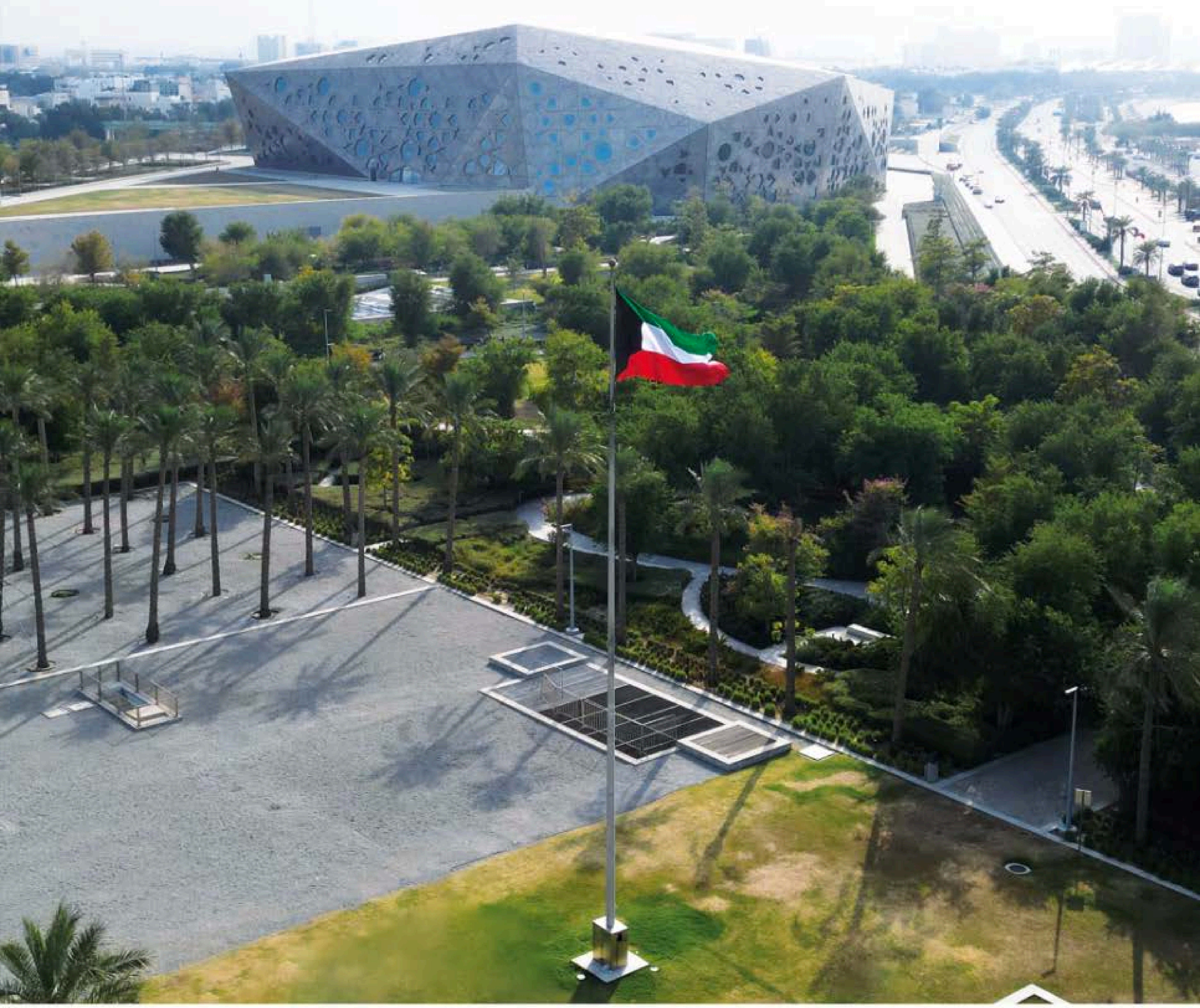
نــــور للإستثمار
Noor Investment

ANNUAL REPORT
2024



Value | Sustainability | Growth

Noor Financial Investment Company KPSC and Subsidiaries

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Noor Financial Investment Company - KPSC
and Subsidiaries

Annual Report

2024

Value | Sustainability | Growth

H.H.Sheikh/ Meshaal Al-Ahmad Al-Jaber Al-Sabah

Amir of the State of Kuwait

H.H.Sheikh/ Sabah Al-Khalid Al-Hamad Al-Sabah

Crown Prince of the State of Kuwait

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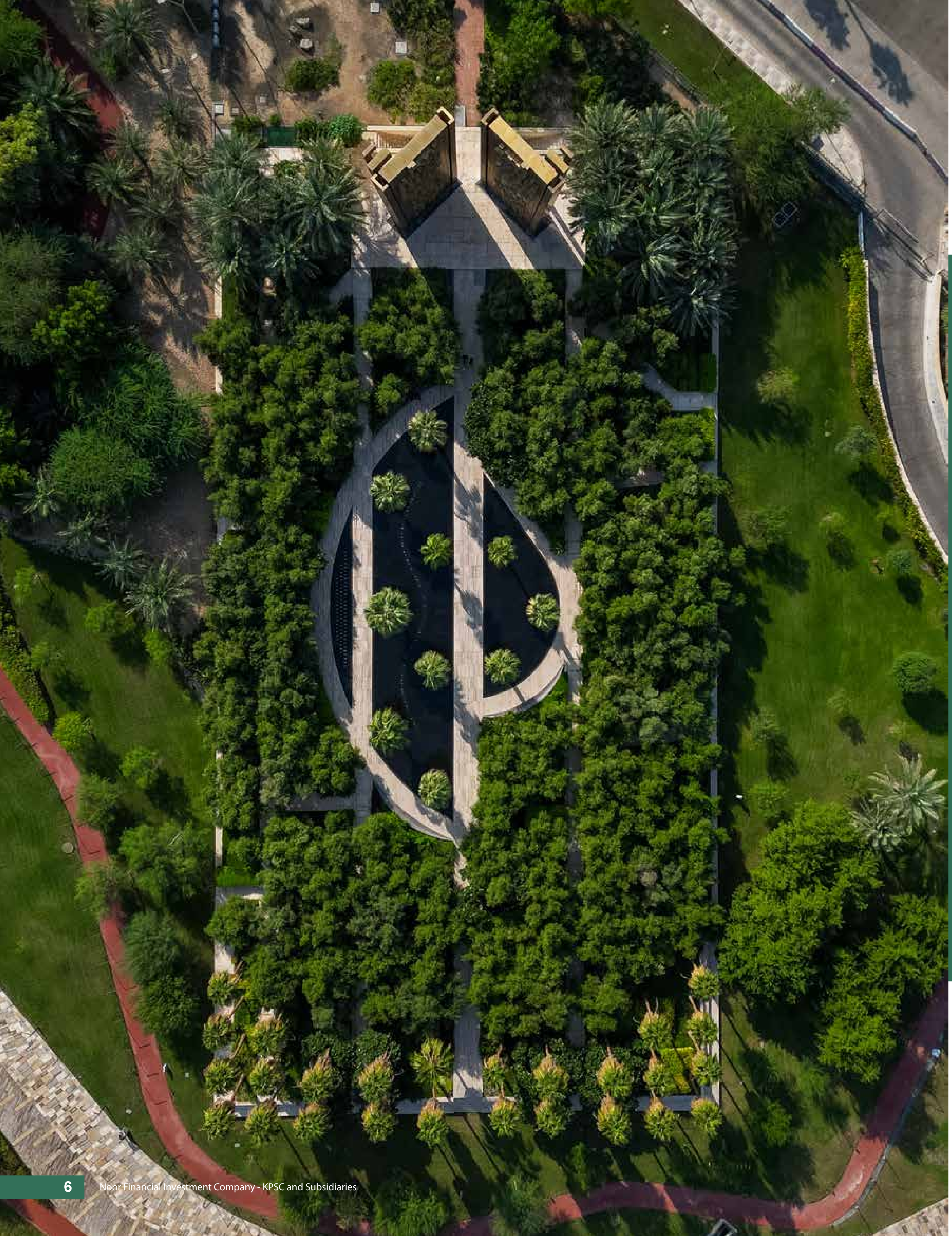


VISION

We aspire to be the leading investment company of choice in the Gulf Cooperation Council (GCC).

MISSION

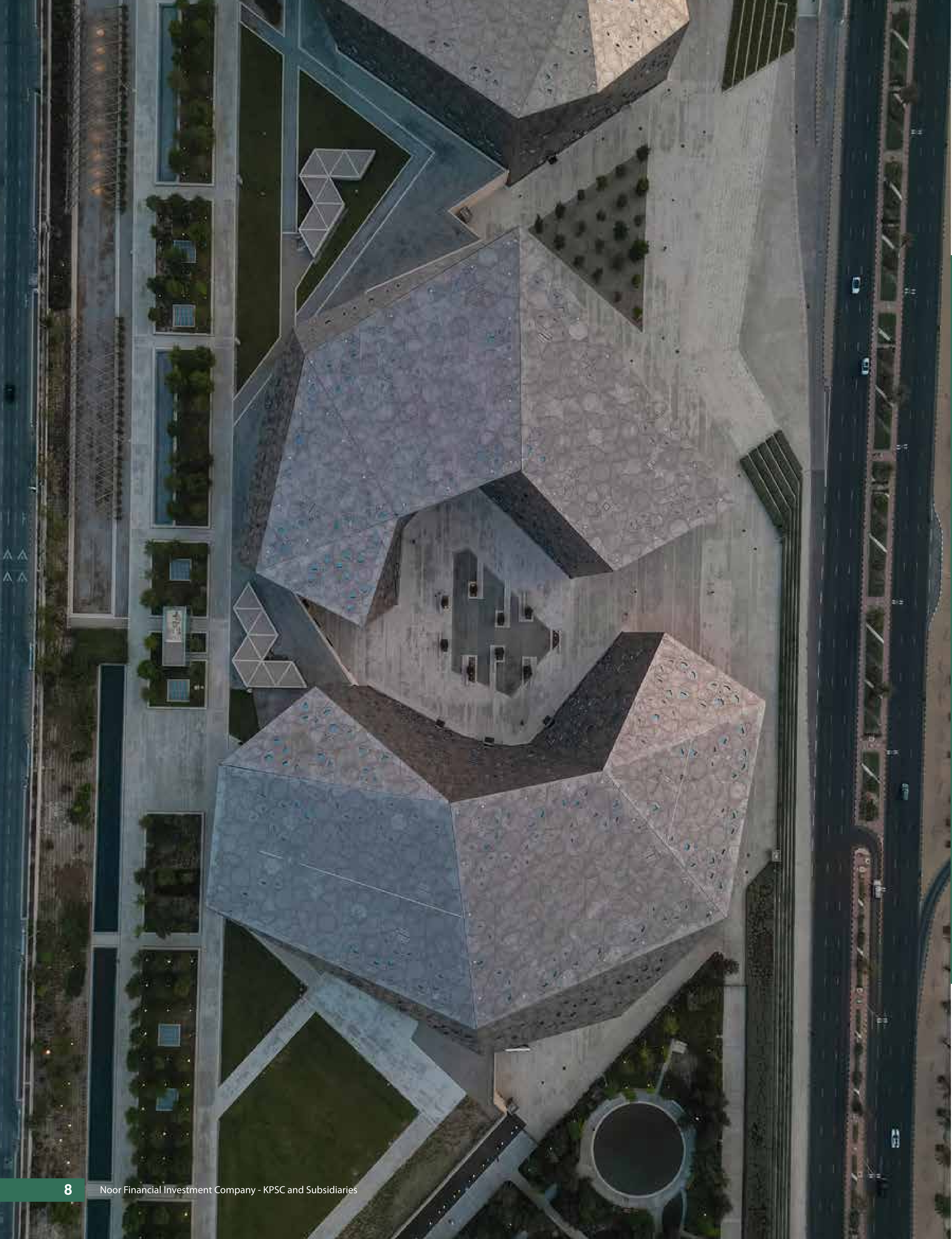
We, at Noor, follow the best industry practices in our endeavor to generate superior returns and create value for our shareholders, clients and partners.

We:

- Invest in a vast array of investment classes including equity, fixed income, real estate and private equity
- Provide corporate advisory and asset management services
- Make strategic partnerships locally and internationally with reputable entities
- Invest in human capital and inculcate core values

VALUES

- Ethics, personal integrity and transparency
- Team work, respect and accountability
- Innovation and knowledge sharing
- Passion for excellence in execution



KEY FIGURES 2024

in KD millions

Consolidated Income	**59.37**
Shareholders' Profit	**42.01**
Earnings Per Share (Fils)	**82.51**
Consolidated Assets	**175.63**
Cash and Cash Equivalents	**20.21**
Shareholders' Equity	**158.02**
Book Value Per Share (Fils)	**310.32**

AN OVERVIEW OF THE COMPANY

Noor Financial Investment Company - KPSC ("Noor") was established in Kuwait in 1996 and its shares were listed on the Kuwait Stock Exchange (Boursa Kuwait) in May 2006.

Noor is engaged in investment activities and financial services primarily in Kuwait, the Middle East, Asia, and other emerging markets. Noor offers a full spectrum of innovative and unrivaled investment and financial services which include both advisory and asset management.

Noor's strength rests on its diversified portfolio of Direct Capital Market Investments, Real Estate and Alternative Investments. Noor manages a proprietary listed equity portfolio comprising of local and GCC equities. The Marketable Securities department continues to successfully deploy funds in GCC equity markets. To achieve consistent income and stable return, Noor owns a commercial complex in addition to several others buildings. The Company's Alternative Investments department continues to pursue strategic investment opportunities that aim to achieve synergies among existing investments as well as to open new opportunities for the Company. Real Estate and Alternative Investments diversify Noor's portfolio to mitigate market volatility.

Noor aims for calculated and smart growth through excellence and high standards of achievements backed by its core values. Supported by a strong talented team of professionals, Noor is well poised for future success and growth.

Subsidiaries and Associates :

Meezan Bank
The Premier Islamic Bank

Meezan Bank Limited - Pakistan

Noor is the largest shareholder in Meezan Bank Limited, Pakistan which is the first and the largest Islamic bank in Pakistan with more than 1050 branches across 351 cities in the country. Besides traditional banking channels, the Bank offers numerous alternate distribution channels including internet and mobile banking. As of 31 December 2024 Meezan Bank has assets of more than USD 14 Billion and deposits of more than USD 9 Billion.

Arab Information Management Services (AIMS)

AIMS is a subsidiary of Noor Financial Investment. AIMS is a leading IT company in Kuwait with a long history of IT projects for the government of Kuwait as well as the private sector.
The company is specialized in providing IT solutions and services to a variety of institutions in sectors such as governmental, oil and gas, banking and finance, education, and retail. These solutions and services include Oracle Cloud ERP , Kiosk solutions, CMS/DMS and archiving, Software development and integration, manpower outsourcing and recruitment, printers and copiers consumables, maintenance and training.

AIMS means quality services. The company's vision is to provide leading technologies, quality products and customized solutions to the clients.

The company's revenues reached USD +33 million in 2024.

The major points of AIMS' strength are client retention, flexibility and highly qualified staff. The company has +1,000 employees.

AIMS has various ISO certificates including ISO 9001, ISO 14001, ISO 20000-1, ISO/IEC 27001 and ISO 45001.

HOTELS GLOBAL GROUP

Hotels Global Group Company - Jordan (HGG)

Through its subsidiary, Hotels Global Group Company in Jordan, Noor holds the concession rights of Amman International Airport Hotel which is a 4 star hotel with 300 rooms and multiple Food and Beverage outlets as well as other facilities. Hotels Global Group Company is also operating a transit lounge within the new Queen Alia International Airport terminal in addition to management of third party hospitality businesses.
The Lounge was awarded as "Lounge of the Year" award for 2024 by the Priority Pass

Noor GCC Islamic Fund

صندوق نور الإسلامي الخليجي
Noor GCC Islamic Fund

Noor manages "Noor GCC Islamic Fund" which seeks long-term capital appreciation by investing primarily in Kuwait and GCC equities according to the Islamic Shari'ah.

Noor GCC Islamic Fund is an open ended mutual fund which was launched back in 2007 as a Shari'ah compliant fund.

It invests in promising securities with an active strategy in the regional markets to achieve high risk adjusted returns and provides monthly liquidity to its unit holders.

The fund has achieved a return of 7.8% for the year 2024.

نـــــور للإستثمار
Noor Investment

SUMMARY OF FINANCIAL STATEMENTS

Amounts in Million KD

	2024	2023	2022	2021	2020	2019
Summary of Financial Position						
Share capital	51.65	51.65	51.65	41.32	41.32	41.32
Shareholders' equity	158.02	112.46	85.71	85.28	66.89	64.62
Total borrowings	-	14.75	15.00	18.42	22.70	27.35
Long term assets	128.70	99.95	84.35	89.72	80.58	78.05
Total assets	175.63	145.43	114.43	117.99	107.19	108.23
Summary of Profit or Loss						
Consolidated income	59.37	56.91	38.80	35.08	29.46	30.26
Profit for the year	42.17	37.10	19.87	17.71	12.13	8.92
Profit for the year attributable to the owners of the Parent Company	42.01	37.01	19.82	17.34	11.86	8.08
Summary of Cash Flows						
Net cash flow (used in) / from operating activities	(7.14)	2.32	(0.25)	(0.03)	3.49	(0.06)
Net cash flow from investing activities	25.86	9.96	9.43	11.82	7.66	11.75
Net cash flow used in financing activities	(19.87)	(4.39)	(7.36)	(8.02)	(8.15)	(14.57)
Changes in cash and cash equivalents	(1.15)	7.89	1.82	3.77	3.00	(2.87)
Cash and cash equivalents at end of the year	20.21	21.36	13.47	13.69	9.92	6.54
Ratios						
Return on equity	27%	33%	23%	20%	18%	13%
Current ratio	353%	325%	314%	296%	242%	238%
Quick ratio	172%	158%	148%	156%	105%	73%
Net debt to equity ratio	-13%	-6%	1%	5%	17%	29%

Vertical analysis of the consolidated statement of financial position

Amounts in Million KD

	2024		2023		2022		2021		2020		2019	
Assets		%		%		%		%		%		%
Cash and cash equivelents	**22.75**	**13.0%**	22.10	15.2%	14.19	12.4%	14.89	12.6%	11.51	10.7%	9.68	8.9%
Investments at fair value through profit or loss	**15.59**	**8.9%**	10.13	7.0%	7.82	6.8%	8.28	7.0%	7.60	7.1%	11.70	10.8%
Accounts receivable and other assets	**7.82**	**4.5%**	3.69	2.5%	7.47	6.5%	4.48	3.8%	4.11	3.8%	3.98	3.7%
Inventories	**0.78**	**0.4%**	0.61	0.4%	0.59	0.5%	0.61	0.6%	0.59	0.5%	0.53	0.5%
FVTOCI Investments	**10.69**	**6.1%**	17.38	12.0%	8.57	7.5%	15.60	13.2%	13.24	12.4%	16.17	14.9%
Investment in associates	**101.34**	**57.6%**	74.91	51.5%	59.12	51.7%	57.00	48.4%	52.12	48.6%	46.72	43.2%
Investment properties	**12.75**	**7.3%**	12.49	8.6%	12.34	10.8%	12.55	10.6%	13.06	12.2%	13.90	12.8%
Property and equipments	**1.10**	**0.6%**	1.18	0.8%	1.39	1.2%	1.47	1.2%	1.67	1.6%	1.96	1.9%
Right of use of assets	**0.78**	**0.4%**	0.91	0.6%	0.91	0.8%	1.08	0.9%	1.26	1.2%	1.43	1.3%
Goodwill and other intangible assets	**2.03**	**1.2%**	2.03	1.4%	2.03	1.8%	2.03	1.7%	2.03	1.9%	2.16	2.0%
Total assets	**175.63**	**100.0%**	**145.43**	**100.0%**	**114.43**	**100.0%**	**117.99**	**100.0%**	**107.19**	**100.0%**	**108.23**	**100.0%**
Liabilities and equity												
Liabilities												
Due to banks	**1.94**	**1.1%**	0.02	-	-	-	0.56	0.5%	0.33	0.3%	0.41	0.4%
Accounts payable and other liabilities	**11.22**	**6.4%**	13.35	9.2%	9.09	7.9%	8.61	7.3%	7.65	7.1%	6.66	6.2%
Lease Liabilities	**0.85**	**0.5%**	1.00	0.7%	1.03	0.9%	1.36	1.2%	1.62	1.5%	1.50	1.3%
Borrowings from banks and other financial institutions	**-**	**-**	14.75	10.1%	15.00	13.1%	18.42	15.6%	22.70	21.2%	27.35	25.2%
Provision for employees'end of service benefits	**1.22**	**0.7%**	1.60	1.1%	1.37	1.2%	1.44	1.2%	1.27	1.2%	1.06	1.0%
Total liabilities	**15.23**	**8.7%**	**30.72**	**21.1%**	**26.49**	**23.1%**	**30.39**	**25.8%**	**33.57**	**31.3%**	**36.98**	**34.1%**
Equity												
Share capital	**51.65**	**29.4%**	51.65	35.5%	51.65	45.1%	41.32	35.0%	41.32	38.5%	41.32	38.2%
Share premium	**3.41**	**1.9%**	3.41	2.3%	3.41	3.0%	3.41	2.9%	3.41	3.2%	3.41	3.1%
Treasury shares	**(1.20)**	**-0.7%**	(1.20)	-0.8%	(1.20)	-1.0%	(1.20)	-1.0%	(4.14)	-3.8%	(4.14)	-3.8%
Legal reserve	**18.60**	**10.6%**	14.29	9.8%	10.50	9.2%	8.45	7.1%	6.68	6.2%	5.47	5.1%
Voluntary reserve	**18.60**	**10.6%**	14.29	9.8%	10.50	9.2%	8.45	7.1%	6.68	6.2%	5.47	5.1%
Cumulative changes in fair value	**4.58**	**2.6%**	(1.72)	-1.2%	(5.91)	-5.2%	(2.97)	-2.5%	(4.59)	-4.3%	1.41	1.3%
Foreign currency translation reserve	**(53.47)**	**-30.4%**	(54.62)	-37.5%	(43.11)	-37.6%	(30.42)	-25.8%	(24.30)	-22.7%	(23.09)	-21.3%
Retained earnings	**115.85**	**66.0%**	86.36	59.5%	59.87	52.3%	58.24	49.4%	41.82	39.1%	34.77	32.0%
Equity attributable to the owners of the Parent Company	**158.02**	**90.0%**	**112.46**	**77.4%**	**85.71**	**75.0%**	**85.28**	**72.2%**	**66.88**	**62.4%**	**64.62**	**59.7%**
Non-Controlling Interests	**2.38**	**1.3%**	2.25	1.5%	2.23	1.9%	2.32	2.0%	6.74	6.3%	6.63	6.2%
Total equity	**160.40**	**91.3%**	**114.71**	**78.9%**	**87.94**	**76.9%**	**87.60**	**74.2%**	**73.62**	**68.7%**	**71.25**	**65.9%**
Total liabilities and equity	**175.63**	**100.0%**	**145.43**	**100.0%**	**114.43**	**100.0%**	**117.99**	**100.0%**	**107.19**	**100.0%**	**108.23**	**100.0%**

