 1	(402,218)	693,469	(291,251)	-
Transfer from/ to Stage 2	236,524	(599,671)	363,147	-
<b>Balance at 30 June 2022</b>	<b>12,866,026</b>	<b>2,573,714</b>	<b>3,677,786</b>	<b>19,117,526</b>

<b>Balance at 1 January 2023</b>	<b>15,047,533</b>	<b>1,765,319</b>	<b>3,537,597</b>	<b>20,350,449</b>
Net financing/ (collection)	826,744	(669,754)	(226,285)	(69,295)
Transfer from/ to Stage 1	(994,629)	994,629	-	-
Transfer from/ to Stage 2	198,838	(473,613)	274,775	-
<b>Balance at 30 June 2023</b>	<b>15,078,486</b>	<b>1,616,581</b>	<b>3,586,087</b>	<b>20,281,154</b>

**Notes to the Interim Condensed Consolidated Financial Information for the six months ended 30 June 2023**  
**(Unaudited)**

*(All amounts are in Kuwaiti Dinars unless otherwise stated)*

6.3 The movement in the provisions for expected credit losses effected during the current period is as follows:

	Stage 1	Stage 2	Stage 3	Total
<b>Balance at 1 January 2022</b>	<b>57,788</b>	<b>89,781</b>	<b>2,661,802</b>	<b>2,809,371</b>
Written off during the period	-	-	(25,688)	(25,688)
Credit losses (reversed)/ charged during the period	(39,546)	(25,412)	147,984	83,026
Transfer from/ to Stage 1	45,446	5,849	(51,295)	-
Transfer from/ to Stage 2	4,010	39,339	(43,349)	-
<b>Balance at 30 June 2022</b>	<b>67,698</b>	<b>109,557</b>	<b>2,689,454</b>	<b>2,866,709</b>

<b>Balance at 1 January 2023</b>	<b>68,363</b>	<b>66,268</b>	<b>2,537,166</b>	<b>2,671,797</b>
Credit losses charged during the period	2,949	10,653	63,755	77,357
Transfer from/ to Stage 1	(5,434)	5,434	-	-
Transfer from/ to Stage 2	5,026	(21,921)	16,895	-
<b>Balance at 30 June 2023</b>	<b>70,904</b>	<b>60,434</b>	<b>2,617,816</b>	<b>2,749,154</b>

6.4 The movement in the provisions for credit facilities required by CBK instructions effected is as follows:

	30 June 2023	30 June 2022
<b>Balance at 1 January</b>	<b>2,671,797</b>	<b>3,484,658</b>
Written off	-	(25,688)
Provided/ (reversed) during the period	77,357	(43,569)
<b>Balance at 30 June</b>	<b>2,749,154</b>	<b>3,415,401</b>

6.5 The Group holds collateral amounting to KD 2,555,904 as at 30 June 2023 (KD 2,718,122 - 31 December 2022; KD 4,674,320 – 30 June 2022) over its finance receivables. Management believes that there is no further credit provision required in excess of the provision for credit losses.

6.6 During the current period, the Group recovered an amount of KD 35,249 (KD 67,463 – 30 June 2022) from the written off finance receivables and reversed the same in the interim condensed consolidated statement of income in provision for credit facilities.

**7. Other receivables and prepayments**

	30 June 2023	31 December 2022 (Audited)	30 June 2022
Staff advances	23,572	36,045	222,643
Due against collection on behalf of the Group	19,191	19,191	190,736
Due from related party	194,700	-	-
Others	196,406	332,121	331,549
	<b>433,869</b>	<b>387,357</b>	<b>744,928</b>

Notes to the Interim Condensed Consolidated Financial Information for the six months ended 30 June 2023  
(Unaudited)

(All amounts are in Kuwaiti Dinars unless otherwise stated)

