

AL MANAR

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 nine-months period ended 30 September 2023
With Review Report**



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

Interim Condensed Consolidated Financial Information (Unaudited)
For the nine-months period ended 30 September 2023
With Review Report

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

(All amounts are in Kuwaiti Dinars)

	Notes	30 September 2023	31 December 2022 (Audited)	30 September 2022
Assets				
Cash and cash equivalents	4	2,318,830	1,433,827	5,292,523
Investments in Murabaha and Wakala receivables	5	9,347,321	9,347,321	4,347,321
Finance receivables	6	15,099,877	14,984,479	13,865,451
Other receivables and prepayments	7	488,653	387,357	648,019
Investments in financial securities	8	10,988,291	11,008,092	6,925,646
Investment properties		3,784,554	3,822,449	3,835,080
Other assets		16,890	61,599	41,677
Total assets		42,044,416	41,045,124	34,955,717
Liabilities and equity				
Liabilities				
Accounts payable and other credit balances	9	1,430,171	2,175,900	1,366,847
Islamic financing payables	10	12,333,643	11,009,032	5,693,435
Provision for staff indemnity		316,293	331,005	501,251
Total liabilities		14,080,107	13,515,937	7,561,533
Equity				
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		(816,160)	(787,445)	(538,299)
Retained earnings		1,521,841	1,346,334	1,271,497
Equity attributable to Shareholders of the Parent Company		27,675,979	27,529,187	27,394,184
Non-controlling interests		288,330	-	-
Total equity		27,964,309	27,529,187	27,394,184
Total liabilities and equity		42,044,416	41,045,124	34,955,717

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 nine months ended 30 September 2023
(Unaudited)

(All amounts are in Kuwaiti Dinars)

	Notes	Three months ended 30 September		Nine months ended 30 September	
		2023	2022	2023	2022
Revenues					
Finance revenues		559,360	401,519	1,602,794	1,209,603
Rental income		71,020	70,665	210,040	211,550
Net gains/ (losses) from investments in financial securities	11	3,808	(17,461)	336,601	(147,199)
Other income	12	46,341	30,317	271,183	92,386
		680,529	485,040	2,420,618	1,366,340
Expenses					
Finance cost		168,162	88,296	533,726	162,873
Staff costs		156,560	136,428	465,838	428,306
Reversal of provisions for credit facilities	6	(100,481)	(506,021)	(58,373)	(617,053)
Other expenses		125,975	105,068	433,408	262,076
		350,216	(176,229)	1,374,599	236,202
Profit before deductions		330,313	661,269	1,046,019	1,130,138
NLST		6,993	16,519	22,735	28,241
Zakat		3,411	6,555	9,486	10,804
KFAS		2,979	5,960	9,518	10,180
Net profit for the period		316,930	632,235	1,004,280	1,080,913
Attributable to:					
The Parent Company's Shareholders		317,561	632,235	1,015,785	1,080,913
Non-controlling interests		(631)	-	(11,505)	-
Net profit for the period		316,930	632,235	1,004,280	1,080,913
Basic and diluted earnings per share (fils)	13	1.20	2.40	3.85	3.73

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

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

(All amounts are in Kuwaiti Dinars)

	Three months ended 30 September		Nine months ended 30 September	
	2023	2022	2023	2022
Net profit for the period	316,930	632,235	1,004,280	1,080,913

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	(90,346)	(73,906)	(77,915)	(247,110)
Other comprehensive loss for the period	(90,346)	(73,906)	(77,915)	(247,110)
Total comprehensive income	226,584	558,329	926,365	833,803

Attributable to:

The Parent Company's Shareholders	226,795	558,329	938,035	833,803
Non-controlling interests	(211)	-	(11,670)	-
Total comprehensive income	226,584	558,329	926,365	833,803

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

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

(All amounts are in Kuwaiti Dinars)