Vertical analysis of the consolidated statement of financial position

Amounts in Million KD

	2024		2023		2022		2021		2020		2019	
		%		%		%		%		%		%
Revenue from Contract with customers	**13.69**	**23.0%**	12.97	22.8%	14.62	37.6%	13.09	37.3%	13.31	45.2%	13.39	44.2%
Share of results of associates	**38.79**	**65.3%**	32.08	56.3%	22.85	58.8%	17.80	50.7%	14.85	50.4%	10.77	35.5%
Net gain on financial assets at fair value	**2.35**	**4.0%**	0.70	1.2%	0.55	1.5%	2.48	7.1%	0.73	2.5%	4.73	15.7%
Rental Income	**0.83**	**1.4%**	0.75	1.3%	0.84	2.2%	0.67	1.9%	0.47	1.6%	0.66	2.2%
Change in Fair value of investments properties	**0.28**	**0.5%**	0.10	0.2%	(0.13)	-0.3%	0.14	0.4%	(0.87)	-3.0%	(1.15)	-3.8%
Realised loss on sale of investment properties	**-**	**-**	-	-	-	-	(0.02)	-0.1%	-	-	-	-
Realised gain on partial sale of associates/disposal of associates	**-**	**-**	-	-	-	-	-	-	-	-	1.58	5.2%
Interest and other income	**1.00**	**1.7%**	2.25	4.0%	0.19	0.5%	0.93	2.7%	1.00	3.4%	1.17	3.9%
Reversal of impairment on Wakala investments	**-**	**-**	8.58	15.1%	-	-	-	-	-	-	-	-
Reversal of provision for legal case	**2.38**	**4.0%**	-	-	-	-	-	-	-	-	-	-
Foreign exchange gain/(loss)	**0.05**	**0.1%**	(0.52)	-0.9%	(0.12)	-0.3%	(0.01)	-	(0.02)	-0.1%	(0.89)	-2.9%
Total income	**59.37**	**100.0%**	**56.91**	**100.0%**	**38.80**	**100.0%**	**35.08**	**100.0%**	**29.47**	**100.0%**	**30.26**	**100.0%**
Cost of contract with customers	**(10.15)**	**-17.1%**	(9.31)	-16.4%	(11.03)	-28.4%	(10.38)	-29.6%	(11.13)	-37.8%	(10.56)	-34.9%
General, administrative and other expenses	**(5.00)**	**-8.4%**	(6.61)	-11.6%	(5.16)	-13.3%	(5.72)	-16.3%	(4.27)	-14.5%	(5.78)	-19.1%
Finance costs	**(0.81)**	**-1.4%**	(1.15)	-2.0%	(0.92)	-2.4%	(0.90)	-2.6%	(1.10)	-3.7%	(1.81)	-6.1%
Impairment in value of intangible assets	**-**	**-**	-	-	-	-	-	-	-	-	(0.95)	-3.1%
Impairment in value of accounts receivable	**(0.02)**	**-**	0.68	1.2%	(1.09)	-2.8%	-	-	(0.54)	-1.8%	-	-
Impairment in value of Fixed assets	**-**	**-**	-	-	-	-	-	-	-	-	(0.53)	-1.8%
Provision for leagal case	**-**	**-**	(2.38)	-4.2%	-	-	-	-	-	-	-	-
Profit from Continuing Operation	**43.39**	**73.1%**	**38.14**	**67.0%**	**20.60**	**53.1%**	**18.08**	**51.5%**	**12.43**	**42.2%**	**10.63**	**35.0%**
Disccontinued Operation												
(Loss)/Profit from discontineued opeartion	**-**	**-**	-	-	-	-	-	-	-	-	(1.46)	-4.7%
Profit before Taxes	**43.39**	**73.1%**	**38.14**	**67.0%**	**20.60**	**53.1%**	**18.08**	**51.5%**	**12.43**	**42.2%**	**9.17**	**30.3%**
Provision for Taxes	**(1.09)**	**-1.8%**	(0.86)	-1.5%	(0.55)	-1.4%	(0.21)	-0.6%	(0.12)	-0.4%	(0.13)	-0.4%
Directors' remuneration	**(0.13)**	**-0.2%**	(0.18)	-0.2%	(0.18)	-0.4%	(0.16)	-0.4%	(0.18)	-0.7%	(0.12)	-0.4%
Profit for the year	**42.17**	**71.1%**	**37.10**	**65.3%**	**19.87**	**51.3%**	**17.71**	**50.5%**	**12.13**	**41.1%**	**8.92**	**29.5%**
Attributable to non-controlling interests	**0.16**	**0.3%**	0.09	0.2%	0.05	0.1%	0.37	1.1%	0.27	0.9%	0.84	2.8%
Attributable to owners of the Parent Company	**42.01**	**70.8%**	**37.01**	**65.1%**	**19.82**	**51.2%**	**17.34**	**49.4%**	**11.86**	**40.2%**	**8.08**	**26.7%**

Horizontal analysis of the consolidated statement of financial posittion

Amounts in Million KD

	2024	24 vs 23	2023	23 vs 22	2022	22 vs 21	2021	21 vs 20	2020	20 vs 19	2019	19 vs 18
Assets		%		%		%		%		%		%
Cash and bank balances	**22.75**	**3%**	22.10	56%	14.19	-5%	14.89	29%	11.51	19%	9.68	-16%
Investments at fair value through profit or loss	**15.59**	**54%**	10.13	30%	7.82	-6%	8.28	9%	7.60	-35%	11.70	-
Accounts receivable and other assets	**7.82**	**112%**	3.69	-51%	7.47	67%	4.48	9%	4.11	3%	3.98	-59%
Inventories	**0.78**	**26%**	0.61	3%	0.59	-3%	0.61	3%	0.59	11%	0.53	4%
FVTOCI Investments	**10.69**	**-38%**	17.38	103%	8.57	-45%	15.60	18%	13.24	-18%	16.17	2%
Investment in associates	**101.34**	**35%**	74.91	27%	59.12	4%	57.00	9%	52.12	12%	46.72	6%
Investment properties	**12.75**	**2%**	12.49	1%	12.34	-2%	12.55	-4%	13.06	-6%	13.90	-56%
Property and equipment	**1.10**	**-7%**	1.18	-15%	1.39	-5%	1.47	-12%	1.67	-15%	1.96	-30%
Right of use of assets	**0.78**	**-14%**	0.91	-	0.91	-16%	1.08	-14%	1.26	-12%	1.43	-
Goodwill and other intangible assets	**2.03**	**-**	2.03	-	2.03	-	2.03	-	2.03	-6%	2.16	-36%
Total assets	**175.63**	**21%**	**145.43**	**27%**	**114.43**	**-3%**	**117.99**	**10%**	**107.19**	**-1%**	**108.23**	**-18%**
Liabilities and equity												
Liabilities												
Due to banks	**1.94**	**-**	0.02	-	-	-100%	0.56	70%	0.33	-20%	0.41	-43%
Accounts payable and other liabilities	**11.22**	**-16%**	13.35	47%	9.09	6%	8.61	13%	7.65	15%	6.66	-39%
Lease Liabilities	**0.85**	**-15%**	1.00	-3%	1.03	-24%	1.36	-16%	1.62	8%	1.50	100%
Borrowings from banks and other financial institutions	**-**	**-100%**	14.75	-2%	15.00	-19%	18.42	-19%	22.70	-17%	27.35	-44%
Provision for employees' end of service benefits	**1.22**	**-24%**	1.60	17%	1.37	-5%	1.44	13%	1.27	20%	1.06	13%
Total liabilities	**15.23**	**-50%**	**30.72**	**16%**	**26.49**	**-13%**	**30.39**	**-9%**	**33.57**	**-9%**	**36.98**	**-40%**
Equity												
Share capital	**51.65**	**-**	51.65	-	51.65	25%	41.32	-	41.32	-	41.32	-
Share premium	**3.41**	**-**	3.41	-	3.41	-	3.41	-	3.41	-	3.41	-
Treasury shares	**(1.20)**	**-**	(1.20)	-	(1.20)	-	(1.20)	-71%	(4.14)	-	(4.14)	17%
Legal reserve	**18.60**	**30%**	14.29	36%	10.50	24%	8.45	26%	6.68	22%	5.47	18%
Voluntary reserve	**18.60**	**30%**	14.29	36%	10.50	24%	8.45	26%	6.68	22%	5.47	18%
Cumulative changes in fair value	**4.58**	**-366%**	(1.72)	-71%	(5.91)	99%	(2.97)	-35%	(4.59)	-426%	1.41	-128%
Foreign currency translation reserve	**(53.47)**	**-2%**	(54.62)	27%	(43.11)	42%	(30.42)	25%	(24.30)	5%	(23.09)	10%
Retained earnings	**115.85**	**34%**	86.36	44%	59.87	3%	58.24	39%	41.82	20%	34.77	14%
Equity attributable to the owners of the Parent Company	**158.02**	**41%**	**112.46**	**31%**	**85.71**	**1%**	**85.28**	**28%**	**66.88**	**3%**	**64.62**	**18%**
Non-Controlling Interests	**2.38**	**6%**	2.25	1%	2.23	-4%	2.32	-66%	6.74	2%	6.63	-55%
Total equity	**160.40**	**40%**	**114.71**	**30%**	**87.94**	**-**	**87.60**	**19%**	**73.62**	**3%**	**71.25**	**2%**
Total liabilities and equity	**175.63**	**21%**	**145.43**	**27%**	**114.43**	**-3%**	**117.99**	**10%**	**107.19**	**-1%**	**108.23**	**-18%**

Horizontal analysis of the consolidated statement of financial posittion

Amounts in Million KD

	2024	24 vs 23	2023	23 vs 22	2022	22 vs 21	2021	21 vs 20	2020	20 vs 19	2019	19 vs 18
		%		%		%		%		%		%
Revenue from Contract with customers	**13.69**	**6%**	12.97	-11%	14.62	12%	13.09	-2%	13.31	-1%	13.39	-7%
Share of results of associates	**38.79**	**21%**	32.08	40%	22.85	28%	17.80	20%	14.85	38%	10.77	25%
Net gain on financial assets at fair value	**2.35**	**236%**	0.70	27%	0.55	-78%	2.48	240%	0.73	-85%	4.73	42%
Rental Income	**0.83**	**11%**	0.75	-11%	0.84	25%	0.67	43%	0.47	-29%	0.66	5%
Change in Fair value of investments properties	**0.28**	**180%**	0.10	-177%	(0.13)	-193%	0.14	-116%	(0.87)	-24%	(1.15)	135%
Realised loss on sale of investment properties	**-**	**-**	-	-	-	-100%	(0.02)	-100%	-	-	-	-
Realised gain on partial sale of associates/disposal of associates	**-**	**-**	-	-	-	-	-	-	-	-100%	1.58	-62%
Interest and other income	**1.00**	**-56%**	2.25	1084%	0.19	-80%	0.93	-7%	1.00	-15%	1.17	-93%
Reversal of impairment on Wakala investments	**-**	**-100%**	8.58	100%	-	-	-	-	-	-	-	-
Reversal of provision for legal case	**2.38**	**100%**	-	-	-	-	-	-	-	-	-	-
Foreign exchange gain/(loss)	**0.05**	**-110%**	(0.52)	333%	(0.12)	1100%	(0.01)	-50%	(0.02)	-98%	(0.89)	4350%
Total income	**59.37**	**4%**	**56.91**	**47%**	**38.80**	**11%**	**35.08**	**19%**	**29.47**	**-3%**	**30.26**	**-37%**
Cost of contract with customers	**(10.15)**	**9%**	(9.31)	-16%	(11.03)	6%	(10.38)	-7%	(11.13)	5%	(10.56)	-8%
General, administrative and other expenses	**(5.00)**	**-24%**	(6.61)	28%	(5.16)	-10%	(5.72)	34%	(4.27)	-26%	(5.78)	4%
Finance costs	**(0.81)**	**-30%**	(1.15)	25%	(0.92)	2%	(0.90)	-18%	(1.10)	-39%	(1.81)	-62%
Impairment in value of intangible assets	**-**	**-**	-	-	-	-	-	-	-	-100%	(0.95)	-19%
Impairment in value of accounts receivable	**(0.02)**	**-103%**	0.68	-162%	(1.09)	100%	-	-100%	(0.54)	100%	-	-100%
Impairment in value of Fixed assets	**-**	**-**	-	-	-	-	-	-	-	-	(0.53)	-100%
Provision for leagal case	**-**	**100%**	(2.38)	100%	-	-	-	-	-	-	-	-
Profit from Continuing Operation	**43.39**	**14%**	**38.14**	**85%**	**20.60**	**14%**	**18.08**	**45%**	**12.43**	**17%**	**10.63**	**-57.0%**
Disccontinued Operation												
(Loss)/Profit from discontineued opeartion	**-**	**-**	-	-	-	-	-	-	-	-	(1.46)	-7400%
Profit before Taxes	**43.39**	**14%**	**38.14**	**85%**	**20.60**	**14%**	**18.08**	**45%**	**12.43**	**36%**	**9.17**	**-63%**
Provision for Taxes	**(1.09)**	**27%**	(0.86)	56%	(0.55)	162%	(0.21)	75%	(0.12)	-8%	(0.13)	-84%
Directors' remuneration	**(0.13)**	**-28%**	(0.18)	-	(0.18)	13%	(0.16)	-11%	(0.18)	50%	(0.12)	-8%
Profit for the year	**42.17**	**-57%**	**37.10**	**1017%**	**19.87**	**262%**	**17.71**	**-143%**	**12.13**	**-1862%**	**8.92**	**-99%**
Attributable to non-controlling interests	**0.16**	**78%**	0.09	80%	0.05	-86%	0.37	37%	0.27	-68%	0.84	-181%
Attributable to owners of the Parent Company	**42.01**	**14%**	**37.01**	**87%**	**19.82**	**14%**	**17.34**	**46%**	**11.86**	**47%**	**8.08**	**-67%**

BOARD OF DIRECTORS CHAIRMAN

Mr. Bader H. Al-Rabiah

Academic Qualifications:
• Bachelor's in Accounting, Kuwait University

Current Posts:
• Chairman, Noor Financial Investment Co., Kuwait
• Vice Chairman & CEO, Noor Al-Salhiya Real Estate Co., Kuwait
• Board Member, Meezan Bank Limited, Pakistan
• Board Member, Savola Group, Saudi Arabia
• Board Member, Palms Agro Production Co., Kuwait
• Board Member, Abu Dhabi Marina Real Estate Investment Co., UAE
• Chairman, Al-Durra National Real Estate Co., Kuwait
• Board Member, Hotels Global Group, Jordan
• General Manager, Ikarus Real Estate Co., UAE
• Board Member, Middle East Petrochemical Co., KSA
• Vice Chairman - Amar Finance & Leasing Co., Kuwait
• Vice Chairman - Injazzat Real Estate Development Co., Kuwait
• General Manager - Noor International Co. for Selling & Buying Shares and Bonds, Kuwait

BOARD OF DIRECTORS VICE CHAIRMAN

Mr. Riyadh S. A. Edrees

Academic Qualifications:
• B.Sc. in Chemical Engineering, University of Newcastle Upon Tyne, UK
• M.Sc. in Chemical Engineering, Kuwait University

Current & Previous Posts:
• Vice Chairman, Noor Financial Investment Company, Kuwait
• Deputy CEO, Investment and Mega Projects, National Industries Group Holding, Kuwait
• Vice Chairman, Privatization Holding Co., Kuwait
• Chairman & CEO, Ikarus Petroleum Industries Company, Kuwait
• Board Member, Al-Durra National Real Estate Co., Kuwait.
• Board Member, Combined National Industries Holding Co. for Energy, Kuwait
• Chairman & CEO, Gas & Oil Fields Services Company, Kuwait
• Chairman, IT Partners for Information Technology Co., Kuwait
• Chairman, Proclad Group Limited Co. UAE
• Chairman, Meezan Bank Limited, Pakistan
• Board Member, Sahara International Petrochemical Co. (SIPCHEM), Saudi Arabia
• Chairman, Middle East Complex for Eng. Electronics and Heavy Industries Co. ,Jordan
• Former Vice Chairman, Airport International Group Co., Jordan
• Former Vice Chairman, Eastern United Petroleum Services, Kuwait
• Former Advisory Board Member, Cleantech I & II-Zouk Venture Limited, U.K.
• Former Board Member, Investment Committee of Bouniya Fund, Kuwait Investment Co., Bahrain
• Former Advisory Board Member, Markaz Energy Fund, Kuwait
• Former Board Member - The Karachi Electric Supply Corporation Ltd., Pakistan
• Former Board Member - Kuwait Ceramic Company, Kuwait
• Former Board Member - United Gas Transmissions Company Limited Co. (UGTC- UAE)
• Former Director - Sajaa Gas Private Limited Co. (SajGas), UAE
• Former Board Member - Kuwait Rock Company, Kuwait
• Former Board Member – Noor Telecommunications Co., Kuwait

BOARD OF DIRECTORS BOARD MEMBER

Mr. Abdulghani M.S. Behbehani

Academic Qualifications:
• B.Sc. in Mechanical Engineering, Kuwait University

Current & Previous Posts:
• Board Member, Noor Financial Investment Company, Kuwait
• Chairman, Noor Jordan Kuwait Financial Investment Company, Jordan
• Chairman, Hotels Global Group, Jordan
• Board Member, Kuwait Insurance Company S.A.K, Kuwait
• Board Member, United Beverage Company KSCC, Kuwait
• Board Member, Al-Alfain Printing, Publication & Distribution Company KSCC, Kuwait
• Director, Mohammad Saleh & Reza Yousuf Behbehani Company WLL, Kuwait
• Director, Behbehani Capital Company WLL, Kuwait
• Manager, Shereen Motor Company WLL, Kuwait
• Manager, Behbehani Tire Center Company WLL, Kuwait
• Former Board Member, Al Ahli Bank of Kuwait, Kuwait
• Former Board Member, Ahli United Bank B.S.C, Bahrain
* Former Eng. Kuwait National Petroleum Co. Alahmadi, Kuwait

BOARD OF DIRECTORS BOARD MEMBER

Sheikh / Khaled Dueij KH AlSabah

Academic Qualifications:
• Bachelor of Arts in Business Administration-Finance and Financial Institutions, American University of Kuwait

Current & Previous Posts:
• Board Member, Noor Financial Investment Company, Kuwait
• General Manager, Kuwait Spanish International Trading Company W.L.L, Kuwait
• Vice President Business Development & Banking Division, Fourth Dimension Medical Company W.L.L, Kuwait
• Former Manager-Trading division, Commercial Bank of Kuwait, Kuwait

BOARD OF DIRECTORS

Board Member – Independent

Mr. Rashed A. Al-Haroun

Academic Qualifications:

- Bachelor's in Finance, University of Denver, USA
- Management Development Program, Brown Brothers Harriman, New York, USA

Current & Previous Posts:

- Board Member, Noor Financial Investment Company, Kuwait
- Director General, The Arab Investment & Export Credit Guarantee Corporation, Kuwait
- CEO and Partner, Outlook Projects Company, Kuwait
- Advisor to H.E. Minister of Commerce & Industry, Kuwait
- Chairman, Bitumat Building Material, Kuwait
- Independent Board Member – Industrial Bank of Kuwait, Kuwait
- Asst. Vice President (Private Equity), Gulf Investment Corporation, Kuwait
- Board Member and Exec. Committee Member for Emirates Rawabi Dairy Co., UAE
- Board Member, Crown Paper Mill Co., UAE
- Board Member, Kuwait Advanced Industries Co., (HDPE Pipes), Kuwait
- Investment Analyst (Private Equity), Gulf Investment Corporation, Kuwait

MANAGEMENT TEAM

Fahad Bader Al Bader, Aiham Bseiso, Gururaj Narasimha Rao, Abdullah Abdulrahman Al Houli, Muhammad Moazzam Rafique

Name	Designation
Gururaj Rao	Chief Executive Officer
Abdullah Alhouli	SVP - Head of Alternative Investments Department
Fahad Al-Bader	SVP - Head of Marketable Securities Department
Moazzam Rafique	VP - Head of Finance Department
Aiham Bseiso	VP-Head of Settlements Department
Abdullah Al-Ahmed	VP-Head of Funds Section
Moneera Al-Bader	AVP- Clients Portfolios Section
Maissan Al-Dekheel	AVP - Settlements Section
Abdullah Al-Mohammad	AVP-Risk Unit
Yaqoub Al-Nasrallah	AVP - HR & Administration Section / Complaints Unit
Sanjeewa Senarathna	AVP - Accounts
Kamil El Kourani	AVP - Accounts
Rami Sharobeem	Head of Compliance & AML Section
Zahid Ul Haq Abdul Haq	Manager - Internal Unit
Neena Fernandes	Manager - Alternative Investment
Mohamed Sabry	Manager-Legal Unit
Ahmad Al-Shammari	Manager - Investor Relations Unit
Khalaf Al-Khalaf	Manager - Public Relations Unit
Zeyad Al-Motour	Assistant Manager - Clients Relations Unit

BOARD OF DIRECTORS’ REPORT

Dear Esteemed Shareholders,
May the peace, blessings, and mercy of God be upon you
The Board of Directors of Noor Financial Investment Company is honored to have the esteemed shareholders join us at the Company's ordinary general assembly meeting. The Board is pleased to present you its annual report and audited financial statements of the Company's for the year ended on 31December 2024, asking Almighty Allah to grant us success and guidance.
Global financial markets delivered strong performances in 2024, with the NASDAQ surging by 28.6% and the S&P 500 posting impressive returns of 23%. In contrast, regional markets struggled to keep pace with the global rally. The Saudi Tadawul edged up by just 0.6%, while the Kuwait All Share Index rose by 8% (compared to a decline of 6.5% in 2023), highlighting challenges unique to the local economic landscape.

In this economic environment, Noor continued its growth trajectory and achieved a net profit of KD 42 million for the year ended 31 December 2024, an increase of 14% compared to the previous year. The Company reported Shareholders’ Equity of KD 158 million as of 31 December 2024 compared to KD 112.46 million at the end of previous fiscal year. Noting that the Shareholders' Equity does not reflect the full market value of Company’s investment in associates except in the event of sale, in line with the approved accounting standards.

The most significant milestone for Noor in 2024 was the full repayment of all outstanding bank loans. In the past, Noor had high leverage with debt-to-equity ratio touching 4.7x at its peak in 2011, which we successfully reduced over the past few years through disciplined financial management. In 2024, we prepaid the remaining debt of KD 14.75 million, achieving a debt-free balance sheet at parent company`s level and strengthening our financial position for future growth. The Company has posted a total reduction of KD 100 million in debt since 2017.

Company’s Operations:

Alternative Investments:
In December 2024, the Company signed an agreement to acquire 17.5% stake in J3 Company for Management and Development of Lands and Real Estate W.L.L (“J3 Company”). J3 company has a Public-Private Partnership agreement with the Public Authority for Housing Welfare for the building, maintenance, and eventual transfer of a residential complex and a Mall in the Jaber Al Ahmad City, Zone J3. The project will become a contemporary icon and landmark for Jaber Al-Ahmad City and will include a modern, architectural design in a community feel, with several components including a retail component and a residential component, as well as facilities and services to accommodate its residents and visitors. The project is scheduled to become operational in 2026, featuring a built-up area of 65,000 sqm for residential spaces and around 300,000 sqm for retail. Noor will become a partner in J3 Company, alongside esteemed partners including National Industries Group Holding Company KSCP, Mabanee Company S.A.K, and Privatization Holding Company KSCP, subject to the completion of pending approvals. Noor anticipates investing approximately KD 16 million in J3 Company, with expectations of generating attractive returns and long-term value for shareholders.