8. Investments in financial securities

	30 June 2023	31 December 2022 (Audited)	30 June 2022
<b>Financial assets at fair value through profit or loss ("FVTPL")</b>			
Quoted foreign funds	1,202,681	1,027,904	1,017,265
Quoted local shares	62,863	50,442	52,648
Unquoted foreign funds	572,750	604,239	597,995
Unquoted local shares	477,664	477,664	592,864
Unquoted foreign shares	106,170	136,800	129,186
	<b>2,422,128</b>	<b>2,297,049</b>	<b>2,389,958</b>
<b>Financial assets at fair value through other comprehensive income ("FVTOCI")</b>			
Quoted local shares	4,344,637	4,112,451	-
Quoted foreign shares	785,652	1,071,421	1,005,280
Unquoted foreign shares	1,399,012	1,399,012	1,480,472
	<b>6,529,301</b>	<b>6,582,884</b>	<b>2,485,752</b>
<b>Financial assets at amortized cost</b>			
Debt sukuks – quoted at foreign stock exchanges	2,133,370	2,128,159	2,130,938
	<b>2,133,370</b>	<b>2,128,159</b>	<b>2,130,938</b>
	<b>11,084,799</b>	<b>11,008,092</b>	<b>7,006,648</b>

- Fair value of investments has been determined in the manner described in Note 3.

9. Accounts payable and other credit balances

	30 June 2023	31 December 2022 (Audited)	30 June 2022
Trade payables	822,194	1,262,646	423,966
Capital reduction payables	184,878	365,073	404,317
Accrued salaries and other staff accruals	112,585	280,846	75,619
Dividends payable	150,460	111,216	112,863
NLST	15,742	38,628	11,722
Zakat	6,075	15,111	4,249
KFAS	6,539	13,919	4,220
Others	116,082	88,461	122,178
	<b>1,414,555</b>	<b>2,175,900</b>	<b>1,159,134</b>

**Notes to the Interim Condensed Consolidated Financial Information for the six months ended 30 June 2023 (Unaudited)**

(All amounts are in Kuwaiti Dinars unless otherwise stated)

**10. Islamic financing payables**

Islamic financing payables are obtained from local and foreign banks and are denominated in KD and USD. The average cost is 4.25% - 5.25% and 7.80% - 7.92% for KD and USD respectively as at 30 June 2023 (4.25% - 4.75% and 7.02% - 8.34% for KD and USD, respectively - 31 December 2022; 4.25%- 4.75% and 2.43% for KD and USD, respectively - 30 June 2022).

Islamic finance payables are guaranteed against the following:

	<b>30 June 2023</b>	<b>31 December 2022 (Audited)</b>	<b>30 June 2022</b>
Investments in Murabaha and Wakala receivables	9,347,321	9,347,321	4,347,321
Assigning receivables – net	2,775,743	3,031,727	843,219
Investment properties	3,704,114	3,726,375	851,835
Investment in financial securities	8,753,840	8,944,174	4,751,477

**11. Net gains from investments in financial securities**

	<b>Three months ended 30 June</b>		<b>Six months ended 30 June</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
<i>Financial assets at fair value through profit or loss ("FVTPL")</i>				
(Reversal)/ provide of provisions for credit facilities	94,437	(167,654)	197,056	(164,721)
Other expenses	17,776	22,185	27,719	22,185
	<b>112,213</b>	<b>(145,469)</b>	<b>224,775</b>	<b>(142,536)</b>
<i>Financial assets at fair value through other comprehensive income ("FVTOCI")</i>				
Dividends income	99,691	871	108,018	12,798
	<b>211,904</b>	<b>(144,598)</b>	<b>332,793</b>	<b>(129,738)</b>

**12. Other income**

Other income includes amount of KD 107,845 (KD Nil - 30 June 2022), resulting from final settlement of a legal case in favour of the Group.

**13. Basic and diluted earnings per share (fils)**

Basic and diluted earnings per share are calculated based on the profit for the period attributable to shareholders of the Parent Company divided by the weighted average number of shares outstanding during the period, as follows:

	<b>Three months ended 30 June</b>		<b>Six months ended 30 June</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Net profit for the period attributable to shareholders of the Parent Company	397,712	137,070	698,224	448,678
Weighted average number of the Parent Company's outstanding shares	263,747,591	298,362,976	263,747,591	303,526,596
Basic and diluted earnings per share (fils)	<b>1.51</b>	<b>0.46</b>	<b>2.65</b>	<b>1.48</b>

Notes to the Interim Condensed Consolidated Financial Information for the six months ended 30 June 2023  
(Unaudited)

(All amounts are in Kuwaiti Dinars unless otherwise stated)

14. Related parties' transactions and balances

Related parties consist of major shareholders, directors and executive officers of the Group, their families and companies of which they are the principal owners. All related parties' transactions are at arm's length terms and are approved by the Group's management.