Equity attributable to shareholders of the Parent Company									
	Share capital	Gain on sale of treasury shares	Statutory reserve	Voluntary reserve	Fair value reserve	Retained earnings	Total	Non-controlling interests	Total equity
Balance at 1 January 2022	30,874,759	4,995	140,616	140,616	(299,553)	198,948	31,060,381	-	31,060,381
Reduction of share capital	(4,500,000)	-	-	-	-	-	(4,500,000)	-	(4,500,000)
Net profit for the period	-	-	-	-	-	1,080,913	1,080,913	-	1,080,913
Other comprehensive loss for the period	-	-	-	-	(247,110)	-	(247,110)	-	(247,110)
Transfer on disposal of investments	-	-	-	-	8,364	(8,364)	-	-	-
Balance at 30 September 2022	26,374,759	4,995	140,616	140,616	(538,299)	1,271,497	27,394,184	-	27,394,184
Balance at 1 January 2023	26,374,759	4,995	295,272	295,272	(787,445)	1,346,334	27,529,187	-	27,529,187
Net profit/ (loss) for the period	-	-	-	-	-	1,015,785	1,015,785	(11,505)	1,004,280
Other comprehensive loss for the period	-	-	-	-	(77,750)	-	(77,750)	(165)	(77,915)
Transfers on disposal of investments	-	-	-	-	49,035	(49,035)	-	-	-
Cash dividends (note 16)	-	-	-	-	-	(791,243)	(791,243)	-	(791,243)
Acquisition of subsidiary (note 17)	-	-	-	-	-	-	-	300,000	300,000
Balance at 30 September 2023	26,374,759	4,995	295,272	295,272	(816,160)	1,521,841	27,675,979	288,330	27,964,309

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

Interim Condensed Consolidated Statement of Cash Flows for the nine months ended 30 September 2023
(Unaudited)

(All amounts are in Kuwaiti Dinars)

	Notes	Nine months ended 30 September	
		2023	2022
Operating activities			
Net profit for the period		1,004,280	1,080,913
Adjustments for:			
Depreciation and amortization		64,728	66,702
Net (gains)/ losses from investments in financial securities	11	(336,601)	147,199
Reversal of provisions for credit facilities		(58,373)	(617,053)
Finance cost		533,726	162,873
Provision for staff indemnity		28,057	32,742
Operating profit before changes in working capital		1,235,817	873,376
Finance receivables		(57,025)	547,672
Other receivables and prepayments		193,824	523,105
Financial assets at fair value through profit or loss (net movement)		82,600	(50,000)
Accounts payable and other credit balances		(595,476)	336,647
Payment of staff indemnity		(37,889)	(81,969)
Net cash generated from operating activities		821,851	2,148,831
Investing activities			
Dividends income received		148,170	53,104
Purchase of financial securities (FVTOCI and amortized cost)		(287,740)	(170,899)
Proceeds from sale of financial securities (FVTOCI and amortized cost)		354,217	384,484
Purchase of other assets		(3,596)	(1,513)
Net cash generated from investing activities		211,051	265,176
Financing activities			
Proceeds from Islamic financing payables		5,238,701	3,000,000
Payment for Islamic financing payables		(3,914,090)	(2,184,309)
Payment for capital reduction		(185,426)	(4,122,842)
Dividends paid		(753,358)	(28,608)
Finance cost paid		(533,726)	(162,873)
Net cash used in financing activities		(147,899)	(3,498,632)
Net increase/ (decrease) in cash and cash equivalents		885,003	(1,084,625)
Cash and cash equivalents at beginning of the period		1,433,827	6,377,148
Cash and cash equivalents at end of the period	4	2,318,830	5,292,523

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

Notes to the Interim Condensed Consolidated Financial Information for the nine months ended 30 September 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 Sep 2023	31 Dec 2022	30 Sep 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)	70	-	-	Investments	Kuwait