The Company’s investment in associate – Meezan Bank Limited – continued its exceptional performance. This year, the Bank reported profitability of PKR 102 billion (US$ 368 million), growing twenty percent year-on-year and leading to 47% return on equity. Market value of Company’s 35.15% stake in Meezan Bank, which is carried at KD 100 million in the books, was KD 168 million as of 31 December 2024. The Company’s share of results from Meezan Bank for the year reached KD 38 million, marking a growth of over 19% compared to KD 31.9 million in 2023. However, with the sharp decline in interest rates in Pakistan, 2025 is expected to present significant challenges.

The Company’s subsidiary in Jordan reported a strong growth in revenues and profits. The subsidiary achieved a growth of 13% in its profits during the year 2024. Further, the subsidiary secured a favorable judgment from the Court of Cassation in Jordan in a legal case and reversed the provision of KD 2.38 million which was originally recorded in the year 2023 for potential liabilities.
With respect to the Company’s subsidiary in IT business, its revenues rebounded after last year’s decline. In 2024, the subsidiary generated KD 10.4 million in revenue, up from KD 9.65 million in the previous year, representing a 7% growth. The subsidiary also reported a net profit of KD 566 thousand.

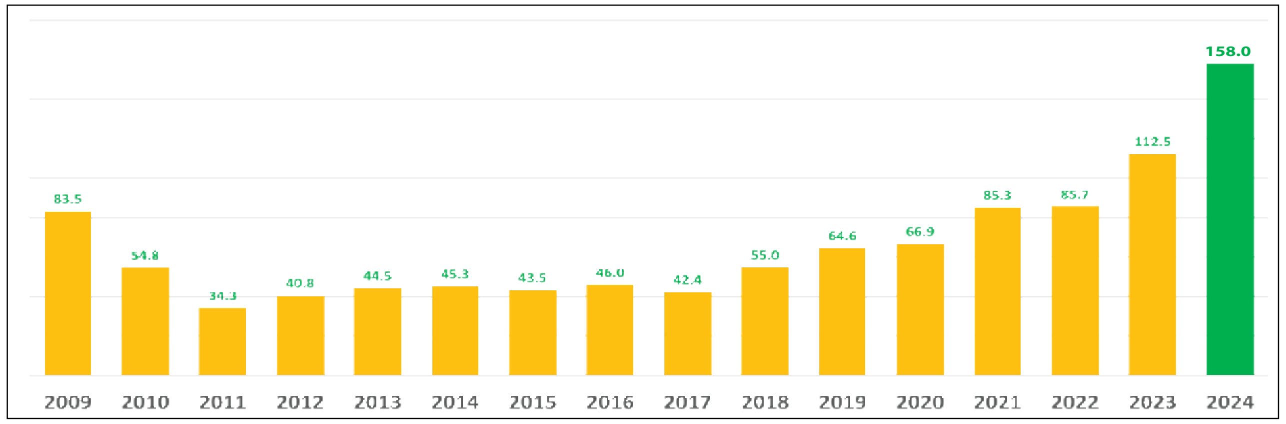
On the real estate side, there was no major change in the real estate portfolio and the value of the Company’s real estate portfolio was KD 12.75 million as of 31 December 2024, which generated rental income of KD 830 thousand reflecting an 11% increase compared to KD 747 thousand in the previous year. Additionally, the portfolio recorded a valuation gain of KD 277 thousand.

Marketable Securities:
The Company’s marketable securities portfolio delivered a robust return of over 20% in 2024. As of 31December 2024, the portfolio was valued at KD 16 million, with a primary focus on GCC investments. Additionally, the Company began building a portfolio of fixed income instruments issued by regional banks, which stood at KD 7.4 million as of the same date. Moreover, the Noor GCC Islamic Fund reported a return of 7.80%, outperforming its benchmark return of 5.56%.

Shareholders’ Equity:

Shareholders’ Equity increased by KD 45.57 million in 2024, reaching KD 158 million as of 31 December 2024 — the highest level recorded since the 2008 financial crisis.

Shareholders Equity (KD Million)



This resulted in a book value of 310 Fils per share as of 31 December 2024 after the payment of an 8 Fils dividend during 2024. This marks a 41% increase compared to 220 Fils per share as of 31 December 2023.

The performance indicators and the aforementioned information have reflected positively on the Company and have strengthened its position in the market. It is made possible by the distinguished efforts and continuous hard work of the Board of Directors and the executive team in exploring opportunities to achieve expansion and growth. The Company aims to build a new range of products and services in the financial services and investment sector whenever suitable conditions are present.

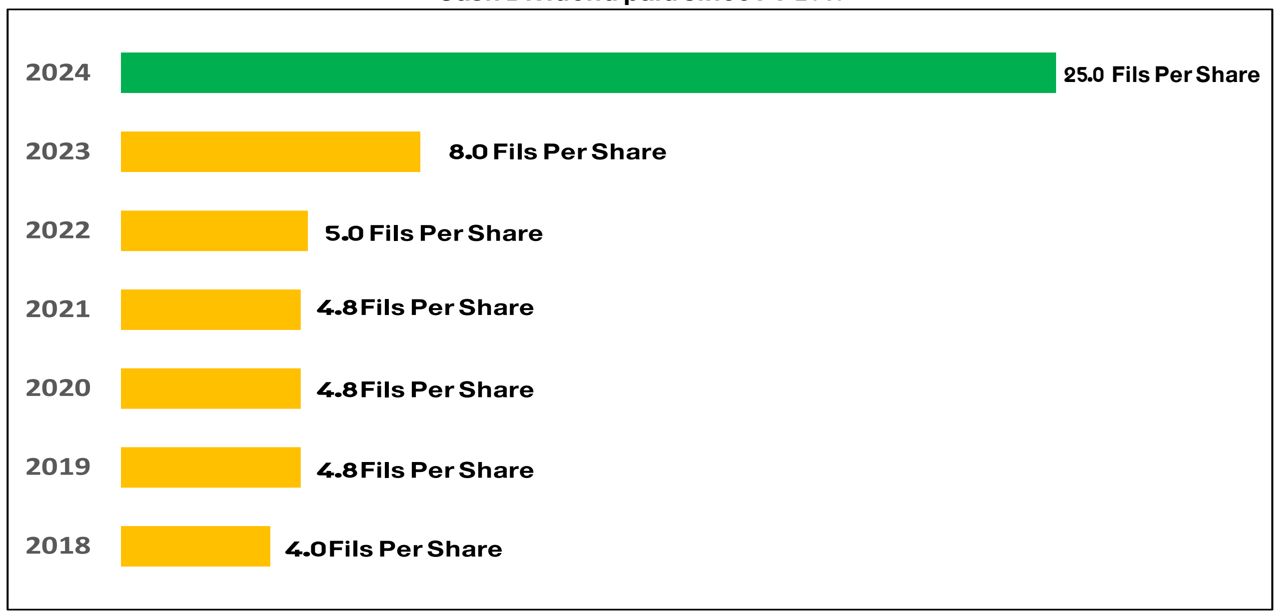
Company's Financial Performance:

The total income of the Company in the Consolidated Statement of Profit or Loss for the year 2024 was KD 59.4 million representing KD 38.8 million share of profits of associates, KD 13.7 million revenue from the operations of the subsidiaries in the IT and hotel industries, KD 2.3 million gain on reversal of provision, and KD 4.6 million from other investments. Total income increased by 4% despite the non-recurring gain of KD 8.6 million recorded in the previous year from a legal case.
The Company achieved a net profit attributable to the shareholders of KD 42.01 million (EPS of 82.51 Fils) for the financial year ended 31 December 2024 compared to a net profit of KD 37.01 million (EPS of 72.68 Fils) for the previous year 2023.

BOD Recommendations:

The Board of Directors proposed distribution to shareholders of a cash dividend of 25 Fils per share for the year ended 31 December 2024, which is subject to the approval of Company's general assembly and regulatory authorities. Since FY2018, the Company has been consistent in paying cash dividends to shareholder. Following is an overview of dividend payments since 2018:

Cash Dividend paid since FY 2018



• Dividends for FY2024 are proposed by the Board is subject to AGM approval. 2021-2018 amounts are on diluted shares basis

The Board of Directors also recommended distributing an amount of KD 130,000 as remuneration to the Board of Directors for their services during the year 2024, which is also subject to the approval of the Company's general assembly.

In conclusion, the members of the Board of Directors extend their sincere thanks and gratitude to the Company's shareholders, customers, and all stakeholders for their confidence and support over the years. The Board also expresses sincere thanks and appreciation to all employees of the company for their sincere efforts, continuous dedication to work and their constructive contributions.

May Allah grant us success.

The Board of Directors

CORPORATE GOVERNANCE REPORT 2024

INTRODUCTION

We take immense pleasure presenting to you the annual corporate governance report for Noor Financial Investment Company ("Noor" or "the Company") for the fiscal year ended 31 December 2024, that was reviewed and approved by the Board of Directors for shareholder presentation.

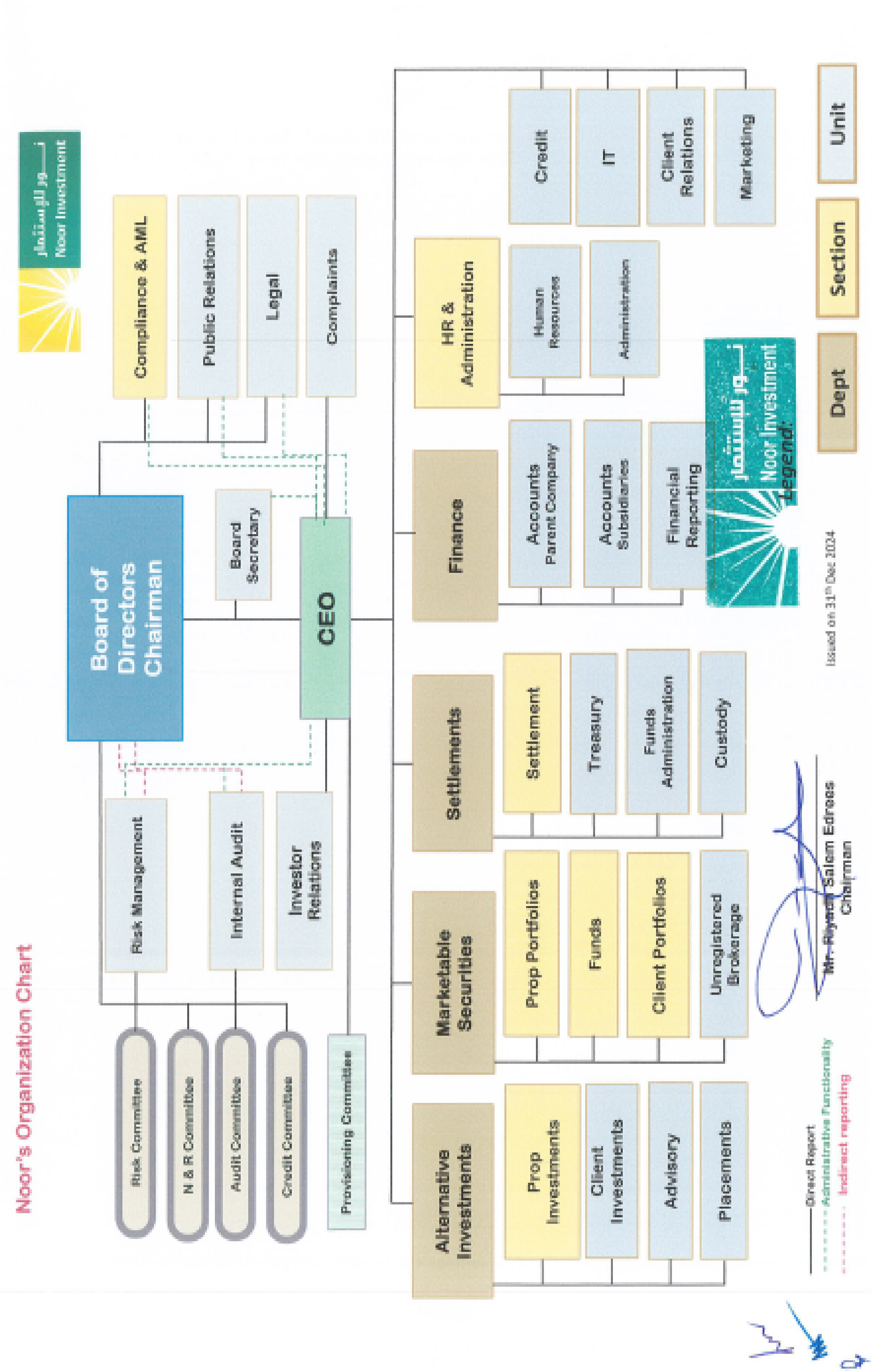
Noor believes that executing the essential pillars of governance plays a crucial and effective role in maintaining the development of the Company's operations and activities, enhancing its profitability, and mitigating the risks it is exposed to, all of which are aligned with the company's best interests, consequently benefiting both shareholders and stakeholders.

As such, Noor has endeavored to adhering to the most appropriate methodology managing all its activities though applying sound governance principles. As a result, Noor maintained the upmost levels of integrity, accuracy, and transparency that reflects the Company's dedication to complying with the applicable laws and regulations issued by relevant regulatory authorities.

In this report, we highlight the principal disciplines Noor emphasized in its commitment to attaining its goals and to maintaining its path of success, advancement, and growth across its operations and activities.

Bader H. A. Al-Rabiah
Chairman

COMPANY ORGANIZATION STRUCTURE



RULE I: CONSTRUCT A BALANCED BOARD COMPOSITION

Structure of the Board and the Membership in the Board's Committees

The Board of Directors consists of an elite group of paramount leaders with academic qualifications and hands on expertise, empowering them to fulfill their duties and accomplish the Company's goals and strategies.

Name of member	Position
Mr. Riyadh Salem Edrees	Chairman
Mr. Bader Hamad Al Rabiah	Vice Chairman
Mr. Abdulghani Mohammed Saleh Behbehani	Board Member
Sheikh/ Khaled Duaij AlSabah	Board Member
Mr. Rashed Ahmed Al Haroun	Board Member – Independent

Notes:

- The company held an extraordinary general assembly on 14 May 2024 reducing the number of board members from seven to five.
- The ordinary general assembly was held on 4 September 2024, electing the new board members.
- The Board of Directors was re-constituted on 13 February 2025, whereby Mr. Bader Hamad Abdullah Al Rabiah was selected as the Chairman and Mr. Riyadh Salem Ali Edrees as the Vice Chairman.

About the Board of Directors

S	Member Name	Position	Representation	Education and experience	Appointment/ Election Date	Classification
1	Mr. Riyadh Salem Edrees	Chairman	Elected	**Masters in chemical engineering** More than 25 years of practical experience in various industries and sectors such as but not limited to financial services and banking, real estate, and information technology. Throughout his experience, Mr. Riyadh occupied many executive and leadership positions with well reputed listed and unlisted organizations inside and outside the State of Kuwait.	4 September 2024	Non-Executive
2	Mr. Bader Hamad Al Rabiah	Vice Chairman	Elected	**Bachelor of Accounting** More than 18 years of hands-on experience in numerous industries and sectors such as but not limited to financial and banking services, real estate, and manufacturing. Throughout his experience, Mr. Bader occupied numerous executive and leadership positions with well reputed listed and unlisted organizations inside and outside the State of Kuwait.	4 September 2024	Non-Executive
3	Mr. Abdulghani Mohammed Saleh Behbehani	Board Member	Combined National Industries Holding Company	**Bachelors in mechanical engineering** Over 35 years of practical experience across various domains and sectors, including but not limited to financial services, banking, and insurance Throughout his experience, Mr. Abdulghani has occupied different executive and leadership positions with well reputed listed and unlisted organizations inside and outside the State of Kuwait.	4 September 2024	Non-Executive
4	Sh. Khaled Dueij AlSabah	Board Member	Appointment - Representative of Allied Share-holders	**Bachelor of Business Administration - Finance Major** More than 13 years of experience in various sectors such as but not limited to financial and banking services. Throughout his experience, Sheikh/ Khaled held some executive positions in many with well reputed companies within the State of Kuwait.	4 September 2024	Non-Executive

S	Member Name	Position	Representation	Education and experience	Appointment/ Election Date	Classification
5	Mr. Rashed Ahmed Al Haroun	Board Member	Elected	**Bachelor of Finance** More than 18 years of experience in various sectors such as but not limited to financial services and industrial manufacturing. Throughout his experience, Mr. Rashed occupied some executive and leadership positions with well reputed listed and unlisted organizations inside and outside the State of Kuwait.	4 September 2024	Non-Executive
6	Mr. Mohamed Sabry Ab-delrady	Board Secretary	N/A	**Bachelor of Law** More than 20 years of experience in the legal field. He spent more than 14 years in financial and investment institutions, where he holds the position of Head of Legal Affairs Unit. He also holds membership in the boards of directors of several listed companies.	4 September 2024	N/A

Summary of the Board of Directors meetings
Number of meetings (14 meetings) during the year 2024

Name	Capacity	Meetings in 2024														Total %
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	
		10 January	3 March	11 March	24 March	5 May	21 May	30 July	8 August	26 August	4 September	12 September	21 October	10 November	26 December	
Mr.Riyadh Salem Edrees	Chairman	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✗	93%
Mr.Bader Hamad Al Rabiah	Vice Chairman	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✗	93%
Mr.Abdulghani Mohammed Saleh Behbehani	Board Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	100%
Shaikh Khaled Dueij AlSabah	Board Member	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	✓	✓	✓	✓	100%
Mr.Rashed Ahmed Al Haroun	Board Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	100%

* Sheikh/ Khaled Duaij AlSabah was appointed as a Board member at the Ordinary General Assembly held on 4 September 2024.

✓ Attended
✗ Absent

Registering, coordinating, and archiving Board minutes of meetings

Board of Directors' meetings are convened by the Board Secretary upon the request of the Chairman of the Board. The meeting agenda, along with all relevant documents are sent to all Board Members in advance of the meeting (three working days, except in case of urgent meetings), allowing Board members sufficient time to review the agenda items and related documents.

Board meetings are documented by the Board Secretary, whereby all agenda items and discussions are recorded in the meeting minutes. Additionally, any objections and reservations (if any) are documented in the meeting minutes. At the conclusion of each meeting, the meeting minutes are printed on the company's letterhead, which are distributed to all present members (including invitees) for review and signature.

Moreover, the Board Secretary safekeeps all board meeting minutes in a safe, whereby access to these documents cannot be reached without the knowledge and approval of the board secretary.

Independent Board Members' declarations

Attached at the end of this report are the independent Board Members' declarations.

RULE II: ESTABLISH APPROPRIATE ROLES AND RESPONSIBILITIES

Defining the roles, responsibilities, duties and authorities of Board Members and Executive Management

Charters for the Board of Directors and its Committees governing its activities and operations including its responsibilities and duties and are reviewed and approved by the Board. These charters were developed in accordance with the applicable laws and regulatory mandates. Authorities delegated to Executive Management take into consideration the nature of the Company's activities and operations in achieving its objectives and strategies, in addition to assessing the significance of these delegated powers in managing the Company's day-to-day operations.

Further to the above, the Board of Directors approved an authority matrix (financial and administrative) defining the powers delegated to the Board of Directors and to Executive Management. These authorities are periodically reviewed, taking into consideration operational requirements. The review of authorities also aims to safeguard that no party monopolizes absolute power.

The Board of Directors fulfills its responsibilities as stipulated in the Company's Articles of Association, as well as in accordance with the instructions and regulations of the Capital Markets Authority and other relevant regulatory authorities. These regulations are founded on preserving the interests of the shareholders. The duties and responsibilities of the Board of Directors include the following:

1. Developing strategies enhancing company profitability and monitoring its execution.
2. Reviewing and approving the annual and interim financial statements, while ensuring its compliance to the accounting policies and standards approved by regulatory authorities.
3. Approving the policies and procedures that organize the work of the Board of Directors, the Executive Management, and the Company's activities, in addition to ensuring that these policies and procedures are clear to assist in the decision-making process, and achieving the principles of good governance in accordance with the governance system approved by the Board of Directors and establishing a follow-up mechanism.
4. Forming Board Committees, empowering the Board to efficiently execute its responsibilities and roles, while also approving the charters that govern the activities and operations of these Committees.
5. Periodically ensuring the adequacy and efficiency of the internal control systems applied within the Company, along with ensuring the implementation of suitable control mechanisms assessing and mitigating the risks the Company is exposed to.
6. Evaluating Board Members and Executive Management in accordance with Key Performance Indicators (KPIs)
7. Compiling the annual report for presentation to the shareholders at the Annual General Meeting of the Company.

Significant Board achievements and resolutions during the year

During the financial year ending 31 December 2024, the Board of Directors held 14 meetings (in addition to 10 resolutions by circulation). The Board of Directors played a vital role in achieving the following achievements during the year:

1. Settling and paying all the Company's debts.
2. Increasing the book value of the company's share.
3. Enhancing and developing the company's activities to achieve profits.
4. Distributing dividends to Company shareholders at 8 Kuwaiti fils per share for the financial year ending on 31 December 2023.

Formation of independent and specialized committees

The Board of Directors formed 4 Board-level committees (mentioned below) enabling the Board to effectively perform its responsibilities and tasks. It also ensured that a sufficient number of members are appointed to the Board of Directors and its committees to include non-executive and independent members, in accordance with the regulatory requirements and approved internal regulations, which include defining the committee's tasks, term of office, powers granted to it during this term, and the Board's oversight thereof. Additionally, the Board supervises the results of the work, recommendations and decisions of the committees by reviewing and approving the minutes of their meetings and any reports issued by the committees as the case may be.

1. Board Audit Committee:

Formation date	Duration	Number of Meetings
4 September 2024	Three years	9

- **Committee duties and specialties**
  - Reinforce the Company's compliance culture through ensuring the soundness and integrity of the financial statements.
  - Review the interim and annual financial statements of the Company and recommend the same to the Board of Directors.
  - Recommend the appointment and/or re-appointment of the external auditors and ensuring their independence.
  - Ensure the efficiency and effectiveness of the implemented internal control systems within the Company.
  - Oversight of the internal audit function.

- **Audit Committee Members:**

Sr.	Member Name	Title
1	Mr. Bader Hamad Al Rabiah	Committee Chairman
2	Sheikh/ Khaled Dueij AlSabah	Member
3	Mr. Rashed Ahmed Al Haroun	Member (Independent)

- **The Audit Committee Members was re-Constitiuted on 13 February 2025**
- **Significant Committee achievements and resolutions during the year**
- Review and discuss the interim and annual financial statements presenting recommendations to the Board of Directors regarding them.
- Hold regular meetings with the external auditor.
- Discuss and review internal audit reports in addition to the Internal Controls Review Report (ICR).
- Supervise the adequacy and effectiveness of the Company's internal control systems.
- Hold at least four meetings with the internal auditor (on a quarterly basis).
- Evaluate the performance of the internal auditor and the external auditor and ensure their independence.