The related parties' balances and transactions included in the interim condensed consolidated financial information are as follows:

	30 June 2023	31 December 2022 (Audited)	30 June 2022
<b>Balances:</b>			
a) Finance receivables (gross)	1,537,131	1,621,318	1,663,628
b) Receivables due from related party	194,700	-	-
c) Key management's benefits payable	171,380	253,209	99,456
d) Advance to staff	-	-	69,972
e) Board of Directors committees' remunerations payables	-	55,000	-
		<b>30 June 2023</b>	<b>30 June 2022</b>
<b>Transactions:</b>			
a) Remuneration of key management personnel Staff costs		126,029	70,908
b) Finance revenue		27,596	6,065

15. Segmental information

Operating segments are to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segments and to assess their performance. The operating segments are divided into two major business segments which are finance (including the credit facilities for consumers), investment (including the investments in financial securities and investment properties). Business segments are distinguishable components of the Group that provide products or services subject to risks and returns different from those of other business segments.

	30 June 2023			
	Finance	Investment	Others	Total
Segment revenues	1,060,849	516,726	162,514	1,740,089
Segment expenses	(315,532)	(228,025)	(480,826)	(1,024,383)
Segment results	745,317	288,701	(318,312)	715,706
Segment assets	26,024,714	15,089,962	817,213	41,931,889
Segment liabilities	10,004,769	3,293,135	896,260	14,194,164

	30 June 2022			
	Finance	Investment	Others	Total
Segment revenues	796,748	58,867	25,685	881,300
Segment expenses	(8,049)	(12,720)	(391,662)	(412,431)
Segment results	788,699	46,147	(365,977)	468,869
Segment assets	19,204,912	14,425,064	1,315,635	34,945,611
Segment liabilities	5,027,831	1,840,200	1,241,725	8,109,756

**Notes to the Interim Condensed Consolidated Financial Information for the six months ended 30 June 2023 (Unaudited)**

*(All amounts are in Kuwaiti Dinars unless otherwise stated)*

**16. General Assembly**

On 12 April 2023, the Ordinary General Assembly approved the consolidated financial statements for the year ended 31 December 2022 and approved the followings:

- To distribute cash dividends amounted to KD 791,243 at 3 fils per share to the shareholders of the Parent Company for the year ended 31 December 2022.
- Board of Directors' remunerations amounting to Nil for year 2022 (Nil for year 2021).
- Board of Directors Committees' remunerations of KD 55,000 for year 2022 (KD 61,000 for year 2021).

**17. Acquisition of companies**

**17.1** During the current period, Al Manar Financing and Leasing Company "the Parent Company" has acquired 70% in the share capital of Al Jawhara Company for Buying & Selling Shares and Bonds W.L.L "the Subsidiary Company" amounting to KD 1,000,000. Subsidiary Company was acquired against assuming receivable balance amounting to KD 700,000 against the percentage in share capital owed by the former partner in favour of the acquired subsidiary.

The acquisition has been accounted for using the acquisition method of accounting and, accordingly, assets acquired and liabilities assumed were recorded at estimated provisional value as at the acquisition date. The acquisition did not result in any goodwill.

This transaction was eliminated from the Statement of Cash Flows, as it is a non-cash transaction.

Below is the statement of provisional value of the assets acquired and liabilities assumed as at the date of acquisition:

	KD
Receivable due from Partners	1,000,000
Estimated provisional value for net identifiable assets	1,000,000
Less: non-controlling interest	(300,000)
Group share of net identifiable assets	700,000
Less: payable by the Parent Company to the subsidiary	(700,000)
	-

**17.2** During the current period, the Group entered into an acquisition contract of 24.875% in the share capital of Injazzat Real Estate Development Company K.S.C.P., at acquisition cost amounted to 100 fils per share. The execution of contract is subject to the approval of regulatory authorities. The necessary procedures are in progress to execute the contract and obtain the approval of regulatory authorities during the subsequent period.

**18. Contingent liabilities**

	30 June 2023	30 June 2022
Letters of guarantee	5,000	5,000



# AL MANAR

FINANCING & LEASING



2023