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

The total assets of the subsidiaries are KD 4,360,054 (KD 4,108,753 as at 31 December 2022, KD 4,234,135 as at 30 September 2022), net gains of KD 67,800 during the nine-months ended 30 September 2023 (net gains KD 3,840 during the nine-months ended 30 September 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 02 November 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 nine months ended 30 September 2023 (Unaudited)

(All amounts are in Kuwaiti Dinars unless otherwise stated)

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 three: 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 Sept. 2023	31 Dec. 2022 (Audited)	30 Sept. 2022				
Financial assets at fair value through profit or loss:							
- Quoted foreign funds	1,180,337	1,027,904	973,139	Level 1	Last bid prices	N/A	N/A
- Quoted local shares	72,951	50,442	49,496	Level 1	Last bid prices	N/A	N/A
- Unquoted foreign funds	565,758	604,239	609,691	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
Financial assets at fair value through OCI:							
- Quoted local shares	4,286,340	4,112,451	-	Level 1	Last bid prices	N/A	N/A
- Quoted foreign shares	753,604	1,071,421	931,374	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
Financial assets at amortized costs:							
- Debt sukuks – quoted at foreign stock exchanges	1,936,865	1,925,919	1,968,596	Level 1	Last bid prices	N/A	N/A

Reconciliation of level 3 fair value measurements

	30 September 2023	31 December 2022 (Audited)	30 September 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)	-	-
Balance at the end of the period/ year	1,982,846	2,013,476	2,202,522

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 nine months ended 30 September 2023
(Unaudited)

(All amounts are in Kuwaiti Dinars unless otherwise stated)

4. Cash and cash equivalents

	30 September 2023	31 December 2022 (Audited)	30 September 2022
Cash at banks and portfolios	1,317,680	1,430,103	2,285,639
Wakala with banks (less than 3 months)	1,000,000	-	3,005,134
Cash on hand	1,150	3,724	1,750
	2,318,830	1,433,827	5,292,523

As at 30 September 2023, the effective yield rate on Wakala is 3% (Nil as at 31 December 2022 and 1.65% as at 30 September 2022) per annum.

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% - 4.50% per annum as at 30 September 2023 (31 December 2022: 3% - 4.3125% and 30 September 2022: 3% per annum). Expected credit losses amounted to KD 17,679 as at 30 September 2023 (KD 17,679 as at 31 December 2022 and 30 September 2022).

6. Finance receivables

	30 September 2023	31 December 2022 (Audited)	30 September 2022
Finance receivables	20,765,624	20,350,449	19,033,162
Less: deferred revenues	(2,889,931)	(2,694,173)	(2,254,980)
Less: provision for impairment in value/ expected credit losses	(2,775,816)	(2,671,797)	(2,912,731)
Finance receivables – net	15,099,877	14,984,479	13,865,451

6.1 Expected credit losses on credit facilities determined under IFRS 9 according to CBK guidelines amounted to KD 2,775,816 as at 30 September 2023 (31 December 2022: KD 2,671,797 and 30 September 2022:

KD 2,912,731), which is equal to the provision for credit facilities required by CBK instructions of KD 2,775,816 as at 30 September 2023 (31 December 2022: KD 2,671,797 and 30 September 2022: KD 2,912,731).

6.2 The movement in gross credit facilities is as follows:

	Stage 1	Stage 2	Stage 3	Total
Balance at 1 January 2022	11,847,037	3,586,962	4,172,176	19,606,175
Written off during the period	-	-	(40,651)	(40,651)
Net financing/ (collection)	1,804,781	(1,407,008)	(930,135)	(532,362)
Transfer from/ to Stage 1	(843,967)	1,092,825	(248,858)	-
Transfer from/ to Stage 2	301,395	(1,276,398)	975,003	-
Balance at 30 September 2022	13,109,246	1,996,381	3,927,535	19,033,162