2. Board Risk Management Committee:

Formation date	Duration	Number of Meetings
4 September 2024	Three years	11

Committee duties and specialties
- Define, measure, monitor and manage all types of risk the Company is exposed to.
- Formulate and review strategies and policies including the assessment of the risk management systems and mechanisms implemented within the Company.
- Define and determine improvements and assisting the Board of Directors to define the acceptable levels of risk of the Company.
- Ensure that the defined acceptable risk levels are not breached.

Risk Committee Members:

Sr.	Member Name	Title
1	Mr. Abdulghani Mohammed Behbehani	Committee Chairman
2	Mr. Bader Hamad Al Rabiah	Member
3	Mr. Rashed Ahmed Al Haroun	Member (Independent)

- **The Risk Committee Members was re-Constitiuted on 13 February 2025**

- **Significant Committee achievements and resolutions during the year**
- Review and discuss various periodic risk reports issued by the Risk Management Unit and recommend approval to the Board of Directors.
- Reviewing transactions with related parties and recommending the same to the Board of Directors before execution, and reporting on transactions that will take place during the fiscal year ending on 31 December 2025.

3. Board Nomination and Remunerations Committee:

Formation date	Duration	Number of Meetings
4 September 2024	Three years	7

Committee duties and specialties
- Review and recommend to the Board of Directors regarding the election and/or re-election of Board Members and ensuring that independent members maintain their independent status.
- Review all policies and regulations governing the granting of rewards and benefits to Board Members, Executive Management and all company employees.
- Submit recommendations to the Board of Directors regarding remunerations and benefits for Board Members, Executive Management and Company employees in addition to ensuring that the amounts that must be disclosed are included in the annual governance report of the Company submitted to the General Assembly for approval.
- Supervise the annual evaluation of Board members and its committees and evaluate the Executive Management.

Members of the Nomination and Remunerations Committee:

Sr.	Member Name	Title
1	Mr. Abdulghani Mohammed Behbehani	Committee Chairman
2	Mr. Riyadh Salem Edrees	Member
3	Mr. Rashed Ahmed Al Haroun	Member (Independent)

- **The Members of the Nomination and Remuneration Committee was re-Constitiuted on 13 February 2025**

Significant Committee achievements and resolutions during the year
- Recommend to the Board of Directors remunerations to the Board of Directors, its committees, Executive Management and employees.
- Reviewing applications for candidacy for membership of the Board of Directors and submitting recommendations to the Board of Directors.
- Preparing the annual report for the the remunerations granted to the Board of Directors and Executive Management.

4. Board Credit Committee:

Formation date	Duration	Number of Meetings
4 September 2024	Three years	4

Committee duties and specialties
- Establish and define client credit limits in accordance with the instructions issued by the Central Bank of Kuwait and reviewing financing requests and/or renewal of credit facilities.
- Revise settlements for defaulting clients and credit limits extension in-line with the Company's credit policy and CBK instructions.
- Review and update the credit policy (recommending approval to the Board of Directors) in-line with the Company's strategy and CBK mandates and instructions.

Credit Committee Members

Sr.	Member Name	Title
1	Mr. Riyadh Salem Edrees	Committee Chairman
2	Sheikh/ Khaled Dueij AlSabah	Member
3	Rashed Ahmed Al Haroun	Member (Independent)

- **The Credit Committee Members was re-Constitiuted on 13 February 2025**
- **Significant Committee achievements and resolutions during the year**
- Review and monitor the efficiency and extent of implementation of credit risk policies.
- Granting credit facilities to one of the Company's clients.
- Ensure that the policies and procedures applied are in line with relevant instructions and laws.

Enabling Board Members to obtain accurate and timely information and data

The Board Secretary ensures that the Board of Directors receive sufficient information regarding the agenda items to be addressed and discussed in board meetings at least three days prior to the scheduled meeting (except in cases of urgent board meetings). This allows Board Members to thoroughly review relevant documents and information, facilitating a well-informed decision-making process. All board meetings are documented in addition to being dated, serialized and safekept in a dedicated register by the Board Secretary. The register also includes meeting attendees and their votes regarding the Board's resolutions during the meeting.

Board Members are authorized to immediately and fully reach information and documents or Company records though the Board Secretary as all information and documents are organized to reach Board Members in a timely manner. Further, Executive Management provides the Board and its Committees (through the Board Secretary) with the documents, and information required for appropriate and timely decision-making.

RULE III: RECRUIT HIGHLY QUALIFIED CANDIDATES FOR THE MEMBERS OF A BOARD OF DIRECTORS AND THE EXECUTIVE MANAGEMENT

Nomination & Remunerations Committee formation

The Nomination and Remunerations Committee consists of three Board Members including an independent Board Member and is chaired by a non-executive member. Members with appropriate professional experience were selected in-line with the nature of the work of the Committee and the Company. Members with technical, leadership and administrative capabilities were also selected to work independently. The tasks of the Committee were determined in accordance with what was previously stated in the Nominations and Remuneration Committee.

Remunerations awarded to the Board of Directors and Executive Management

Remunerations to the Board of Directors and Executive Management are attached with the section relating to remunerations in the Corporate Governance Report, to be presented and recited to the General Assembly in accordance with governance principles.

RULE IV: SAFEGUARD THE INTEGRITY OF FINANCIAL REPORTING

Declarations on the soundness and integrity of financial reporting

All Board Members, the Chief Executive Officer, the Head of Finance, and his deputies provided declarations regarding the Company's financial reporting, that they are presented soundly and fairly; they present all financial aspects of the Company, including data and operational results; and they are prepared in accordance with the International Accounting Standards approved by the Capital Markets Authority and other regulatory authorities.

Audit Committee formation

The Audit Committee currently consists of 3 members, including an independent member. The Chairman of the Board of Directors or executive members do not hold membership. The Committee includes at least one member with academic qualifications and practical experience in the field of accounting and financial affairs.

In case of a conflict between the decisions and/or recommendations of the Audit Committee and the decisions of the Board of Directors, they shall be documented in detail to clarify those recommendations and the reasons for the Board's rejection of them.

External auditor independence and objectivity

The Audit Committee recommends the appointment and/or reappointment of the external auditor for each financial year, upon confirming that the external auditor has met all regulatory mandates regarding the registration of external auditors, to the Board of Directors, that in turn recommend the appointment and/or reappointment of the external auditor to the shareholders for final resolution. Further, independence of the external auditor from the Board of Directors and/or Executive Management is warranted, in addition to confirming that the auditor does not perform any addition services to the Company except those related to the review and audit, which may affect the auditor's objectivity and/or independency.

RULE V: APPLY SOUND SYSTEMS OF RISK MANAGEMENT AND INTERNAL AUDIT

Establishing an independent risk management unit

An independent risk management unit was established reporting directly to the Board Risk Committee. Accordingly, in ensuring that it fulfills its duties optimally and independently, the unit was provided with various authorities excluding financial authorities and powers.

Risk Management Committee formation

The Risk Committee consists of three members and is chaired by a non-executive member, whereby the Committee does not include the Chairman of the Board of Directors for additional independence and authority. The Committee is mandated with developing and reviewing the strategies and policies including risk management and assessment systems in accordance with the Company's risk appetite.

Systems of internal control and audit

The internal controls and risk management systems within the Company operate effectively and efficiently. Further, a Board approved organizational structure commensurate with the Company's strategy and activities, and Board approved policies and procedures for all Company departments are in place. The extent of these systems' efficiency and effectiveness are monitored by the independent internal audit unit. Policies, procedures, and duties clarify and define for each position the authorities and lines of communication between the different levels, ensuring dual control and segregation of duties, avoiding conflict of duties.

An Internal Control Review (ICR) report in-line with regulatory requirements was compiled by an independent external auditor (apart from the Company's external audit firm) ensuring the efficiency of the internal control systems. This report is issued annually, and a copy provided to the Capital Markets Authority.

The Company possesses internal controls facilitating staff to report any wrongdoings in-line with the Board approved whistleblowing policies and procedures manual.

Establishing an independent internal audit unit

An independent internal audit unit was established, reporting directly to the Board Audit Committee maintaining independence. An internal audit manager was appointed by the Board of Directors on the Audit Committee's recommendation. The Board has defined and approved the roles, duties, and responsibilities of the internal audit unit.

RULE VI: PROMOTE CODE OF CONDUCT AND ETHICAL STANDARDS

Professional code of conduct and ethical values

The Board of Directors placed various criteria and measures reinforcing the ethical standards and principles of the Company through approving a code of conduct applicable to Board Members, Executive Management, and all Company staff. The code of conduct defines the required duties of Board Members, Executive Management and Company staff.

The code of conduct consists of guidelines and standards mandating the Board of Directors, Executive Management and Company staff to comply to all rules and regulations, representing all shareholders, and commit to achieving the interests of both the Company and its shareholders, not only serving the interests of a specific group of people.

The code of conduct also prohibits Board Members and Executive Management using their authorities in gaining any interests for themselves or others, the use of Company assets and resources gaining personal benefits, and only utilizing Company assets and/or resources in the best possible manner achieving Company objectives, in addition to including a stringent system and mechanism prohibiting Board Members and/or Company staff from exploiting information in their possession by virtue of their position, as well as prohibiting the disclosure of any information or data related to the Company except in the cases allowed in accordance with regulatory and/or legal mandates.

Managing and limiting conflicts of interest

The Board of Directors approved a conflict-of-interest policy that entail clear examples of conflict-of-interest cases and the methods of handling and managing such cases, without prejudice to the cases stipulated in the Companies Law and/or other regulatory instructions.

Moreover, the conflict-of-interest policy mandates Board Members to disclose any personal interests in contracts/agreements with the Company to the Board of Directors, whereby such disclosure is documented in the Board meeting minutes. Accordingly, such Board Members are prohibited from voting on any resolution related to the matter.

Furthermore, the Chairman of the Board of Directors discloses and reports to the General Assembly at the time of the meeting, on those activities and contracts that Board Members have a personal interest. Further, this report includes another report prepared by the Company's external auditor.

RULE VII: ENSURE TIMELY AND HIGH-QUALITY DISCLOSURE AND TRANSPARENCY

Disclosure of material information

The Company is committed to providing an environment based on the principles of disclosure and transparency, as a disclosure and transparency manual has been developed and in turn, approved by the Board of Directors. The manual incorporates the criteria for disclosing material information (as per the executive bylaws of the Capital Markets Authority), elements of the disclosure and the mandated information to be disclosed. The manual also specifies the necessary steps for disclosures, the entities to which the disclosure is made to, and the method of presentation including its publication on the Company's website.

Board of Directors and Executive Management disclosure register

The Company possesses a special register for the Board of Directors and Executive Management's disclosures, that is safekept with the Compliance function. Further, the Compliance function is notified prior to any trades by the Board of Directors and/or Executive Management or by their minor children on the shares of the Company, the Parent Company, or subsidiary companies they are considered as insiders in.

Investor Affairs Unit

An independent investor affairs unit was established with the primary responsibility of facilitating and providing the necessary data, information, and reports to current and potential investors. Further, all required information for investors is accessible through the Company's website.

Developing an IT infrastructure related to disclosures

Information technology is an essential part of the Company's business, and the Company relies on the use of information technology to communicate and interact with shareholders, customers and other stakeholders.

There are dedicated sections on the Company's website for corporate governance and investor relations, through which all the latest information and data are displayed that help shareholders, current and potential investors exercise their rights and evaluate the Company's performance. There is also a special section for the Company's disclosures sent to Boursa Kuwait, and another section for the financial statements and periodic business results of the Company, so that the financial statements are uploaded immediately after the disclosure of the business results for the period or fiscal year.

Moreover, the Company utilizes automated systems in monitoring customers' portfolios and the units' holders of the investment funds managed by the Company whereby periodic reports are easily extracted.

RULE VIII: RESPECT THE RIGHTS OF SHAREHOLDERS

Define and protect the general rights of shareholders ensuring fairness and equality between all shareholders
The Company's articles of association and internal regulations include the procedures and conditions necessary ensuring all shareholders exercise their rights fairly and equally without prejudice to applicable laws, regulations, resolutions, and instructions issued in this regard.

Shareholders' rights encompass various aspects such as listing the ownership value of their investment in the Company records, disposal of shares, including registration and transfer of ownership, receipt of dividends proportionate to share allocation, and entitlement to a share in the Company's assets in the event of liquidation, in addition to the right of receiving information and data regarding the Company's activities, operational and investment strategy regularly, encouraging shareholder participation in the general assembly meetings, voting on various resolutions and election of the Board of Directors. The Company is obliged to treat all shareholders fairly and equally, without any discrimination.

Shareholders register and records
The Company maintains its shareholders' register with "Kuwait Clearing Company," an authorized clearing agency licensed by the Capital Markets Authority. The clearing agency provides the Company with a copy of the shareholders' registry on a weekly basis, containing information related to the shareholder's name, identification number, and the number of shares owned by them as of the report date. Additionally, the shareholder's personal data (name, address, contact information) is also available from the clearing agency.

Encouraging shareholders to contribute and vote in general assembly meetings
The right of shareholders to participate in the general meetings of the Company and to vote on its resolutions is an inherent and guaranteed right for all shareholders. The Company invites its shareholders to the annual general assembly based on the Board of Directors' invitation, or whenever deemed necessary.
The invitation to shareholders to attend the General Assembly meeting include the agenda, time and place of the meeting, and methods of participation in the meeting (electronically or in person) by disclosing it on Boursa Kuwait website and the Company's website placing advertisements in two daily newspapers fifteen days before the date of the meeting. The shareholder has the right to delegate another to attend the General Assembly meeting by virtue of a special power of attorney.
The Company enables shareholders, prior to the convening of the general assembly, to access all information and data related to the agenda items, especially the Board of Directors' Report and the external auditor's report, as well as financial statements, accessed either from the company›s official website or by visiting the Company's premises.

RULE IX: RECOGNIZE THE ROLES OF STAKEHOLDERS

Protection of stakeholders' rights
The Company possesses policies that include guidelines and procedures ensuring the protection and acknowledgment of stakeholder rights. Stakeholders are eligible for compensation in the event of any infringement of their rights, in accordance with the provisions set forth in the laws issued by regulatory authorities in this regard.

Encouraging stakeholders to monitor Company activities
The Board of Directors acknowledges that the success of the Company is the result of the collective efforts of various parties, including shareholders, lenders, and employees.

Further, the Company believes that stakeholders play an active and influential role in the success of its operations as the Company emphasizes the importance of respecting the rights of stakeholders in accordance with relevant laws, regulations, and systems. The Company encourages stakeholders to monitor the Company's various activities.

A mechanism has been established to ensure maximum benefit from the contributions of stakeholders and to encourage their participation in monitoring the Company's activities, aligning with their interests. The Company provides stakeholders with the opportunity to access information and data related to their activities. Moreover, appropriate processes have been established to facilitate stakeholders in reporting any unethical practices they may experience to the Board of Directors, ensuring adequate protection for whistleblowers.

RULE X: ENCOURAGE AND ENHANCE PERFORMANCE

Mechanisms for Board Members and Executive Management to receive regular trainings
The Company has set orientation programs for all Board Members, employees, and those newly appointed ensuring the full comprehension of the Company's activities and operations. These programs include the Company's strategy, objectives, and the financial and operational aspects of all Company activities and operations, in addition to their legal and regulatory obligations, duties and responsibilities assigned to them in addition to their rights and authorities.

Evaluation of the Board of Directors as a whole, individually and Executive Management's performance
The Company has a mechanism for evaluating the performance of each member of the Board of Directors and the Executive Management on an annual basis. A set of Key Performance Indicators (KPIs) has been developed, linked to the extent of achieving the Company's strategic objectives, the quality of risk management, and the adequacy and efficiency of internal control systems.

Value creation, achievement of strategic objectives and enhancing performance
The Board of Directors is committed to fostering corporate values within the Company over the short, medium, and long term, as the Board adopted a Code of Conduct that mandates the commitment to the utmost professional standards and corporate values. Moreover, it has sought to correlate the level of commitment to corporate values with the performance evaluations of the Company's employees to ensure the achievement of the Company's strategic objectives.

One of the prominent efforts undertaken by the company promoting corporate values is providing the opportunity to all employee levels to present their ideas and initiatives to executive management. Regular sessions and meetings are conducted between Executive Management and employees of all levels to review and discuss any recommendations for the enhancement or improvement of work procedures that are in the best interest of both the employees and the Company.

RULE XI: FOCUS ON THE IMPORTANCE OF CORPORATE SOCIAL RESPONSIBILITY

Ensuring balance between Company and society goals
Noor is always keen to leave its mark in supporting and developing the community to confirm its positive role in serving it. It has established a policy that ensures achieving a balance between the Company's goals and the community's goals, approved by the Board of Directors.

PROGRAMS AND MECHANISMS THAT HELP HIGHLIGHT THE COMPANY'S EFFORTS IN THE FIELD OF SOCIAL WORK
Several initiatives have been implemented in line with the Company's belief in its social responsibility (a detailed report of the mentioned initiatives is attached).

Declaration of Independent Board Members


نـــور للإستثمار
Noor Investment

إقرار العضو المستقل

إلتزاماً بالمادة رقم (2-3) من الكتاب الخامس عشر (حوكمة الشركات) من اللائحة التنفيذية للقانون رقم (7) لسنة 2010 بشأن إنشاء هيئة أسواق المال وتنظيم نشاط الأوراق المالية وتعديلاتهما، أقر أنا الموقع أدناه بصفتي عضو مجلس إدارة (مستقل) في مجلس إدارة شركة نور للاستثمار المالي بما يلي:

1. لا أملك ما نسبته 5% أو أكثر من أسهم الشركة، كما أنني لا أمثل مساهمين يملكون 5 % أو أكثر من أسهم الشركة.
2. ليس لدي صلة قرابة من الدرجة الأولى مع أي من أعضاء مجلس إدارة الشركة أو الإدارة التنفيذية في الشركة أو في أي شركة من مجموعتها، أو الأطراف الرئيسية ذات العلاقة.
3. لست عضواً في مجلس إدارة أي شركة من مجموعتها.
4. لست موظفاً بالشركة أو بأي شركة من مجموعتها أو لدى أي من أصحاب المصالح.
5. لست موظفاً لدى الأشخاص الاعتباريين الذين يملكون حصص سيطرة في الشركة.
6. تتوافر لدي المؤهلات والخبرات والمهارات الفنية التي تتناسب مع أنشطة الشركة.

كما أتعهد بإخطار مجلس الإدارة فور فقداني لأي شرط من شروط الاستقلالية المذكورة أعلاه.

التاريخ: 13 فبراير 2025

راشد أحمد الهارون
عضو مجلس إدارة – مستقل

BOARD AUDIT COMMITTEE REPORT

نـــــور للإستثمار
Noor Investment

Board Audit Committee Report
for the year ended 31 December 2024

Dear Shareholders,

It is with great pleasure that we present to you the annual Board Audit Committee ("BAC" or "the Committee") Report for the year ended 31 December 2024.

Throughout the year, the BAC engaged in meaningful discussions with external and internal auditors and Company's management to further enhance our collective efforts in safeguarding the organization's assets and integrity of its financial reporting.

During the financial year ended 31 December 2024, the Committee carried out the following responsibilities and duties:

- Reviewed the annual and quarterly financial statements of the company including the applied accounting policies and recommended to the Board for approval.
- Followed up on the external auditor's work and remarks on the financial statements by holding periodic meetings with them throughout the year.
- Reviewed and discussed the various matters concerning the external auditors including but not limited to independence, contractual terms, fees, and that the external auditor is registered with the Capital Markets Authority. Accordingly, the Committee recommended to the Board the re-appointment of its external auditor for the financial year ended 31 December 2025.
- Reviewed and approved the annual internal audit plan and the reports issued by the internal audit, in addition to ensuring appropriate corrective actions were implemented towards the internal audit observations.

Further to the above, the Committee also reviewed the various related party transactions conducted during the financial year ended 31 December 2024 and provided appropriate recommendations to the Board.

Moreover, the Committee oversaw the adequacy of the Company's internal controls and systems, whereby no significant issues with the implemented internal controls were noted during the year. Whilst some minor issues were reported in the application of controls, the Committee was satisfied that these were addressed by management and that they have no material impact on the overall operations and financial statements of the Company.

Audit Committe Chairman

REMUNERATIONS REPORT

Remunerations Report for the financial year ended 31 December 2024

First: Remunerations and allowances to Board of Directors policy:

The Board of Directors approved a remunerations policy ("the policy") for Noor Financial Investment Company ("Noor") related to Board of Directors' remunerations. The purpose of the policy is to correlate the remunerations to the Board of Directors with managing the Company and the risks it is exposed to, to an acceptable level. The policy stipulates the following:

- Total remunerations shall not exceed 10% of the Company's net profits, after deducting depreciation, reserves, and distribution of shareholder dividends not less than or that exceeds 5% of the Company's capital, as stipulated in the Company's articles of association and without prejudice to any relevant articles in the Kuwaiti Companies' Law.
- The Board of Directors' remuneration is approved by the General Assembly in its annual meetings, as proposed by the Board Nominations and Remunerations Committee ("BNRC") and recommended by the Board of Directors.
- Independent Board Members may be exempt from the maximum limit of remuneration, if approved by the General Assembly.

Board remunerations and allowances consist of three segments:

o Part One: Remunerations and allowances for attending of Board meetings:

1. Board membership remuneration

   This is an annual remuneration granted to all Board Members towards their legal liability in representing the Company and its interests, and in accordance with the Board approved performance indicators and considering achieved profits, in-line with the provisions of Article 198 of the Kuwaiti Companies Law, subject to the approval of the Annual General Assembly.
2. Allowance for meeting attendance:

   Board members are entitled to receive a fixed allowance for attending board meetings in accordance with the approved policy.

o Part Two: Committee membership

The Board of Directors approves the remunerations of the Board Committees, as recommend by the BNRC as follows:

1. Variable remunerations:

   Variable remunerations aim to encourage outstanding performance of committee members in line with the nature of the Company's business activities.

   Variable remunerations are allocated based on the performance of each committee member and the committee's performance in general. Further, remunerations are allocated based on the performance appraisal and at the discretion of the BNRC.

   Variable remunerations include annual remunerations determined by the BNRC prior to Board approval. The performance appraisal process is carried out in accordance with the Board approved performance appraisal policy.
2. Meetings Attendance Allowance:

   Committee members are entitled to receive a fixed allowance for attending Committee meetings in accordance with the approved policy.

Second: Executive Management remunerations policy

Remuneration to Executive Management considers the business environment the Company operates in, achieved results, and the Company's risk tolerance. The main components include the following:

• Fixed Remunerations

Fixed remunerations are set considering the level of responsibilities assigned and the defined career path for Executive Management members. These are agreed upon contractually with Executive Management members as compensation for their skills, competencies, and experiences that are utilized in executing their responsibilities, whereby these remunerations are reviewed periodically. These remunerations, including salaries, allowances, and benefits are incorporated within the salary structure and job grades approved by the Board of Directors.