Balance at 1 January 2023	15,047,533	1,765,319	3,537,597	20,350,449
Net financing/ (collection)	1,571,355	(725,095)	(431,085)	415,175
Transfer from/ to Stage 1	(1,005,450)	898,506	106,944	-
Transfer from/ to Stage 2	198,838	(621,534)	422,696	-
Balance at 30 September 2023	15,812,276	1,317,196	3,636,152	20,765,624

Notes to the Interim Condensed Consolidated Financial Information for the nine months ended 30 September 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
Balance at 1 January 2022	57,788	89,781	2,661,802	2,809,371
Written off during the period	-	-	(40,651)	(40,651)
Credit losses (reversed)/ charged during the period	(40,242)	(20,921)	205,174	144,011
Transfer from/ to Stage 1	43,543	7,451	(50,994)	-
Transfer from/ to Stage 2	4,517	5,822	(10,339)	-
Balance at 30 September 2022	65,606	82,133	2,764,992	2,912,731

Balance at 1 January 2023	68,363	66,268	2,537,166	2,671,797
Credit losses charged during the period	6,880	4,044	93,095	104,019
Transfer from/ to Stage 1	(6,267)	5,152	1,115	-
Transfer from/ to Stage 2	5,026	(30,604)	25,578	-
Balance at 30 September 2023	74,002	44,860	2,656,954	2,775,816

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

	30 September 2023	30 September 2022
Balance at 1 January	2,671,797	3,484,658
Written off	-	(40,651)
Provided/ (reversed) during the period	104,019	(531,276)
Balance at 30 September	2,775,816	2,912,731

6.5 The Group holds collateral amounting to KD 2,333,309 as at 30 September 2023 (KD 2,718,122 - 31 December 2022; KD 4,208,077 – 30 September 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 162,392 (KD 85,777 – 30 September 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 September 2023	31 December 2022 (Audited)	30 September 2022
Staff advances	34,217	36,045	216,542
Due against collection on behalf of the Group	19,191	19,191	106,530
Due from related party	194,700	-	-
Others	240,545	332,121	324,947
	488,653	387,357	648,019

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

(All amounts are in Kuwaiti Dinars unless otherwise stated)

8. Investments in financial securities

	30 September 2023	31 December 2022 (Audited)	30 September 2022
Financial assets at fair value through profit or loss ("FVTPL")			
Quoted foreign funds	1,180,337	1,027,904	973,139
Quoted local shares	72,951	50,442	49,496
Unquoted foreign funds	565,758	604,239	609,691
Unquoted local shares	477,664	477,664	592,864
Unquoted foreign shares	106,170	136,800	129,186
	2,402,880	2,297,049	2,354,376
Financial assets at fair value through other comprehensive income ("FVTOCI")			
Quoted local shares	4,286,340	4,112,451	-
Quoted foreign shares	753,604	1,071,421	931,374
Unquoted foreign shares	1,399,012	1,399,012	1,480,472
	6,438,956	6,582,884	2,411,846
Financial assets at amortized cost			
Debt sukuks – quoted at foreign stock exchanges	2,146,455	2,128,159	2,159,424
	2,146,455	2,128,159	2,159,424
	10,988,291	11,008,092	6,925,646

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

9. Accounts payable and other credit balances

	30 September 2023	31 December 2022 (Audited)	30 September 2022
Trade payables	802,073	1,262,646	669,176
Capital reduction payables	179,647	365,073	377,158
Accrued salaries and other staff accruals	109,484	280,846	74,991
Dividends payable	149,101	111,216	112,863
NLST	22,735	38,628	28,241
Zakat	9,486	15,111	10,804
KFAS	9,518	13,919	10,180
Others	148,127	88,461	83,434
	1,430,171	2,175,900	1,366,847

Notes to the Interim Condensed Consolidated Financial Information for the nine months ended 30 September 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% - 5.50% and 5.66% - 7.66% for KD and USD respectively as at 30 September 2023 (4.25% - 4.75% and 7.02% - 8.34% for KD and USD, respectively - 31 December 2022; 4.25% - 4.75% and 3.98% for KD and USD, respectively - 30 September 2022).

Islamic finance payables are guaranteed against the following:

	30 September 2023	31 December 2022 (Audited)	30 September 2022
Investments in Murabaha and Wakala receivables	9,347,321	9,347,321	4,347,321
Assigning receivables – net	2,398,294	3,031,727	731,783
Investment properties	3,692,984	3,726,375	851,835
Investment in financial securities	8,645,844	8,944,174	4,673,628

11. Net gains/ (losses) from investments in financial securities

	Three months ended 30 September		Nine months ended 30 September	
	2023	2022	2023	2022
<i>Financial assets at fair value through profit or loss ("FVTPL")</i>				
Change in fair value	(8,625)	(35,582)	188,431	(200,303)
Dividend income	10,177	11,446	37,896	33,631
	1,552	(24,136)	226,327	(166,672)
<i>Financial assets at fair value through other comprehensive income ("FVTOCI")</i>				
Dividends income	2,256	6,675	110,274	19,473
	3,808	(17,461)	336,601	(147,199)

12. Other income

Other income includes amount of KD 107,845 (KD Nil - 30 September 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:

	Three months ended 30 September		Nine months ended 30 September	
	2023	2022	2023	2022
Net profit for the period attributable to shareholders of the Parent Company	317,561	632,235	1,015,785	1,080,913
Weighted average number of the Parent Company's outstanding shares	263,747,591	263,747,591	263,747,591	290,121,217
Basic and diluted earnings per share (fils)	1.20	2.40	3.85	3.73

Notes to the Interim Condensed Consolidated Financial Information for the nine months ended 30 September 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 September 2023	31 December 2022 (Audited)	30 September 2022
Balances:			
a) Finance receivables (gross)	2,135,450	1,621,318	1,642,473
b) Receivables due from related party	194,700	-	-
c) Key management's benefits payable	175,470	253,209	236,186
d) Advance to staff	11,000	-	66,927
e) Board of Directors committees' remunerations payables	-	55,000	-
		30 September 2023	30 September 2022
Transactions:			
a) Remuneration of key management personnel Staff costs		192,686	195,085
b) Finance revenue		47,925	23,559

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 September 2023			
	Finance	Investment	Others	Total
Segment revenues	1,624,386	613,884	182,348	2,420,618
Segment expenses	(363,489)	(309,090)	(702,020)	(1,374,599)
Segment results	1,260,897	304,794	(519,672)	1,046,019
Segment assets	26,439,803	14,765,357	839,256	42,044,416
Segment liabilities	9,945,216	3,190,500	944,391	14,080,107
	30 September 2023			
	Finance	Investment	Others	Total
Segment revenues	1,206,572	128,754	31,014	1,366,340
Segment expenses	384,959	(72,227)	(548,934)	(236,202)
Segment results	1,591,531	56,527	(517,920)	1,130,138
Segment assets	22,896,347	10,875,430	1,183,940	34,955,717
Segment liabilities	4,497,811	1,864,800	1,198,922	7,561,533

Notes to the Interim Condensed Consolidated Financial Information for the nine months ended 30 September 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 subsidiary

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. The 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 Consolidated 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)
	-

18. Subsequent event

As of the reporting date, the Group held 1.013% at a cost amounted to KD 287,200 in the share capital of Injazzat Real Estate Development Company K.S.C.P. ("Injazzat"). During the subsequent period, the Group has completed the acquisition of 24.875% in the share capital of Injazzat, at acquisition cost amounted to 100 fils per share of KD 8,598,021 followed by acquisition of 1.157% at cost amounted to KD 20,527 in the share capital of Injazzat. The Group will continue the process of classification along with the purchase priced allocation.

19. Contingent liabilities

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

AL MANAR

FINANCING & LEASING



2023