• Variable Remunerations

Variable remunerations aim to promote exceptional performance, in alignment with the Company's overall risk framework.
Variable remunerations are based on staff performance through performance assessments in addition to the Company's overall performance.
Variable remunerations include annual cash bonuses that are determined and recommended by the BNRC for Board of Directors' approval. The performance appraisal process is carried out in accordance with the Board approved performance appraisal policy.

Third: Any substantial deviations from the Board approved remuneration policy

There were no occurrences of substantial deviations from the Board approved remuneration policies, for the financial year ended 31 December 2024.

Remuneration schedules

First: Remunerations to the Board of Directors and its Committees

1. Board of Directors remunerations and benefits for the year ended 31 December 2024:

Remunerations and benefits of Members of Board of Directors							
Number of Members	Remunerations and benefits through the parent company			Remunerations and benefits through subsidiary companies			
	Fixed remuneration and benefits (000 KD)	Variable remuneration and benefits (000 KD)		Fixed remuneration and benefits (000 KD)		Variable remuneration and benefits (000 KD)	
	Health insurance	Annual remuneration	Committees' remuneration	Health insurance	Monthly Salary (Annual Total)	Annual remuneration	Committees' remuneration
5	-	130	180	-	-	7.2	-

Second: Members of the Executive Management

Executive Management remunerations granted during and for the year ended 31 December 2024:

Total Executive Positions	Description	Remuneration and benefits from		Total
		Parent Company	Subsidiary Company	
		(000 KD)		
7	Annual salary	316.2	-	316.2
	Health insurance	9.8	-	9.8
	Annual tickets	6.8	-	6.8
	Housing allowance	-	-	-
	Transportation allowance	-	-	-
	Education allowance	-	-	-
	Annual Remuneration	129.9	18.4	148.3
	Total	**462.7**	**18.4**	**481.1**

The remunerations report shall be presented in detail at the Company's Annual General Meeting in accordance with governance principles.

Nominations & Remunerations Committee Chairman
Abdul Ghani Mohamed Saleh Behbehani

REPORT FOR THE TRANSACTIONS WITH THE RELATED PARTIES

Report for the significant transactions with the Related Parties
For the year ended 31st December 2024

1. List of significant transactions with related parties:

Name of the related party	Relationship	Transaction Type	Transaction value (KD)	Transaction Description
National Industries Group Holding (N/A)	Ultimate Parent Company	Management fee income	621	Management and advisory income
		Expenses	35,897	Expenses incurred by NIG and charged to Noor
		Expenses	100,891	Expenses incurred by Noor and charged to NIG
Arabian Group for Real-estate Investments.	Subsidiary	Funds transfer	9,100	Funds transferred for operating and project expenses.
Meezan Bank Limited	Associates	Dividend receipt	18,238,323	Dividend received from Meezan Bank Limited
IT Partners KSCC	Subsidiary	Funds receipt	170,000	Funds received against the amount due.
Jabal Ali Real Estate Company WLL	Subsidiary	Funds transfer	41,886	Funds received against the amount due
Arab Information and Management System KSCC	Subsidiary	Funds Received	35,509	Received repayment of a working capital loan of KD 35,000 along with the interest of KD 509.
Kuwait Cement Company	Associate of the ultimate parent Company	Management fee income	992	Management fee income
Al Durrah National Real Estate Co.	Fellow subsidiary	Management fee income	1,500	Management fee income
Noor GCC Islamic Fund	Subsidiary	Management fee income	113,374	Management fee income
Other Subsidiaries	Subsidiary	Management fee income	20,933	Management fee income
		Expenses	17,572	Various expenses of subsidiaries paid during the year
Privatization Holding Company KPSC	Associate of the ultimate parent Company	Purchase of investment	9,931,250	Signed agreement to purchase 17.5% stake of J3 Company for Management and Development of Lands and Real Estate WLL. 30% of the price was paid in Dec. 2024 and balance payable once shares transfer is completed after pending approvals

2. Significant balances of related parties included in the Consolidated Statement of Financial Position:

	31 Dec.2024 KD
2.1 Due from related parties	
- Due from other related parties	5,094
- Due from Ultimate Parent Company	31,420
- Advance paid to Privatization Holding Company for purchase of 17.5% stake of J3 Company	2,979,375
2.2 Due to related parties	
- Due to other related parties	310,000
2.3 Investments in related parties	
- Investments at fair value through profit or loss	18,474
- Investments at FVTOCI	8,146,080

Bader H. A. Al-Rabiah
Chairman

CORPORATE SOCIAL RESPONSIBILITY REPORT

Corporate Social Responsibility Report 2024

Noor Financial Investment Company is committed to adopting a comprehensive approach to corporate social responsibility, believing in its role in supporting the community and promoting sustainability. Guided by its values of generosity and development, the Company continues its efforts to contribute to impactful social and environmental initiatives that align with its vision of creating a positive and sustainable impact on society.

During the year 2024, Noor actively participated in various projects and initiatives that support different segments of society. These efforts ranged from providing care for children with illnesses, empowering youth, fostering environmental awareness, and supporting non-profit organizations and young Kuwaiti talents.

We are pleased to present this report, highlighting the contributions and initiatives of Noor Financial Investment Company in the field of corporate social and environmental responsibility for the financial year ending 31 December 2024.

1. Hospital visits to bring joy to children

As part of the Company's commitment to corporate social responsibility and in collaboration with the Kuwait Association for the Care of Sick Children at Al-Jahra Hospital, a special visit was organized for children undergoing treatment. The visit featured beloved animated characters to create an atmosphere of joy and happiness. In addition, age-appropriate gifts were distributed to bring smiles to the children's faces and uplift their spirits during their treatment journey.

2. Gift distribution to children receiving treatment at Bayt Abdullah hospital

In 2024, Noor Financial Investment Company continued its collaboration and support for the Kuwait Association for the Care of Children in Hospitals (KACCH) and Bayt Abdullah Children's Hospice (BACCH). These non-profit organizations provide psychological, social, and palliative care services for children with critical illnesses and their families in hospitals across Kuwait.

Believing in the importance of supporting children facing health challenges, the Company provided specially selected gifts for children receiving treatment at Bayt Abdullah. These gifts were carefully chosen to bring moments of joy and alleviate their distress, reinforcing the importance of social solidarity between the private sector and charitable institutions.

3. Supporting LOYAC through the annual calendar

Noor Financial Investment Company is dedicated to conveying meaningful messages through its annual calendar and has continued, for the third consecutive year, to support non-profit organizations playing a vital role in society. This support includes disseminating information about these organizations, their objectives, and how to contact them, thereby enhancing the Company's role in raising community awareness and supporting the efforts of these institutions. In 2024, Noor supported LOYAC, an organization dedicated to empowering youth and developing their skills. This initiative underscores the Company's belief in investing in future generations and enhancing their capabilities to achieve success.

4. Encouraging and supporting young talents

Recognizing the role of Kuwaiti women in development and creativity, the Company is committed to fostering and empowering female talents across various fields. As part of this initiative, Noor collaborated with the talented young Kuwaiti artist Alia Nasser Karam to showcase her artwork in the annual calendar. This initiative aims to empower young female artists and highlight their creativity in a modern and innovative manner, thereby enhancing the role of Kuwaiti women in the arts sector and opening new avenues for excellence and recognition.

5. Promoting recycling culture in the workplace

In line with its environmental responsibility, Noor Financial Investment Company has continued to promote the concept of recycling and waste sorting by providing designated recycling bins for plastic and paper waste at its facilities. This initiative aims to encourage employees to adopt sustainable environmental practices, contributing to waste reduction and reinforcing the Company's role in environmental conservation.

Conclusion

Our contributions throughout the financial year ending 31 December 2024, reflect our commitment to humanitarian responsibility and our obligations toward the community. We will continue our efforts, with the support of the Board of Directors and the dedication of our employees, to enhance our initiatives and align them with our ambition to contribute to building a better future for our society and our beloved nation.

PLEDGE AND ENDORSEMENT OF THE BOARD OF DIRECTORS FOR THE ACCURACY OF FINANCIAL STATEMENTS

إقرار وتعهد بشأن سلامة ونزاهة التقارير المالية للسنة المالية المنتهية في 31 ديسمبر 2024

Declaration and undertaking regarding the fairness and integrity of the financial reports for the financial year ended 31 December 2024

التزاماً باللائحة التنفيذية لهيئة أسواق المال الكتاب الخامس عشر (حوكمة الشركات) وتنفيذاً للمادة 5-2 من ذات الكتاب، يتعهد مجلس الإدارة بأن التقارير والبيانات المالية للسنة المنتهية في 31 ديسمبر 2024 لشركة نور للاستثمار المالي قد تم عرضها بصورة سليمة وعادلة، وأنها تستعرض كافة الجوانب المالية للشركة من بيانات ونتائج تشغيلية، كما أنه يتم إعدادها وفق معايير المحاسبة الدولية المعتمدة من قبل الهيئة.

In compliance with the Capital Markets Authority's Executive Bylaws Module 15 (Corporate Governance) and in-line with Article 5-2 of the same, the Board of Directors undertakes that Noor Financial Investment Company's financial reports and statements for the year ended 31 December 2024 are presented soundly and fairly; they present all financial aspects of the Company, including data and operational results; and they are prepared in accordance with the International Accounting Standards approved by the Authority.

بدر حمد الربيعه
رئيس مجلس الإدارة

رياض سالم إدريس
نائب رئيس مجلس الإدارة

عبدالغني محمد صالح بهبهاني
عضو مجلس الإدارة

الشيخ/ خالد دعيج الصباح
عضو مجلس الإدارة

راشد احمد الهارون
عضو مجلس الإدارة

شركة نور للاستثمار المالي ش.م.ك.ع
Noor Financial Investment Company K.P.S.C
رأس المال المصرح به والمصدر والمدفوع: 51,645,345.100 د.ك رقم السجل التجاري: 71652
Authorized, Issued and Paid Up Share Capital: KD 51,645,345.100 Com.Reg.No: 71652
مبنى نور، تقاطع شارع الجهراء وطريق المطار، الشويخ، ص.ب. 3311 الصفاة 13034 الكويت، تلفون: 80 80 181 (+965) فاكس 24929561/2 (+965)
Noor Building, Intersection of Al Jahra Street & Airport Road, Shuwaikh, P.O. Box: 3311, Safat 13034 Kuwait, Telephone: (+965) 181 8080, Fax: (+965) 24929561/2
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Noor Financial Investment Company - KPSC
and Subsidiaries
Kuwait

Consolidated Financial Statements
and
Independent Auditors' Report
31 December 2024

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Independent Auditor's Report

To the Shareholders of
Noor Financial Investment Company – KPSC
Kuwait

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Noor Financial Investment Company – KPSC (the "Parent Company") and its Subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB") and as adopted for use in the *State of Kuwait.*

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including international independence standards) issued by the International Ethics Standards Board for Accountants ("IESBA Code") and the ethical requirements that are relevant to our audit of the consolidated financial statements in the State of Kuwait. We have fulfilled our ethical responsibilities in accordance with these requirements and the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Equity Method of Accounting

The Group has investments in associates which are accounted for using the equity method of accounting and are significant to the Group's consolidated financial statements. Under the equity method, the Group's investment is initially stated at cost, and adjusted thereafter for the post-acquisition changes in the Group's share of the net assets of these investments, less any impairment. The complexity of the Group's control environment and our ability as Group's auditor to obtain an appropriate level of understanding of these entities including any related party transactions were significant to our audit. Due to these factors and the significance of the investments in associates to the Group's consolidated financial statements we consider this as a key audit matter.

Our audit procedures included, among others, determining the nature and extent of audit procedures to be carried out for these investments. During our audit we communicated with the components' auditors. We also provided instructions to the components' auditors covering the significant areas and risks to be addressed including the identification of related parties and transactions. Furthermore, we evaluated the Group's methodology and testing of the key assumptions used by the Group in determining the recoverable amount based on the higher of fair value less costs of disposal and value-in-use. We also assessed the adequacy of the Group's disclosures in Note 17 to the consolidated financial statements.

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Al-Qatami, Al-Aiban & Partners

Independent Auditor's Report to the Shareholders of Noor Financial Investment Company – KPSC (continued)

Key Audit Matters (continued)

Valuation of investment properties

The Group's investment properties comprise of land and buildings. The total carrying value of the investment properties are significant to the Group's consolidated financial statements and are carried at fair value. Management determines the fair value of its investment properties on a periodic basis using external appraisers to support the valuation.

Investment properties are valued using mark to market approach which is based on the latest sale prices of properties within similar areas for certain investment properties, and income capitalization approach which is based on estimates and assumptions such as rental values, occupancy rates, discount rates, financial stability of tenants, market knowledge and historical transactions for certain other properties. Further, the disclosures relating to the assumptions are relevant, given the estimation uncertainty and sensitivity of the valuations. Given the size and complexity of the valuation of investment properties and the importance of the disclosures relating to the assumptions used in the valuation, we identified this as a key audit matter. The Group's disclosures about its investment properties are included in Notes 18 and 31.4 to the consolidated financial statements.

As part of our audit procedures amongst others, we have evaluated the above assumptions and estimates made by management and the external appraisers in the valuation and assessed the appropriateness of the data supporting the fair value. We also assessed management's consideration of the competence and independence of the external appraisers. Furthermore, we assessed the appropriateness of the disclosures relating to the sensitivity of the assumptions.

Other information included in the Group's 2024 annual report

Management is responsible for the other information. The other information comprises Board of Directors' report (but does not include the consolidated financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report, and the complete Group's Annual Report which is expected to be made available to us after that date.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the audit or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Group's complete Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards as issued by the IASB *and as adopted for use in the State of Kuwait*, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

GrantThornton
Al-Qatami, Al-Aiban & Partners

Independent Auditor's Report to the Shareholders of Noor Financial Investment Company – KPSC (continued)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

• Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

• Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

• Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

• Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

• Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

• Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

GrantThornton
Al-Qatami, Al-Aiban & Partners

Independent Auditor's Report to the Shareholders of Noor Financial Investment Company – KPSC (continued)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Furthermore, in our opinion, proper books of account have been kept by the Parent Company and the consolidated financial statements, together with the contents of the report of the Parent Company's board of directors relating to these consolidated financial statements, are in accordance therewith. We further report that we obtained all the information and explanations that we required for the purpose of our audit and that the consolidated financial statements incorporate all information that is required by the Companies Law No. 1 of 2016 and its Executive Regulations, as amended, and by the Parent Company's Memorandum of Incorporation and Articles of Association, as amended, that an inventory was duly carried out and that, to the best of our knowledge and belief, no violations of the Companies Law No.1 of 2016 and its Executive Regulations nor of the Parent Company's Memorandum of Incorporation and Articles of Association, as amended, have occurred during the year ended 31 December 2024 that might have had a material effect on the business or financial position of the Parent Company.

We further report that, during the course of our audit and to the best of our knowledge and belief, we have not become aware of any material violations of the provisions of Law 7 of 2010, as amended, relating to the Capital Markets Authority and its related regulations during the year ended 31 December 2024 that might have had a material effect on the business or financial position of the Parent Company.

We further report that, during the course of our audit, we have not become aware, of any material violations of the provisions of Law No. 32 of 1968, as amended, concerning currency, the Central Bank of Kuwait and the organisation of the banking business, and its related regulations during the year ended 31 December 2024 that might have had a material effect on the business or financial position of the Parent Company.

Hend Abdullah Al Surayea
(Licence No. 141-A)
of Grant Thornton – Al-Qatami, Al-Aiban & Partners

Kuwait
13 February 2025

Consolidated statement of profit or loss

	Notes	Year ended. 31 Dec. 2024 KD	Year ended. 31 Dec. 2023 KD
Income			
Revenue from contracts with customers	8	13,687,009	12,972,520
Share of results of associates	17	38,786,497	32,079,649
Net gain on financial assets at fair value	11	2,351,611	1,245,571
Rental income		830,686	747,729
Change in fair value of investment properties	18	277,440	100,930
Interest and other income	10	1,000,286	1,701,713
Reversal of impairment of wakala investments		-	8,584,340
Reversal of provision for legal case	36.2	2,376,572	-
Foreign exchange gain/(loss)		52,041	(523,793)
		59,362,142	56,908,659
Cost of contracts with customers	9	(10,148,241)	(9,311,776)
General, administrative, and other expenses	9	(4,999,601)	(6,607,971)
Finance costs	9	(805,679)	(1,150,102)
Provision (charge) / reversal for impairment of receivables - net		(20,946)	677,786
Provision for a legal case	36.2	-	(2,376,572)
Profit before income tax		43,387,675	38,140,024
Income tax for overseas subsidiaries		(159,599)	(117,214)
Profit for the year before provisions for contribution to Kuwait Foundation for the Advancement of Sciences (KFAS), National Labour Support Tax (NLST), Zakat and directors' remuneration		43,228,076	38,022,810
Provisions for KFAS, NLST and Zakat		(925,959)	(741,439)
Directors' remuneration	28	(130,000)	(177,500)
Profit for the year		42,172,117	37,103,871
Profit for the year attributable to:			
Owners of the Parent Company		42,014,503	37,010,923
Non-controlling interests		157,614	92,948
Profit for the year		42,172,117	37,103,871
Basic and diluted earnings per share (Fils)	12	82.51	72.68

The notes set out on pages 68 to 115 form an integral part of these consolidated financial statements.

Consolidated statement of profit or loss and other comprehensive income

	Year ended 31 Dec. 2024 KD	Year ended 31 Dec. 2023 KD
Profit for the year	42,172,117	37,103,871
Other comprehensive income/(loss):		
Items that will be reclassified subsequently to consolidated statement of profit or loss:		
Exchange differences arising on translation of foreign operations	1,155,031	(11,512,284)
Share of other comprehensive income of associates	3,354,005	4,098,238
Net changes in fair value of investments at FVTOCI	(32,381)	55,045
Items that will not be reclassified subsequently to consolidated statement of profit or loss:		
Net change in fair value of investments at FVTOCI	1,944,998	(347,853)
Share of other comprehensive income of associates	782,384	-
Total other comprehensive income/(loss) for the year	7,204,037	(7,706,854)
Total comprehensive income for the year	49,376,154	29,397,017
Total comprehensive income attributable to:		
Owners of the Parent Company	49,185,914	29,304,069
Non-controlling interests	190,240	92,948
Total comprehensive income for the year	49,376,154	29,397,017

The notes set out on pages 68 to 115 form an integral part of these consolidated financial statements.

Noor Financial Investment Company – KPSC and Subsidiaries
Consolidated Financial Statements
31 December 2024
Kuwait

Consolidated statement of financial position

	Notes	31 Dec. 2024 KD	31 Dec. 2023 KD
Assets			
Cash and cash equivalents	13	22,753,083	22,095,893
Investments at fair value through profit or loss	14	15,580,222	10,127,877
Accounts receivable and other assets	15	7,822,852	3,692,840
Inventories		777,810	623,728
Investments at fair value through other comprehensive income	16	10,687,810	17,375,815
Investment in associates	17	101,341,490	74,910,265
Investment properties	18	12,754,717	12,488,209
Property and equipment		1,102,733	1,175,643
Right of use of assets		784,461	911,040
Goodwill	19	2,029,278	2,029,278
Total assets		175,634,456	145,430,588
Liabilities and Equity			
Liabilities			
Due to banks	13	1,937,486	21,851
Accounts payable and other liabilities	20	11,224,070	13,347,301
Lease liabilities	21	844,951	998,028
Borrowings	22	-	14,750,000
Provision for employees' end of service benefits		1,219,722	1,597,386
Total liabilities		15,226,229	30,714,566
Equity			
Share capital	23	51,645,345	51,645,345
Share premium	23	3,410,573	3,410,573
Treasury shares	24	(1,197,666)	(1,197,666)
Statutory and voluntary reserves	26	37,197,726	28,583,634
Other components of equity	25	(48,885,875)	(56,342,069)
Retained earnings		115,854,021	86,358,133
Equity attributable to the owners of the Parent Company		158,024,124	112,457,950
Non-controlling interests		2,384,103	2,258,072
Total equity		160,408,227	114,716,022
Total liabilities and equity		175,634,456	145,430,588

Bader H. A. Al-Rabiah
Chairman

The notes set out on pages 68 to 115 form an integral part of these consolidated financial statements.

Noor Financial Investment Company – KPSC and Subsidiaries
Consolidated Financial Statements
31 December 2024
Kuwait

Consolidated statement of changes in equity

	Equity attributable to the owners of the Parent Company							Non-controlling interests	Total
	Share capital KD	Share premium KD	Treasury shares KD	Statutory and voluntary reserves KD	Other components of equity KD	Retained earnings KD	Sub-total KD	KD	KD
Balance as at 1 January 2024	51,645,345	3,410,573	(1,197,666)	28,583,634	(56,342,069)	86,358,133	112,457,950	2,258,072	114,716,022
Dividend (note 28)	-	-	-	-	-	(4,073,781)	(4,073,781)	-	(4,073,781)
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	(54,610)	(54,610)
Redemption of units by non-controlling interests	-	-	-	-	-	-	-	(26,627)	(26,627)
Consolidation and other adjustments	-	-	-	-	-	(17,028)	(17,028)	17,028	-
Total transactions with owners	-	-	-	-	-	(4,090,809)	(4,090,809)	(64,209)	(4,155,018)
Profit for the year	-	-	-	-	-	42,014,503	42,014,503	157,614	42,172,117
Total other comprehensive income for the year	-	-	-	-	7,171,411	-	7,171,411	32,626	7,204,037
Total comprehensive income for the year	-	-	-	-	7,171,411	42,014,503	49,185,914	190,240	49,376,154
Share of gain on sale of investments at FVTOCI by an associate	-	-	-	-	(176,942)	176,942	-	-	-
Gain on sale of investment at FVTOCI	-	-	-	-	(3,446)	3,446	-	-	-
Other adjustments arising from an associate	-	-	-	-	465,171	5,898	471,069	-	471,069
Transferred to reserves	-	-	-	8,614,092	-	(8,614,092)	-	-	-
Balance as at 31 December 2024	51,645,345	3,410,573	(1,197,666)	37,197,726	(48,885,875)	115,854,021	158,024,124	2,384,103	160,408,227

The notes set out on pages 68 to 115 form an integral part of these consolidated financial statements.

Noor Financial Investment Company – KPSC and Subsidiaries
Consolidated Financial Statements
31 December 2024
Kuwait

Consolidated statement of changes in equity (continued)

	Equity attributable to the owners of the Parent Company							Non-controlling interests	Total
	Share capital KD	Share premium KD	Treasury shares KD	Statutory and voluntary reserves KD	Other components of equity KD	Retained earnings KD	Sub-total KD	KD	KD
Balance as at 1 January 2023	51,645,345	3,410,573	(1,197,666)	20,997,662	(49,024,292)	59,868,372	85,699,994	2,234,140	87,934,134
Dividend (note 28)	-	-	-	-	-	(2,546,113)	(2,546,113)	-	(2,546,113)
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	(50,398)	(50,398)
Redemption of units by non-controlling interests	-	-	-	-	-	-	-	(18,618)	(18,618)
Total transactions with owners	-	-	-	-	-	(2,546,113)	(2,546,113)	(69,016)	(2,615,129)
Profit for the year	-	-	-	-	-	37,010,923	37,010,923	92,948	37,103,871
Total other comprehensive loss for the year	-	-	-	-	(7,706,854)	-	(7,706,854)	-	(7,706,854)
Total comprehensive (loss)/income for the year	-	-	-	-	(7,706,854)	37,010,923	29,304,069	92,948	29,397,017
Share of loss on sale of investments at FVTOCI by an associate	-	-	-	-	389,077	(389,077)	-	-	-
Transferred to reserves	-	-	-	7,585,972	-	(7,585,972)	-	-	-
Balance as at 31 December 2023	51,645,345	3,410,573	(1,197,666)	28,583,634	(56,342,069)	86,358,133	112,457,950	2,258,072	114,716,022

The notes set out on pages 68 to 115 form an integral part of these consolidated financial statements.

نـــــور للإستثمار
Noor Investment

Noor Financial Investment Company – KPSC and Subsidiaries
Consolidated Financial Statements
31 December 2024
Kuwait

Consolidated statement of cash flows

	Notes	Year ended 31 Dec. 2024 KD	Year ended 31 Dec. 2023 KD
OPERATING ACTIVITIES			
Profit for the year before provisions for KFAS, NLST, Zakat and directors' remuneration		**43,228,076**	38,022,810
Adjustments:			
Dividend income		**(566,444)**	(751,532)
Share of results of associates	17	**(38,786,497)**	(32,079,649)
Interest income		**(1,952,275)**	(1,090,283)
Change in fair value of investment properties	18	**(277,440)**	(100,930)
Provision (reversal) / charge for legal case	36.2	**(2,376,572)**	2,376,572
Reversal of impairment of wakala investments	36.1	**-**	(8,584,340)
Depreciation and amortisation		**320,815**	479,216
Provision charge for employees' end of service benefits		**164,705**	297,163
Finance costs	9	**805,679**	1,150,102
Provision charge/(reversal) for impairment of receivables - net		**20,946**	(677,786)
		580,993	(958,657)
Changes in operating assets and liabilities:			
Investments at fair value through profit or loss		**(5,452,345)**	(2,309,208)
Accounts receivable and other assets		**(737,913)**	4,636,257
Accounts payable and other liabilities		**(835,518)**	1,054,626
Inventories		**(154,082)**	(28,184)
Employees' end of service benefits paid		**(542,369)**	(71,169)
Net cash (used in)/from operating activities		**(7,141,234)**	2,323,665
INVESTING ACTIVITIES			
Change in pledged cash and cash equivalents		**109,014**	9,847
Additions to property and equipment		**(175,319)**	(56,659)
Advance payment for purchase of investment		**(2,979,375)**	-
Purchase of investments at FVTOCI		**(5,356,277)**	(11,039,976)
Proceeds from sale of investments at FVTOCI		**14,064,113**	1,942,056
Dividend received from associates	17	**18,115,376**	13,148,216
Dividend income received		**566,444**	751,532
Proceeds from reduction of investment in associate	17	**-**	4,290,885
Interest income received		**1,518,315**	910,397
Net cash from investing activities		**25,862,291**	9,956,298
FINANCING ACTIVITIES			
Borrowings paid		**(14,750,000)**	(250,000)
Paid to non-controlling interests on capital reduction		**(46,456)**	(56,208)
Redemption of units by non-controlling interests		**(26,627)**	(18,618)
Dividend paid to non-controlling interests		**(54,986)**	(50,774)
Lease liabilities paid	21	**(229,274)**	(404,087)
Dividend paid		**(4,027,587)**	(2,592,365)
Finance costs paid		**(735,558)**	(1,014,289)
Net cash used in financing activities		**(19,870,488)**	(4,386,341)
Net (decrease)/increase in cash and cash equivalents		**(1,149,431)**	7,893,622
Cash and cash equivalents at beginning of the year	13	**21,360,028**	13,466,406
Cash and cash equivalents at end of the year	13	**20,210,597**	21,360,028
Material non-cash transactions:			
Investment in associates	17	**-**	8,584,340
Wakala investments	36.1	**-**	(8,584,340)

The notes set out on pages 68 to 115 form an integral part of these consolidated financial statements.

Notes to the consolidated financial statements

1 Incorporation and activities

Noor Financial Investment Company - KPSC ("the Parent Company") was incorporated in Kuwait on 5 June 1996 and registered in the commercial register on 1 February 1997. The Parent Company is listed on Boursa Kuwait and is regulated by the Central Bank of Kuwait and the Capital Markets Authority. The Parent Company is a subsidiary of National Industries Group Holding - KPSC ("the Ultimate Parent Company").

The Group comprises the Parent Company and its subsidiaries (together referred to as "the Group"). The details of the subsidiaries are described in note 7.

The Parent Company's principal activities are as follows:

- Invest in various economic sectors through the establishment of specialized companies or purchase of shares or stakes in those companies;
- Act as an investment portfolio manager;
- Conduct financing and brokerage activities in international trade operations;
- Act as a collective investment system manager;
- Act as a subscription agent;
- Carry out all the services and activities that help developing the financial and monetary market in the State of Kuwait;
- Trade, by selling and buying, in shares, bonds, Sukuks and other securities listed in Boursa Kuwait and foreign securities for the Parent Company's account only;
- Invest in real estate, industrial and agricultural sectors of the economy in all types of instruments;
- Provide funding operations to third parties to buy or lease fixed assets and movables through contracts;
- Act as an investment advisor;
- Act as a custodian;
- Represent foreign companies whose objectives are identical with the objectives of the Company in order to market their products and services in accordance with the relevant Kuwaiti legislations.
- Act as a non-registered stockbroker in a stock exchange.

The Parent Company has the right to perform the above-mentioned activities inside and outside the State of Kuwait directly or through an agent. The Parent Company may have an interest or participate in any aspect with the entities performing similar works or which might assist it in the achievement of its objectives in Kuwait or abroad. The Parent Company may also purchase these entities or affiliate with them. Further, the Parent Company may practice works similar or complementary or necessary or related to its above-mentioned objectives and may utilize its surplus funds by investing in portfolios and funds managed by specialized companies and bodies.

The address of the Parent Company's registered office is NIG Building, Ground Floor, Shuwaikh, Kuwait (PO Box 3311, Safat 13034, State of Kuwait).

The Board of Directors of the Parent Company approved these consolidated financial statements for issuance on 13 February 2025. The general assembly of the Parent Company's shareholders has the power to amend these consolidated financial statements after issuance.

Notes to the consolidated financial statements (continued)

2 Basis of preparation

The consolidated financial statements have been prepared under the historical cost convention modified to include the measurement at fair value of investments at fair value through profit or loss, investments at fair value through other comprehensive income and investment properties.

The consolidated financial statements are presented in Kuwaiti Dinars (KD), which is the functional and presentation currency of the Parent Company.

The Group has elected to present the "consolidated statement of profit or loss and other comprehensive income" in two statements: the "consolidated statement of profit or loss" and the "consolidated statement of profit or loss and other comprehensive income"

3 Statement of compliance

These consolidated financial statements have been prepared in accordance with the IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB"), as modified for use by the State of Kuwait for financial services institutions regulated by the Central Bank of Kuwait ("CBK"). The modification requires adoption of all IFRS Accounting Standards for such institutions, except for the IFRS 9 requirements for measurement of expected credit losses ("ECL") for credit facilities, which has been replaced by the CBK requirement for the ECL to be measured at the higher of the ECL on credit facilities computed under IFRS 9 under CBK guidelines and the provision required under CBK instructions, and the consequent impact on the related disclosures.

4 Changes in accounting policies

4.1 New and amended IFRS Accounting Standards adopted by the Group

The following amendments to existing IFRS Accounting Standards were effective for the current period.

Standard or Interpretation	*Effective for annual periods beginning*
IAS 1 Amendments - Classification of liabilities with debt covenants	1 January 2024
IAS 1 Amendments - Classification of liabilities as current or non-current	1 January 2024
IAS 7 and IFRS 7 Supplier finance arrangement disclosures	1 January 2024
IFRS 16 Amendments- Lease liability in a sale and leaseback	1 January 2024

IAS 1 Amendments - Classification of liabilities with debt covenants

The amendments to IAS 1 clarify that classification of liabilities as either current or non-current depends only on the covenants that an entity is required to comply with on or before the reporting date. In addition, an entity has to disclose information in the notes that enables users of financial statements to understand the risk that non-current liabilities with covenants could become repayable within twelve months.

The adoption of the amendments did not have a significant impact on the Group's consolidated financial statements.

IAS 1 Amendments - Classification of liabilities as current or non-current

The amendments to IAS 1 clarify the classification of a liability as either current or non-current is based on the entity's rights at the end of the reporting period. Stating management expectations around whether they will defer settlement or not does not impact the classification of the liability. It has added guidance about lending conditions and how these can impact classification and has included requirements for liabilities that can be settled using an entity's own instruments.

The adoption of the amendments did not have a significant impact on the Group's consolidated financial statements.

4 Changes in accounting policies (continued)

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

IAS 7 and IFRS 7 Amendments – Supplier finance arrangements disclosures
The amendments to IAS 7 and IFRS 7 added disclosure objectives to IAS 7 to enable the users of the financial statements to assess how the supplier finance arrangements effect an entity's liabilities and cash flows, and to understand the effect of these arrangements on an entity's exposure to liquidity risk and how the entity might be affected if the arrangements were no longer available to it. While the amendments do not explicitly define supplier finance arrangements it instead describes characteristics of such arrangements.

To meet the disclosure objectives, an entity is required to disclose in aggregate for its supplier finance arrangements:

- The terms and conditions of the arrangements
- The carrying amount, and associated line items presented in the entity's statement of financial position, of the liabilities that are part of the arrangements
- The carrying amount, and associated line items for which the suppliers have already received payment from the finance providers
- Ranges of payment due dates for both those financial liabilities that are part of a supplier finance arrangement and comparable trade payables that are not part of a supplier finance arrangement
- Liquidity risk information

The adoption of the amendments did not have a significant impact on the Group's consolidated financial statements.

IFRS 16 Amendments – Lease liability in a sale and leaseback
The amendments to IFRS 16 requires a seller-lessee to measure the right-of-use asset arising from a sale and leaseback transaction at the proportion of the previous carrying amount of the asset that relates to the right of use the seller-lessee retains. Accordingly, in a sale and leaseback transaction the seller-lessee recognises only the amount of any gain or loss that relates to the rights transferred to the buyer-lessor. The initial measurement of the lease liability that arise from a sale and leaseback transaction is a consequence of how the seller-lessee measures the right-of-use asset and the gain or loss recognised at the date of the transaction. The new requirements do not prevent a seller-lessee from recognising in any gain or loss relating to the partial or full termination of a lease.

The adoption of the amendments did not have a significant impact on the Group's consolidated financial statements.

4.2 IASB Standards issued but not yet effective
At the date of authorisation of these consolidated financial statements, certain new standards, amendments and interpretations to existing standards have been published by the IASB but are not yet effective, and have not been adopted early by the Group.

Management anticipates that all of the relevant pronouncements will be adopted in the Group's accounting policies for the first period beginning after the effective date of the pronouncements. Information on new standards, amendments and interpretations that are expected to be relevant to the Group's consolidated financial statements is provided below. Certain other new standards and interpretations have been issued but are not expected to have a material impact on the Group's consolidated financial statements.

4 Changes in accounting policies (continued)

4.2 IASB Standards issued but not yet effective (continued)

Standard or Interpretation	*Effective for annual periods beginning*
IAS 21 Amendments – Lack of exchangeability	1 January 2025
IFRS 7 and IFRS 9 Classification and Measurement of Financial Instruments - Amendments	1 January 2026
IFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027

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

- Specify when a currency is exchangeable into another currency and when it is not — a currency is exchangeable when an entity is able to exchange that currency for the other currency through markets or exchange mechanisms that create enforceable rights and obligations without undue delay at the measurement date and for a specified purpose; a currency is not exchangeable into the other currency if an entity can only obtain an insignificant amount of the other currency.
- Specify how an entity determines the exchange rate to apply when a currency is not exchangeable — when a currency is not exchangeable at the measurement date, an entity estimates the spot exchange rate as the rate that would have applied to an orderly transaction between market participants at the measurement date and that would faithfully reflect the economic conditions prevailing.
- Require the disclosure of additional information when a currency is not exchangeable — when a currency is not exchangeable an entity discloses information that would enable users of its financial statements to evaluate how a currency's lack of exchangeability affects, or is expected to affect, its financial performance, financial position and cash flows.

Management does not anticipate that the adoption of the amendments in the future will have a significant impact on the Group's consolidated financial statements.

IFRS 7 and IFRS 9 Classification and Measurement of Financial Instruments - Amendments
The amendments to IFRS 7 and IFRS 9 addresses three changes:

- derecognition of a financial liability settled through electronic transfer whereby entities are permitted to deem a financial liability (or part of it) that will be settled in cash using an electronic payment system to be discharged before the settlement date if specified criteria are met. An entity that elects to apply this derecognition option would be required to apply it to all settlements made through the same electronic payment system.
- Classification of financial assets based on a) contractual terms that are consistent with basic lending arrangements, b) assets with non-recourse description has been enhanced to include a financial asset has non-recourse features if an entity's ultimate right to receive cash flows is contractually limited to the cash flows generated by specified assets, and c) contractually linked instruments have been clarified, and
- Disclosures relating to a) financial assets at FVTOCI where entities are required to disclose fair value gain or loss separately for financial assets derecognised in the period and the fair value gain or loss that relates to investments held at the end of the period, and b) contractual terms that could change the timing or amount of contractual cash flows on the occurrence (or non-occurrence) of a contingent event that does not relate directly to changes in a basic lending risks and costs.

Management does not anticipate that the adoption of the amendments in the future will have a significant impact on the Group's consolidated financial statements.

4 Changes in accounting policies (continued)

4.2 IASB Standards issued but not yet effective (continued)

IFRS 18 Presentation and Disclosure in Financial Statements
The new standard will replace the IAS 1 Presentation of Financial Statements though it contains a number of the current requirements in the IAS 1. IFRS 18 sets out to ensure the financial statements provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses. The major new requirements in IFRS 18 include

- Presentation of specific categories and sub totals in the statement of profit or loss
- Disclosures of management-defined performance measures (MPM)
- Improvement of aggregation and disaggregation

Management anticipates that the adoption of the new standard in the future may have an impact on the Group's consolidated financial statements.

IFRS 19 Subsidiaries without Public Accountability: Disclosures
IFRS 19 allows reduced disclosure requirements for an entity instead of the disclosure requirements in other IFRS Accounting Standards if the entity 1) is a subsidiary, 2) it does not have public accountability, 3) it has an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with IFRS Accounting Standards. An entity electing to apply IFRS 19 is required to apply other IFRS Accounting Standards, except for the disclosure requirements.

Management does not anticipate adoption of the new standard for its consolidated financial statements of the Group.

5 Material accounting policies

The material accounting policies adopted in the preparation of the consolidated financial statements are summarised below:

5.1 Basis of consolidation

The Group controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. The financial statements of the subsidiaries are prepared for reporting dates which are typically not more than three months from that of the Parent Company, using consistent accounting policies. Adjustments are made for the effect of any significant transactions or events that occur between that date and the reporting date of the Parent Company's financial statements.

All transactions and balances between Group's companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group's companies. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a Group perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable.

5 Material accounting policies (continued)

5.1 Basis of consolidation (continued)

Non-controlling interests, presented as part of equity, represent the portion of a subsidiary's profit or loss and net assets that is not held by the Group. The Group attributes total comprehensive income or loss of subsidiaries between the owners of the Parent Company and the non-controlling interests based on their respective ownership interests.

When a controlling interest in the subsidiaries is disposed of, the difference between the selling price and the net asset value plus cumulative translation difference and goodwill is recognised in the consolidated statement of profit or loss. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9 when applicable, or the cost on initial recognition of an investment in an associate or a joint venture.

However, changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Parent Company.

5.2 Business combinations

The Group applies the acquisition method in accounting for business combinations. The consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the acquisition-date fair values of assets transferred, liabilities incurred, and the equity interests issued by the Group, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition costs are expensed as incurred. For each business combination, the acquirer measures the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through consolidated statement of profit or loss.

The Group recognises identifiable assets acquired and liabilities assumed in a business combination regardless of whether they have been previously recognised in the acquiree's financial statements prior to the acquisition. Assets acquired and liabilities assumed are generally measured at their acquisition-date fair values.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Goodwill is stated after separate recognition of identifiable intangible assets. It is calculated as the excess of the sum of a) fair value of consideration transferred, b) the recognised amount of any non-controlling interest in the acquiree and c) acquisition-date fair value of any existing equity interest in the acquiree, over the acquisition-date fair values of identifiable net assets. If the fair values of identifiable net assets exceed the sum calculated above, the excess amount (i.e. gain on a bargain purchase) is recognised in the consolidated statement of profit or loss immediately.

5 Material accounting policies (continued)

5.3 Climate-related matters

The Group considers climate-related matters in estimates and assumptions, where appropriate. Risks induced by climate changes include transition risks (e.g. regulatory changes and reputational risks) and physical risks due to weather related events (e.g. storms, wildfires, rising sea levels). The Group has not identified significant risks induced by climate changes that could negatively and materially affect the Group's consolidated financial statements. Management continuously assesses the impact of climate-related matters.

5.4 Revenue

Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of a product or service to a customer.

The Group follows a 5-step process:

1 Identifying the contract with a customer
2 Identifying the performance obligations
3 Determining the transaction price
4 Allocating the transaction price to the performance obligations
5 Recognising revenue when/as performance obligation(s) are satisfied.

The total transaction price for a contract is allocated amongst the various performance obligations based on their relative stand-alone selling prices. The transaction price for a contract excludes any amounts collected on behalf of third parties.

Revenue is recognised either at a point in time or over time, when (or as) the Group satisfies performance obligations by transferring the promised goods or services to its customers.

5.4.1 Rendering of services

The Group earns fees and commission income from a diverse range of asset management, custody and brokerage services provided to its customers. Fee income can be divided into the following two categories:

- *Fee income earned from services that are provided over a certain period of time*

Fees earned for the provision of services over a period of time are accrued over that period. These fees include commission income and asset management, custody and other management fees.

- *Fee income from providing transaction services*

Fees income arising for rendering specific advisory services, brokerage services, equity and debt placement transactions for a third party or arising from negotiating or participating in the negotiation of a transaction for a third party are recognised on completion of the underlying transaction.

5.4.2 Revenue from hotel operations

Revenue from hotel operations includes hotel services revenue, food and beverage and room revenue.

Room revenue is recognised on the rooms occupied on a daily basis and food and beverage and other related sales are accounted for at the time of sale and other related services are recognised on the performance of the service.

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Notes to the consolidated financial statements (continued)

5 Material accounting policies (continued)

5.4 Revenue (continued)

5.4.3 Revenue from IT services

Revenue from IT services represent IT related services and sale of IT related products. Revenue from these services is recognised as service is rendered. Customers are invoiced periodically in accordance with individual contracts as service provided. Any amounts remaining unbilled at the end of a reporting period are presented in the statement of financial position as accounts receivable as only the passage of time is required before payment of these amounts will be due.

5.4.4 Rental income

The Group earns rental income from operating leases of its investment properties.

5.4.5 Interest income

Interest income is recognised on a time proportion basis using effective interest method.

5.4.6 Dividend income

Dividend income, other than those from investments in associates, is recognised at the time the right to receive payment is established.

5.5 Operating expenses

Operating expenses are recognised in consolidated statement of profit or loss upon utilisation of the service or at the date of their origin.

5.6 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is necessary to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed in the period in which they are incurred and reported in finance costs.

5.7 Goodwill

Goodwill represents the future economic benefits arising from a business combination that are not individually identified and separately recognised. See note 5.2 for information on how goodwill is initially determined. Goodwill is carried at cost less accumulated impairment losses. Refer to note 5.13 for a description of impairment testing procedures.

5.8 Investment in associates

Associates are those entities over which the Group is able to exert significant influence but which are neither subsidiaries nor joint ventures. Investments in associates are initially recognised at cost and subsequently accounted for using the equity method. Any goodwill or fair value adjustment attributable to the Group's share in the associate is not recognised separately and is included in the amount recognised as investment in associates.

Under the equity method, the carrying amount of the investment in associates is increased or decreased to recognise the Group's share of the profit or loss and other comprehensive income of the associate, adjusted where necessary to ensure consistency with the accounting policies of the Group.

Unrealised gains and losses on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in those entities. Where unrealised losses are eliminated, the underlying asset is also tested for impairment.

Notes to the consolidated financial statements (continued)

5 Material accounting policies (continued)

5.8 Investment in associates (continued)

The share of results of an associate is shown on the face of the consolidated statement of profit or loss. This is the profit attributable to equity holders of the associate and therefore is profit after tax and non-controlling interests in the subsidiaries of the associate.

The financial statements of the associates are prepared either to the reporting date of the Parent Company or to a date not earlier than three months of the Parent Company's reporting date, using consistent accounting policies. Adjustments are made for the effects of significant transactions or events that occur between that date and the date of the Group's consolidated financial statements.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in its associate. The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount under separate heading in the consolidated statement of profit or loss.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any differences between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal are recognised in the consolidated statement of profit or loss.

However, when the Group reduces its ownership interest in an associate or a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

5.9 Segment reporting

The Group has four operating segments: Investments, Real Estate, IT services and Hotel Operations. In identifying these operating segments, management generally follows the Group's service lines representing its main products and services. Each of these operating segments is managed separately as each requires different approaches and other resources.

For management purposes, the Group uses the same measurement policies as those used in its consolidated financial statements. In addition, assets or liabilities which are not directly attributable to the business activities of any operating segment are not allocated to a segment.

5.10 Leases assets

The Group as a lessee

For any new contracts entered into, the Group considers whether a contract is, or contains a lease. A lease is defined as a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

To apply this definition the Group assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group.
- the Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract.

Notes to the consolidated financial statements (continued)

5 Material accounting policies (continued)

5.10 Leases assets (continued)

The Group as a lessee (continued)

- the Group has the right to direct the use of the identified asset throughout the period of use. The Group assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

The Group has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

Measurement and recognition of leases as a lessee
At lease commencement date, the Group recognises a right-of-use asset and a lease liability on the consolidated statement of financial position as follows:

Right-of-use asset

The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

Subsequent to initial measurement, the Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist.

Lease liability

At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability is reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Group as a lessor

The Group enters into lease agreements as a lessor with respect to some of its investment properties. The Group classifies its leases as either operating or finance leases. When the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for the head-lease and sub-lease as two separate contacts. The sub-lease is classified as finance lease or operating lease by reference to the right-of-use of asset arising from the head-lease.

5 Material accounting policies (continued)

5.10 Leases assets (continued)

The Group as a lessor (continued)
Rental income from operating leases is recognised on a straight-line basis over lease term. Initial direct cost incurred in arranging and negotiating a lease are added to the carrying amount of the lease assets and recognised on a straight-line basis over the lease term.

Amounts due under finance leases are recognised as receivables. Finance lease income is allocated to the accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding for the finance lease.

5.11 Property and equipment

Property and equipment are stated at cost less accumulated depreciation and any impairment in value. The Group depreciates its equipment using the straight-line method at rates sufficient to write off the assets over their estimated useful economic lives. The residual value, useful lives and methods of depreciation are reviewed, and adjusted if appropriate at each financial year end.

5.12 Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation, and are accounted for using the fair value model.

Investment properties are initially measured at cost, including transaction costs. Subsequently, investment properties are re-measured at fair value on an individual basis based on valuations by independent real estate valuators and are included in the consolidated statement of financial position. Changes in fair value are taken to the consolidated statement of profit or loss.

Investment properties are de-recognised when either they have been disposed or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in the consolidated statement of profit or loss in the year of retirement or disposal.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property and equipment up to the date of change in use.

5.13 Impairment testing of goodwill and non-financial assets

For impairment assessment purposes, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. Goodwill is allocated to those cash-generating units that are expected to benefit from synergies of the related business combination and represent the lowest level within the Group at which management monitors goodwill.

Cash-generating units to which goodwill has been allocated (determined by the Group's management as equivalent to its operating segments) are tested for impairment at least annually.

All other individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

5 Material accounting policies (continued)

5.13 Impairment testing of goodwill and non-financial assets (continued)

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount, which is the higher of fair value less costs to sell and value-in-use. To determine the value-in-use, management estimates expected future cash flows from the asset or each cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the Group's latest approved budget, adjusted as necessary to exclude the effect of future reorganisations and assets enhancements. Discount factors are determined individually for each asset or cash-generating unit and reflect management's assessment of respective risk profiles, such as market and asset-specific risk factors.

Impairment losses for cash-generating units reduce first the carrying amount of any goodwill allocated to that cash-generating unit. Any remaining impairment loss is charged pro rata to the other assets in the cash-generating unit. With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. An impairment charge is reversed if the cash-generating unit's recoverable amount exceeds its carrying amount.

5.14 Financial instruments

5.14.1 Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

All 'regular way' purchases and sales of financial assets are recognised on the trade date i.e. the date that the entity commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place.

A financial asset (or, where applicable a part of financial asset or part of group of similar financial assets) is derecognised when:

- rights to receive cash flows from the assets have expired;
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass through' arrangement; and either

  (a) the Group has transferred substantially all the risks and rewards of the asset; or
  (b) the Group has neither transferred nor retained substantially all risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement.

Notes to the consolidated financial statements (continued)

5 Material accounting policies (continued)

5.14 Financial instruments (continued)

5.14.1 Recognition, initial measurement and derecognition (continued)

In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the consolidated statement of profit or loss.

5.14.2 Classification of financial assets

For the purpose of subsequent measurement, financial assets are classified into the following categories upon initial recognition:

- financial assets at amortised cost
- financial assets at fair value through other comprehensive income (FVTOCI)
- financial assets at fair value through profit or loss (FVTPL)

The classification is determined by both:

- the entity's business model for managing the financial asset
- the contractual cash flow characteristics of the financial asset.

The Group may make the following irrevocable election/designation at initial recognition of a financial asset:

- the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met (note 5.14.3); and
- the Group may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch. No such designation has been made.

5.14.3 Subsequent measurement of financial assets

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

• they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows

• the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest rate method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial.

The Group's financial assets at amortised cost comprise of the following:

- *Cash and cash equivalents*

Cash and cash equivalents comprise cash on hand, balances with banks and other financial institutions and short-term deposits which are subject to an insignificant risk of changes in value.

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Notes to the consolidated financial statements (continued)

5 Material accounting policies (continued)

5.14 Financial instruments (continued)

5.14.3 Subsequent measurement of financial assets (continued)

Financial assets at amortised cost (continued)

- *Accounts receivable and other assets*

Accounts receivable and other assets are stated at original amount less allowance for any uncollectible amounts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off as incurred.

- *Due from related parties*

Due from related parties are financial assets originated by transactions by the Group with related parties and cash advances to the related parties.

Financial assets at FVTOCI

The Group accounts for financial assets at FVTOCI if the assets meet the following conditions:

• they are held under a business model whose objective it is "hold to collect" the associated cash flows and sell; and

• the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Any gains or losses recognised in other comprehensive income will be recycled to the consolidated statement of profit or loss upon derecognition of the asset (except for equity investments at FVTOCI as detailed below).

Equity investments at FVTOCI

The Group's equity investments at FVOTCI comprises of investments in equity shares and funds. Investment is equity shares include both quoted and unquoted.

On initial recognition, the Group may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognised by an acquirer in a business combination.

A financial asset is held for trading if:

• it has been acquired principally for the purpose of selling it in the near term; or

• on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has evidence of a recent actual pattern of short-term profit-taking; or

• it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs.

Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the fair value reserve. The cumulative gain or loss is transferred to retained earnings within the consolidated statement of changes in equity on disposal of investments at FVTOCI investments.

Dividends on these investments in equity instruments are recognised in the consolidated statement of profit or loss.

5 Material accounting policies (continued)

5.14 Financial instruments (continued)

5.14.3 Subsequent measurement of financial assets (continued)

Financial assets at FVTOCI (continued)

Debt instruments at FVTOCI:
The Group measures debt instruments at FVTOCI when both of the following conditions are met:

- The instrument is held within a business model, the objective of which is achieved by both collecting contractual cash flows and selling financial assets
- The contractual terms of the financial asset meet the SPPI test

Debt instruments at FVTOCI are subsequently measured at fair value and gains and losses arising due to changes in fair value are recognised in other comprehensive income. Interest income and foreign exchange gains or losses are recognised in the consolidated statement of profit or loss and other comprehensive income. On derecognition, cumulative gains or losses previously recognised in other comprehensive income is reclassified from equity to the consolidated statement of profit or loss and other comprehensive income. The management of the Group classifies the debt instruments under debt securities at FVTOCI.

Financial assets at FVTPL
Financial assets that do not meet the criteria for measurement at amortised cost or FVTOCI are categorised at fair value through profit and loss. Further, irrespective of business model financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply (see below). The category also contains investments in equity shares.

Assets in this category are measured at fair value with gains or losses recognised in consolidated statement of profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

The Group's financial assets at FVTPL comprise of the investments in equity shares and funds.

5.14.4 Impairment of financial assets
All financial assets except for those at FVTPL and Equity investments at FVTOCI are subject to review for impairment at least at each reporting date to identify whether there is any objective evidence that a financial asset or a Group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described below.

The Group recognises a loss allowance for expected credit losses ("ECL") on financial assets at amortised cost or at FVTOCI.

For financial assets (except instalment credit debtors), the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial asset.

5 Material accounting policies (continued)

5.14 Financial instruments (continued)

5.14.4 Impairment of financial assets (continued)
Instalment credit debtors are subject to the minimum provisioning requirements of the Central Bank of Kuwait. Management believes that the impairment allowance for the instalment credit debtors under the CBK requirements exceed the requirements of IFRS 9.

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

The Group always recognises lifetime ECL for accounts receivable and other assets. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

The Group recognises an impairment gain or loss in the consolidated statement of profit or loss for all financial assets with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognised in other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the consolidated statement of financial position.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which simplified approach was used.

5.14.5 Classification and subsequent measurement of financial liabilities
The Group's financial liabilities include borrowings, due to banks, lease liabilities and accounts payable and other liabilities.

5 Material accounting policies (continued)

5.14 Financial instruments (continued)

5.14.5 Classification and subsequent measurement of financial liabilities (continued)
The subsequent measurement of financial liabilities depends on their classification as follows:

- *Financial liabilities at amortised cost*

These are stated at amortised cost using effective interest rate method. The Group categorises financial liabilities at amortised cost into the following categories:

- *Borrowings and due to banks*

All borrowings and due to banks are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in the consolidated statement of profit or loss when the liabilities are derecognised as well as through the effective interest rate method (EIR) amortisation process.

- *Accounts payables and other financial liabilities*

Liabilities are recognised for amounts to be paid in the future for goods or services received, whether billed by the supplier or not, and classified as trade payables. Financial liabilities other than at FVTPL which are not categorised under any of the above are classified as "other liabilities"

All interest-related charges are included within finance costs.

5.14.6 Amortised cost of financial instruments
This is computed using the effective interest method less any allowance for impairment. The calculation takes into account any premium or discount on acquisition and includes transaction costs and fees that are an integral part of the effective interest rate.

5.14.7 Offsetting of financial instruments
Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

5.14.8 Fair value of financial instruments
The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs.

For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include using recent arm's length market transactions; reference to the current fair value of another instrument that is substantially the same; a discounted cash flow analysis or other valuation models.

5.15 Equity, reserves and dividend payments
Share capital represents the nominal value of shares that have been issued and paid up.

Share premium includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

5 Material accounting policies (continued)

5.15 Equity, reserves and dividend payments (continued)
Statutory and voluntary reserves comprise appropriations of current and prior period profits in accordance with the requirements of the Companies' Law and the Parent Company's Memorandum of Incorporation and Articles of Association.

Foreign currency translation reserve – comprises of foreign currency translation differences arising from the translation of financial statements of the Group's foreign subsidiaries and associates into Kuwaiti Dinar.

Cumulative changes in fair value reserve – comprises of gains and losses relating to investment at fair value through other comprehensive income and Group's share of cumulative change in fair value reserve of associates.

Retained earnings include all current and prior periods profit and loss. All transactions with owners of the Parent Company are recorded separately within consolidated statement of changes in equity.

Dividend distributions payable to equity shareholders are included in other liabilities when the dividends have been approved by a General Assembly of the shareholders.

5.16 Treasury shares
Treasury shares consist of the Parent Company's own issued shares that have been re-acquired by the Group and not yet reissued or cancelled. The treasury shares are accounted for using the cost method. Under this method, the weighted average cost of the shares re-acquired is charged to a contra account in equity.

When the treasury shares are reissued, gains are credited to a separate account in equity, (the "gain on sale of treasury shares reserve"), which is not distributable. Any realised losses are charged to the same account to the extent of the credit balance on that account. Any excess losses are charged to retained earnings then to the voluntary reserve and statutory reserve. No cash dividends are paid on treasury shares which are directly held by the Parent Company. The issue of stock dividend shares increases the number of treasury shares proportionately and reduces the average cost per share without affecting the total cost of treasury shares.

5.17 Provisions, contingent assets and contingent liabilities
Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic resources will be required from the Group and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material.

Contingent assets are not recognised in the consolidated statement of financial position, but are disclosed when an inflow of economic benefits is probable.

Contingent liabilities are not recognised in the consolidated statement of financial position, but are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

Notes to the consolidated financial statements (continued)

5 Material accounting policies (continued)

5.18 Foreign currency translation

5.18.1 Functional and presentation currency
The consolidated financial statements are presented in Kuwaiti Dinar (KD), which is also the functional currency of the Parent Company. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

5.18.2 Foreign currency transactions and balances
Foreign currency transactions are translated into the functional currency of the respective Group entity, using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the re-measurement of monetary items denominated in foreign currency at year-end exchange rates are recognised in consolidated statement of profit or loss. Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

Translation difference on non-monetary asset classified as, "fair value through profit or loss" is reported as part of the fair value gain or loss in the consolidated statement of profit or loss and "fair value through other comprehensive income" is reported as part of the cumulative change in fair value reserve within consolidated statement of profit or loss and other comprehensive income.

5.18.3 Foreign operations
In the Group's financial statements, all assets, liabilities and transactions of Group entities with a functional currency other than the KD are translated into KD upon consolidation. The functional currency of the entities in the Group has remained unchanged during the reporting period.

On consolidation, assets and liabilities are translated into KD at the closing rate at the reporting date. Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated into KD at the closing rate. Income and expenses have been translated into KD at the average rate over the reporting period. Exchange differences are charged/credited to consolidated statement of profit or loss and other comprehensive income and recognised in the foreign currency translation reserve in equity.

On disposal of a foreign operation, the related cumulative translation differences recognised in consolidated statement of changes in equity are reclassified to consolidated statement of profit or loss and are recognised as part of the gain or loss on disposal.

5.19 End of service benefits
The Group provides end of service benefits to its employees. The entitlement to these benefits is based upon the employees' final salary and length of service, subject to the completion of a minimum service period in accordance with relevant labour law and the employees' contracts. The expected costs of these benefits are accrued over the period of employment. This liability, which is unfunded, represents the amount payable to each employee as a result of termination on the reporting date.

With respect to its Kuwaiti national employees, the Group also makes contributions to the Public Institution for Social Security calculated as a percentage of the employees' salaries. The Group's obligations are limited to these contributions, which are expensed when due.

Notes to the consolidated financial statements (continued)

5 Material accounting policies (continued)

5.20 Taxation

5.20.1 National Labour Support Tax (NLST)
NLST is calculated in accordance with Law No. 19 of 2000 and the Minister of Finance Resolutions No. 24 of 2006 at 2.5% of taxable profit of the Group attributable to the shareholders of the Parent Company. As per law, income from associates and subsidiaries, cash dividends from listed companies which are subjected to NLST have to be deducted from the profit for the year.

5.20.2 Kuwait Foundation for the Advancement of Sciences (KFAS)
The contribution to KFAS is calculated at 1% of taxable profit of the Group attributable to the shareholders of the Parent Company in accordance with the modified calculation based on the Foundation's Board of Directors' resolution, which states that income from associates and subsidiaries, Board of Directors' remuneration, transfer to statutory reserve should be excluded from profit for the year when determining the contribution.

5.20.3 Zakat
Contribution to Zakat is calculated at 1% of the profit of the Group attributable to the shareholders of the Parent Company in accordance with the Ministry of Finance resolution No. 58/2007 effective from 10 December 2007.

5.20.4 Taxation on overseas subsidiaries
Taxation on overseas subsidiaries is calculated on the basis of the tax rates applicable and prescribed according to the prevailing laws, regulations and instructions of the countries where these subsidiaries operate.

Deferred taxation is provided in respect of all temporary differences. Deferred tax assets are recognised in respect of unutilised tax losses when it is probable that the loss will be used against future profits.

5.21 Inventories
Inventories are stated at the lower of cost or net realisable value and the cost is determined according to the weighted average method.

5.22 Fiduciary assets
Assets held in a trust or fiduciary capacity are not treated as assets of the Group and, accordingly, they are not included in these consolidated financial statements.

5.23 Related party transactions
Related parties are associates, major shareholders, board of directors, executive staff, their family members and the companies owned by them. All related party transactions are carried out with the approval of the Group's management.

6 Significant management judgements and estimation uncertainty
The preparation of the Group's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

6.1 Significant management judgments
In the process of applying the Group's accounting policies, management has made the following significant judgments, which have the most significant effect on the amounts recognised in the consolidated financial statements:

Notes to the consolidated financial statements (continued)

6 Significant management judgements and estimation uncertainty (continued)

6.1 Significant management judgments (continued)

6.1.1 Business model assessment
The Group classifies financial assets after performing the business model test. This test includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured and the risks that affect the performance of the assets. Monitoring is part of the Group's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

6.1.2 Significant increase in credit risk
Estimated credit losses are measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. IFRS 9 does not define "significant" increase. Therefore, assessment whether the credit risk of an asset has significantly increased the Group takes into account qualitative and quantitative reasonable and supportable forward-looking information.

6.1.3 Judgements in determining the timing of satisfaction of performance obligations
The determination of the whether or not performance obligation criteria set out in IFRS 15 relating to transfer of control of goods and services to customers has been satisfied requires significant judgement.

6.1.4 Significant influence
Significant influence exists when the size of an entity's own voting rights relative to the size and dispersion of other vote holders, give the entity the practical ability unilaterally to direct the relevant activities of the company.

6.1.5 Fair values of assets and liabilities acquired
The determination of the fair value of the assets, liabilities and contingent liabilities as a result of business combination requires significant judgement.

6.1.6 Classification of real estate property
Management decides on acquisition of a real estate property whether it should be classified as trading, property held for development or investment property.

The Group classifies property as trading property if it is acquired principally for sale in the ordinary course of business.

The Group classifies property as property under development if it is acquired with the intention of development.

The Group classifies property as investment property if it is acquired to generate rental income or for capital appreciation, or for undetermined future use.

6.1.7 Control assessment
When determining control, management considers whether the Group has the practical ability to direct the relevant activities of an investee on its own to generate returns for itself. The assessment of relevant activities and ability to use its power to affect variable return requires considerable judgement.

Notes to the consolidated financial statements (continued)

6 Significant management judgements and estimation uncertainty (continued)

6.2 Estimates uncertainty
Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

6.2.1 Impairment of goodwill
The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

6.2.2 Impairment of associates
After application of the equity method, the Group determines whether it is necessary to recognize any impairment loss on the Group's investment in its associates, at each reporting date based on existence of any objective evidence that the investment in the associate is impaired. If this is the case the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognizes the amount in the consolidated statement of profit or loss.

6.2.3 Impairment of financial assets
Measurement of estimated credit losses involves estimates of loss given default and probability of default. Loss given default is an estimate of the loss arising in case of default by customer. Probability of default is an estimate of the likelihood of default in the future. The Group based these estimates using reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

An estimate of the collectible amount of trade accounts receivable is made when collection of the full amount is no longer probable. For individually significant amounts, this estimation is performed on an individual basis. Amounts which are not individually significant, but which are past due, are assessed collectively and a provision applied according to the length of time past due, based on historical recovery rates.

6.2.4 Revaluation of investment properties
The Group carries its investment properties at fair value, with changes in fair value being recognised in the consolidated statement of profit or loss. The Group engaged independent valuation specialists to determine fair values and the valuators have used valuation techniques to arrive at these fair values. These estimated fair values of investment properties may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

6.2.5 Useful lives of depreciable assets
Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical obsolescence that may change the utility of certain software and equipment.

6.2.6 Business combinations
Management uses valuation techniques in determining the fair values of the various elements of a business combination. Particularly, the fair value of contingent consideration is dependent on the outcome of many variables that affect future profitability.

6 Significant management judgements and estimation uncertainty (continued)

6.2 Estimates uncertainty (continued)

6.2.7 Fair value of financial instruments

Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This requires management to develop estimates and assumptions based on market inputs, using observable data that market participants would use in pricing the instrument. Where such data is not observable, management uses its best estimate. Estimated fair values of financial instruments may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

6.2.8 Impairment of inventories

Inventories are held at the lower of cost and net realisable value. When inventories become old or obsolete, an estimate is made of their net realisable value. For individually significant amounts this estimation is performed on an individual basis. Amounts which are not individually significant, but which are old or obsolete, are assessed collectively and a provision applied according to the inventory type and the degree of ageing or obsolescence, based on historical selling prices.

6.2.9 Contract revenue

Recognised amounts of service and related receivables reflect management's best estimate of each contract's outcome and stage of completion. For more complex contracts in particular, costs to complete and contract profitability are subject to significant estimation uncertainty.

7 Subsidiary companies

7.1 Details of the Group's consolidated subsidiaries as of the reporting date are as follows:

Subsidiaries	Country of incorporation	Ownership percentage 31 Dec. 2024	Ownership percentage 31 Dec. 2023	Principle activity
Noor Kuwait Holding Company - KSCC	Kuwait	99.95%	99.95%	Investment and related activities
Kuwaiti Indian Holding Company – KSCC	Kuwait	56.59%	56.59%	Investment and related activities
Noor GCC Islamic Fund	Kuwait	95.54%	95.85%	Investment and related activities
Al-Sohool Holding Company – KSCC	Kuwait	99.69%	99.69%	Investment and related activities
Barwa National General Trading and Contracting Company – WLL	Kuwait	99%	99%	General Trading and contracting
Cablesat for Satellite Services Company - WLL	Kuwait	99%	99%	Leasing of submarine internet transmission cables
Digital Alliances for Marketing and Advertisement Company - KSCC	Kuwait	98%	98%	Media and advertisement
IT Partners for Information Technology Co. - KSCC	Kuwait	88.04%	88.04%	Information Technology
Jabal Ali Real Estate Company – WLL	Kuwait	99%	99%	Real Estate
Noor Jordan Kuwait Financial Investment Company - PSCL	Jordan	100%	100%	Investment and related activities
Arabian Group for Investment and Real Estate and Agriculture Development Company	Egypt	98%	98%	Real Estate Development

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Notes to the consolidated financial statements (continued)

8 Revenue from contracts with customers

	Year ended 31 Dec. 2024 KD	Year ended 31 Dec. 2023 KD
Revenue earned at point of time:		
Hotel operations	1,459,790	1,497,260
IT services	2,548,614	2,638,076
Revenue earned over time:		
Hotel operations	1,355,856	1,278,128
IT services	8,322,749	7,559,056
	13,687,009	12,972,520

9 Cost of contracts with customers, general, administrative, and other expenses and finance costs

a) Cost of contracts with customers include the followings:

	Year ended 31 Dec. 2024 KD	Year ended 31 Dec. 2023 KD
Staff costs	4,120,755	3,619,348
Others	6,027,486	5,692,428
	10,148,241	9,311,776

b) General, administrative and other expenses include the following:

	Year ended 31 Dec. 2024 KD	Year ended 31 Dec. 2023 KD
Staff costs	2,332,048	2,764,263
Depreciation and amortization	320,815	479,216
Other expenses	2,346,738	3,364,492
	4,999,601	6,607,971

c) Finance costs include the following:

	Year ended 31 Dec. 2024 KD	Year ended 31 Dec. 2023 KD
On financial liabilities at amortised cost:		
Borrowings and due to banks	733,032	1,014,555
Lease liabilities	72,647	135,547
	805,679	1,150,102

Notes to the consolidated financial statements (continued)

10 Interest and other income

	Year ended 31 Dec. 2024 KD	Year ended 31 Dec. 2023 KD
Interest income	965,314	549,879
Fees income	3,301	1,043,573
Other income	31,671	108,261
	1,000,286	1,701,713

11 Net gain on financial assets at fair value

Net gain on financial assets at fair value, analyzed by category, is as follows:

	Year ended 31 Dec. 2024 KD	Year ended 31 Dec. 2023 KD
Investments at fair value through profit or loss		
Interest income	199,964	-
Gain/(loss) on sale	206,584	(2,758)
Change in fair value	651,471	(47,631)
Dividend income	429,705	604,443
Total gain from investments at FVTPL	1,487,724	554,054
Investments at fair value through other comprehensive income		
Interest income	782,706	544,428
Dividend income	136,739	147,089
Loss on sale	(55,558)	-
Total gain from investments at FVTOCI	863,887	691,517
Net gain on financial assets at fair value	2,351,611	1,245,571

12 Basic and diluted earnings per share

Basic and diluted earnings per share is calculated by dividing the profit for the year attributable to the owners of the Parent Company by weighted average number of shares outstanding during the year excluding treasury shares.

	Year ended 31 Dec. 2024	Year ended 31 Dec. 2023
Profit for the year attributable to the owners of the Parent Company (KD)	42,014,503	37,010,923
Weighted average number of shares outstanding during the year (excluding treasury shares)	509,222,655	509,222,655
Basic and diluted earnings per share (Fils)	82.51	72.68

Notes to the consolidated financial statements (continued)

13 Cash and cash equivalents

	31 Dec. 2024 KD	31 Dec. 2023 KD
Cash and bank balances	2,992,290	2,682,645
Cash in portfolios	86,978	254,102
Short term deposits	19,673,815	19,159,146
Cash and cash equivalents as per consolidated financial position	22,753,083	22,095,893
Less:		
Due to banks	(1,937,486)	(21,851)
Restricted bank balances	(5,000)	(5,990)
Pledged cash in portfolios	-	(29,732)
Pledged short-term deposits	(600,000)	(678,292)
Cash and cash equivalents as per consolidated statements of cash flows	20,210,597	21,360,028

The short-term deposits carry effective interest rate ranging between 3% to 4.7% (2023: between 2.875% to 5.25%) per annum.

Due to banks represents bank overdraft facilities utilised by a subsidiary which is secured by pledge of short-term deposits of KD600,000 (2023: KD678,292), investment properties (note 18) and a guarantee issued by one of the Group's subsidiaries. Due to banks carrying effective interest rate ranging between of 6.25% to 7% (2023: 6.75% to 7.25%) per annum.

14 Investments at fair value through profit or loss

	31 Dec. 2024 KD	31 Dec. 2023 KD
Local quoted securities	4,987,921	3,518,664
Foreign quoted securities	4,452,374	4,288,877
Local unquoted securities	3,376,385	-
Foreign unquoted securities	2,763,542	-
Foreign fund	-	2,320,336
	15,580,222	10,127,877

The hierarchy for determining and disclosing the fair values of investments at fair value through profit or loss is presented in note 31.3.

15 Accounts receivable and other assets

	31 Dec. 2024 KD	31 Dec. 2023 KD
Financial assets:		
Accounts receivable - net	2,786,344	1,994,910
Loans to customers	20,000	30,185
Accrued income - net	473,994	260,959
Due from related parties	36,814	3,081
Other assets	641,609	751,223
	3,958,761	3,040,358
Non-financial assets:		
Advance payment for purchase of investment (note 15.1)	2,979,375	-
Other assets	884,716	652,482
	7,822,852	3,692,840

Notes to the consolidated financial statements (continued)

15 Accounts receivable and other assets (continued)

15.1 On 29 December 2024, the Group signed an initial non-binding agreement with a related party for purchase of a 17.5% interest in J3 Land and Real Estate Management and Development Company W.L.L., the developer of Project 13 Jaber Al-Ahmad Residential City in the State of Kuwait, and a 9.4% interest in J3 Import and Export Company W.L.L., for a total consideration of KD9,931,250, payable in three instalments. The Group has made an advance payment of KD2,979,375.

As per the contract terms, the agreement becomes binding if the relevant official authorities and other required entities do not withhold the necessary approvals for the transfer of interest to the Group.

As of the date of issuance of these consolidated financial statements, the required approvals have not been obtained from the relevant authorities. Consequently, the Group has not recognized the interest in the above companies as investment in the consolidated financial statements for the year ended 31 December 2024.

The carrying values of the financial assets included above approximate their fair values and all are due within one year.

16 Investments at fair value through other comprehensive income

	31 Dec. 2024 KD	31 Dec. 2023 KD
Local quoted securities	7,694,139	5,784,446
Foreign quoted securities	227,033	152,995
Local unquoted securities	1,552,721	1,640,897
Foreign unquoted securities	802,458	781,791
Foreign funds	2,397	2,384
Local debt securities	409,062	77,201
Foreign debt securities	-	8,936,101
	10,687,810	17,375,815

The investments in equity instruments are held for medium to long-term strategic purposes. Accordingly, the Group has elected to designate these investments in equity instruments as at FVTOCI as it believes that recognising short-term fluctuations in the fair value of these investments in consolidated statement of profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes and realising their performance potential in the long run.

Debt securities carrying annual interest rate of 3.23%.

The hierarchy for determining and disclosing the fair values of financial instruments is presented in note 31.3.

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Notes to the consolidated financial statements (continued)

17 Investment in associates

17.1 Details of the associates are set out below:

Name of associate	Country of Incorporation	Ownership percentage 31 Dec. 2024 %	Ownership percentage 31 Dec. 2023 %	Principal activities
Meezan Bank Limited	Pakistan	35.15	35.22	Islamic Banking
Excellent Choice General Trading and Contracting Co. – WLL	Kuwait	50	50	General Trading & Contracting

17.2 Movement of investment in associates during the year are as follows:

	31 Dec. 2024 KD	31 Dec. 2023 KD
Balance the beginning of the year	74,910,265	59,119,058
Share of results	38,786,497	32,079,649
Share of other comprehensive income	4,136,389	4,098,238
Additions	-	8,584,340
Dividends	(18,115,376)	(13,148,216)
Reduction	-	(4,290,885)
Foreign currency translation adjustments	1,152,646	(11,531,919)
Other adjustments	471,069	-
Balance at the end of the year	101,341,490	74,910,265

17.2.1 The summarised financial information of Meezan Bank Limited set out below represents the amounts presented in the financial statements of the associate (and not the Group's share of those amounts) adjusted for differences in accounting policies between the Group and the associate, if any.

	31 Dec. 2024 KD	31 Dec. 2023 KD
Total assets	4,324,260,851	3,290,148,811
Total liabilities and non-controlling interests	(4,045,924,672)	(3,084,775,602)
Equity attributable to shareholders of Meezan Bank	278,336,179	205,373,209
Revenue	546,607,819	470,554,917
Profit for the year attributable to the shareholders of Meezan Bank	113,541,573	93,093,670
Other comprehensive income for the year	11,598,869	12,623,377
Total comprehensive income for the year	125,140,442	105,717,047
Group's ownership interest	35.15%	35.22%
Group's share of net assets	97,830,157	72,325,600
Goodwill	2,514,528	2,374,648
Carrying value of Group's ownership interest	100,344,685	74,699,432
Fair value based on quoted price	168,788,692	110,919,543
Group's share of dividends (net of taxes)	18,115,376	9,253,216

Notes to the consolidated financial statements (continued)

17 Investment in associates (continued)

17.3 Group's share of associate's contingent liabilities and commitments:

	31 Dec. 2024 KD	31 Dec. 2023 KD
Guarantees	30,427,647	25,951,189
Letters of credit	143,555,384	90,204,760
Commitments in respect of forward exchange contracts	109,171,787	107,989,049
Commitments for the acquisition of operating fixed assets and intangible assets	662,537	432,430
Commitments in respect of financing	450,331,671	285,565,078
Other contingent liabilities (note 17.3.1)	700,381	691,528
	734,849,407	510,834,034

17.3.1 The local income tax authority in Pakistan raised a demand requesting Meezan Bank Limited to pay additional tax equivalents to KD1.99million (31 December 2023: KD1.96 million) of which Group's share is KD0.7 million (31 December 2023: KD0.69 million), for prior years. The associate has obtained a stay order against this demand and has filed appeals with the relevant appellate authorities. The Group's management, in consultation with the associate's management, is confident that the decision in respect of this matter would be in the associate's favour and, accordingly, no provision has been made either in the associate's financial statements or in these consolidated financial statements in this respect.

18 Investment properties

The movement in investment properties is as follows:

	31 Dec. 2024 KD	31 Dec. 2023 KD
Balance at the beginning of the year	12,488,209	12,335,649
Changes in fair value	277,440	100,930
Foreign currency translation adjustments	(10,932)	51,630
Balance at the end of the year	12,754,717	12,488,209

Investment properties are located as follows:

	31 Dec. 2024 KD	31 Dec. 2023 KD
Kuwait	10,670,000	10,462,000
UAE and Jordan	1,263,282	1,201,279
United Kingdom	821,435	824,930
	12,754,717	12,488,209

Investment properties with a carrying value of KD1,550,000 (2023: KD9,042,000) are pledged against bank facilities (note 13).

The measurement basis of fair value of the investment properties is disclosed in note 31.4.

Notes to the consolidated financial statements (continued)

19 Goodwill

The goodwill resulted from acquisition of a fellow subsidiary "Arab Information Management Services Company – KSC (Closed)". Goodwill has been allocated to the entire subsidiary for impairment testing.

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the recoverable amount of the CGUs to which these items are allocated. The recoverable amount is determined based on higher of value-in-use calculations or fair value less cost to sell.

Management used the following approach to determine values to be assigned to the following key assumptions in the value in use calculations.

Key assumption	*Basis used to determine value to be assigned to key assumption*
Growth rate	Anticipated average growth rate of 7.7% (2023: 3%) per annum. Value assigned reflects past experience and changes in economic environment.
	Cash flows beyond the five-year period have been extrapolated using a growth rate of 2.82% (2023: 2.4%). This growth rate does not exceed the long-term average growth rate of the market in which the CGU operates.
Discount rate	Discount rate of 16.6% (2023: 16.5%). Discount rate used is pre-tax and reflect specific risks relating to the relevant CGU.

The Group has performed a sensitivity analysis by varying these input factors by a reasonably possible margin and assessing whether the change in input factors result in any of the goodwill allocated to appropriate cash generating units being impaired. Based on the above analysis, there are no indications that goodwill included in any of the cash generating units is impaired.

20 Accounts payable and other liabilities

	31 Dec. 2024 KD	31 Dec. 2023 KD
Financial liabilities		
Accounts payable	478,717	869,884
Taxes payable (note 20.1)	3,019,913	2,320,395
Accrued expenses	3,579,353	3,930,432
Dividend payable	274,337	228,519
Due to related parties	310,000	406,050
Payable on account of capital reduction in subsidiary	413,758	572,028
Other payables	3,147,992	2,643,421
Provision for a legal case (note 36.2)	-	2,376,572
	11,224,070	13,347,301

20.1 Taxes payable include an amount of KD7,719 and KD8,640 on account of contribution to Kuwait Foundation for Advancement of Science (KFAS) for the year 2024 and 2023 respectively.

Notes to the consolidated financial statements (continued)

20 Accounts payable and other liabilities (continued)

All above financial liabilities are non-interest bearing. The carrying values of the above liabilities approximate their fair values.

21 Lease liabilities

The Group has leases for properties under the operating leases. Following is the movement for the lease liabilities during the year:

	31 Dec. 2024 KD	31 Dec. 2023 KD
Balance at the beginning of the year	998,028	1,032,153
Finance costs charged for the year	72,647	135,547
Additions	-	233,043
Settled during the year	(229,274)	(404,087)
Foreign currency translation adjustments	3,550	1,372
Balance at the end of the year	844,951	998,028

Future minimum lease payments due are as follows:

	Minimum lease payments due within 1 year KD	Minimum lease payments due Over 1 year KD	Total KD
31 December 2024:			
Lease payments	187,792	961,580	1,149,372
Finance charges	(66,785)	(237,636)	(304,421)
Net present values	121,007	723,944	844,951
31 December 2023:			
Lease payments	195,500	1,174,535	1,370,035
Finance charges	(74,027)	(297,980)	(372,007)
Net present values	121,473	876,555	998,028

22 Borrowings

	31 Dec. 2024 KD	31 Dec. 2023 KD
Term loan	-	14,750,000

22.1 Term loan obtained in Kuwaiti Dinar from a local bank was fully settled during the year.

22.2 The borrowings are due for repayment as follows:

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22 Borrowings (continued)

	31 Dec. 2024 KD	31 Dec. 2023 KD
Within one year	-	500,000
Over one year	-	14,250,000
	-	14,750,000

23 Share capital and share premium

23.1 As of 31 December 2024 and 31 December 2023, the authorised, issued and fully paid-up share capital of the Parent Company is KD51,645,345 comprising of 516,453,451 shares of 100 Fils each of which KD50,311,795 paid in cash and KD1,333,550 paid in kind.

23.2 Share premium is not available for distribution.

24 Treasury shares

	31 Dec. 2024	31 Dec. 2023
Number of shares	7,230,796	7,230,796
Percentage of issued shares	1.40%	1.40%
Market value (KD)	2,089,700	1,634,160
Cost (KD)	1,197,666	1,197,666

Reserves of the Parent Company equivalent to the cost of the treasury shares have been earmarked as non-distributable.

25 Other components of equity

	Foreign currency translation reserve KD	Cumulative changes in fair value KD	Total KD
Balances at 1 January 2024	(54,620,225)	(1,721,844)	(56,342,069)
Net change in fair value of investments at FVTOCI	-	1,879,991	1,879,991
Share of other comprehensive income of associates (note 17)	-	4,136,389	4,136,389
Transferred to retained earnings on sale of investments at FVTOCI by an associate	-	(176,942)	(176,942)
Transferred to retained earnings on sale of investments at FVTOCI	-	(3,446)	(3,446)
Exchange differences arising on translation of foreign operations	1,155,031	-	1,155,031
Share of other adjustments arising from an associate	-	465,171	465,171
Balances at 31 December 2024	(53,465,194)	4,579,319	(48,885,875)

Notes to the consolidated financial statements (continued)

25 Other components of equity (continued)

	Foreign currency translation reserve KD	Cumulative changes in fair value KD	Total KD
Balances at 1 January 2023	(43,107,941)	(5,916,351)	(49,024,292)
Net change in fair value of investments at FVTOCI	-	(292,808)	(292,808)
Share of other comprehensive income of associates (note 17)	-	4,098,238	4,098,238
Transferred to retained earnings on sale of investments at FVTOCI	-	389,077	389,077
Exchange differences arising on translation of foreign operations	(11,512,284)	-	(11,512,284)
Balances at 31 December 2023	(54,620,225)	(1,721,844)	(56,342,069)

26 Statutory and voluntary reserves

Statutory reserve

In accordance with the Companies Law and the Parent Company's Memorandum of Incorporation and Articles of Association, 10% of the Parent Company's profit for the year before KFAS, Zakat, NLST and directors' remuneration is to be transferred to statutory reserve. The Parent Company may resolve to discontinue such annual transfer when the reserve totals 50% of the paid-up share capital.

Distribution of the statutory reserve is limited to the amount required to enable the payment of a dividend up to 5% of paid-up share capital to be made in years when retained earnings are not sufficient for the distribution of a dividend of that amount.

Voluntary reserve

In accordance with the Parent Company's Memorandum of Incorporation and Articles of Association, a certain percentage of the Parent Company's profit for the year before KFAS, Zakat, NLST and directors' remuneration, is to be transferred to the voluntary reserve at the discretion of the Board of Directors which is to be approved at the General Assembly. There are no restrictions on distribution of voluntary reserve.

No transfer to reserves is required in a year in which the Group has incurred a loss or where accumulated losses exist.

The movement in the statutory and voluntary reserves is as follows:

	Statutory reserve KD	Voluntary reserve KD	Total KD
Balances at 1 January 2024	14,291,817	14,291,817	28,583,634
Transfer from retained earnings during the year	4,307,046	4,307,046	8,614,092
Balances at 31 December 2024	18,598,863	18,598,863	37,197,726
Balances at 1 January 2023	10,498,831	10,498,831	20,997,662
Transfer from retained earnings during the year	3,792,986	3,792,986	7,585,972
Balances at 31 December 2023	14,291,817	14,291,817	28,583,634

Notes to the consolidated financial statements (continued)

27 Reconciliation of liabilities arising from financing activities

The changes in the Group's liabilities arising from financing activities can be reconciled as follows:

	Borrowings KD	Lease liabilities KD	Due to banks KD	Total KD
Balance at 1 January 2024	14,750,000	998,028	21,851	15,769,879
Cash flows:				
• Proceeds	-	-	11,154,553	11,154,553
• Repayment	(14,750,000)	(229,274)	(9,238,918)	(24,218,192)
Non-cash transactions:				
• Finance costs charged during the year	-	72,647	-	72,647
• Foreign currency conversion adjustments	-	3,550	-	3,550
31 December 2024	-	844,951	1,937,486	2,782,437
Balance at 1 January 2023	15,000,000	1,032,153	-	16,032,153
Cash flows:				
• Proceeds	-	-	21,851	21,851
• Repayment	(250,000)	(404,087)	-	(654,087)
Non-cash transactions:				
• Additions	-	233,043	-	233,043
• Finance costs charged during the year	-	135,547	-	135,547
• Foreign currency conversion adjustments	-	1,372	-	1,372
31 December 2023	14,750,000	998,028	21,851	15,769,879

28 Annual general assembly and dividends

Subsequent to the date of the consolidated statement of financial position, the board of directors proposed distribution to shareholders of a cash dividend of 25 Fils per share for the year ended 31 December 2024. Furthermore, the Board of Directors' have proposed directors' remuneration amounting to KD130,000 for the year then ended. These proposals are subject to the approval of the general assembly and the regulatory authorities.

The Annual General Assembly of the shareholders of the Parent Company held on 2 April 2024 approved the consolidated financial statements for the year ended 31 December 2023 and the board of directors' proposal to distribute cash dividend to shareholders equivalent to 8 fils per share for the year ended 31 December 2023 and an amount of KD177,500 as directors' remuneration for the year ended 31 December 2023.

Notes to the consolidated financial statements (continued)

29 Segment analysis

The Group's activities are concentrated in four main segments: Investments, Real Estate, IT services and Hotel operations. These segments are identified based on internal management reporting information and regularly reviewed by the chief operating decision maker for resource allocation and performance assessment. The Group's principal activities, significant assets and liabilities are carried out and located mainly in Kuwait, Middle East, Pakistan and Europe.

Segmental information for the years ended 31 December 2024 and 31 December 2023 are as follows:

	Investments		Real Estate		IT services		Hotel operations		Total	
	31 Dec 2024 KD	31 Dec 2023 KD	31 Dec 2024 KD	31 Dec 2023 KD	31 Dec 2024 KD	31 Dec 2023 KD	31 Dec 2024 KD	31 Dec 2023 KD	31 Dec 2024 KD	31 Dec 2023 KD
Revenue from contracts with customers	-	-	-	-	10,871,363	10,197,132	2,815,646	2,775,388	13,687,009	12,972,520
Share of results of associates	38,786,497	32,079,649	-	-	-	-	-	-	38,786,497	32,079,649
Net gain on financial assets at fair value	2,351,611	1,245,571	-	-	-	-	-	-	2,351,611	1,245,571
Rental income	-	-	830,686	747,729	-	-	-	-	830,686	747,729
Change in fair value of investment properties	-	-	277,440	100,930	-	-	-	-	277,440	100,930
Reversal of impairments on wakala investments	-	8,584,340	-	-	-	-	-	-	-	8,584,340
Reversal of provision for legal case	2,376,572	-	-	-	-	-	-	-	2,376,572	-
Interest income, other income and foreign exchange differences	1,052,327	1,177,920	-	-	-	-	-	-	1,052,327	1,177,920
Total Segment income	44,567,007	43,087,480	1,108,126	848,659	10,871,363	10,197,132	2,815,646	2,775,388	59,362,142	56,908,659
Cost of contracts with customers	-	-	-	-	(9,199,478)	(8,376,065)	(948,763)	(935,711)	(10,148,241)	(9,311,776)
General and administrative expenses	(2,626,482)	(3,891,619)	(177,428)	(219,076)	(1,149,675)	(1,224,425)	(1,046,016)	(1,272,851)	(4,999,601)	(6,607,971)
Finance costs	(656,679)	(986,425)	-	-	(84,642)	(39,560)	(64,358)	(124,117)	(805,679)	(1,150,102)
Provision reversal / (charge) for impairment of receivables - net	-	693,892	-	(16,106)	(20,946)	-	-	-	(20,946)	677,786
Provision for a legal case	-	(2,376,572)	-	-	-	-	-	-	-	(2,376,572)
Profit for the year before income tax	41,283,846	36,526,756	930,698	613,477	416,622	557,082	756,509	442,709	43,387,675	38,140,024
Assets	150,357,290	121,502,702	13,043,532	12,550,275	9,493,870	8,418,480	2,739,764	2,959,131	175,634,456	145,430,588
Liabilities	(10,038,030)	(26,044,937)	(50,192)	(22,728)	(4,043,366)	(3,288,247)	(1,094,641)	(1,358,654)	(15,226,229)	(30,714,566)
Net Assets	140,319,260	95,457,765	12,993,340	12,527,547	5,450,504	5,130,233	1,645,123	1,600,477	160,408,227	114,716,022

Notes to the consolidated financial statements (continued)

29 Segment analysis (continued)

Geographical Segments
The geographical segments are as follows:

	Profit for the year before income tax		Assets		Liabilities	
	31 Dec 2024 KD	31 Dec 2023 KD	31 Dec 2024 KD	31 Dec 2023 KD	31 Dec 2024 KD	31 Dec 2023 KD
Domestic and GCC	4,675,171	7,268,450	70,287,507	54,184,812	11,158,234	26,524,798
Others	38,712,504	30,871,574	105,346,949	91,245,776	4,067,995	4,189,768
	43,387,675	38,140,024	175,634,456	145,430,588	15,226,229	30,714,566

30 Related party transactions

Related parties represent the Ultimate Parent Company, associates, directors and key management personnel of the Group, and other related parties such as subsidiaries of the Ultimate Parent Company (fellow subsidiaries), major shareholders and companies in which directors and key management personnel of the Group are principal owners or over which they are able to exercise significant influence or joint control. Key management personnel include board of directors, chief executive officers and principal officers of the Group. Pricing policies and terms of these transactions are approved by the Group's management.

Significant related party balances and transactions included in the consolidated financial statements are as follows:

	31 Dec. 2024 KD	31 Dec. 2023 KD
Balances included in consolidated statement of financial position		
Due from related parties (note 15)	5,094	3,081
Due from / (to) Ultimate Parent Company	31,420	(36,955)
Due to related parties (note 20)	310,000	406,050
Accruals and short-term benefits	110,747	88,757
Provision for employees' end of service benefits	354,860	325,950
Advance payment for purchase of investment (note 15)	2,979,375	-

	Year ended. 31 Dec. 2024 KD	Year ended 31 Dec. 2023 KD
Transactions included in consolidated statement of profit or loss		
Fees income	3,109	1,041,800
Finance costs	-	75,414
Provision reversal for impairment of receivables - net	-	809,878
Key management compensation:		
Salaries and other short-term benefits	587,762	608,384
Committee fees and other remunerations	180,000	228,550
End of service benefits	28,910	65,037
Board of directors' remuneration	130,000	177,500
	926,672	1,079,471

Notes to the consolidated financial statements (continued)

31 Summary of financial assets and liabilities by category and fair value measurement

31.1 Categories of financial assets and liabilities

The carrying amounts of the Group's financial assets and liabilities as stated in the consolidated statement of financial position may also be categorized as follows:

	31 Dec. 2024 KD	31 Dec. 2023 KD
Financial assets		
At amortised cost:		
Cash and cash equivalents	22,753,083	22,095,893
Accounts receivable and other assets (note 15)	3,958,761	3,040,358
At fair value:		
Investments at fair value through profit or loss	15,580,222	10,127,877
Investments at fair value through other comprehensive income	10,687,810	17,375,815
Total financial assets	52,979,876	52,639,943
Financial liabilities		
At amortised cost:		
Due to banks	1,937,486	21,851
Accounts payable and other liabilities	11,224,070	13,347,301
Lease liabilities	844,951	998,028
Borrowings	-	14,750,000
Total financial liabilities	14,006,507	29,117,180

31.2 Fair value measurement

Fair value represents the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Group measures financial instruments such as investments at fair value though profit or loss and investments at fair value through other comprehensive income and measurement details are disclosed in note 31.3 to the consolidated financial statements. In the opinion of the Group's management, the carrying amounts of all other financial assets and liabilities which are carried at amortised costs are considered a reasonable approximation of their fair values.

The Group also measures non-financial assets such as investment properties at fair value at each annual reporting date (refer 31.4).

31.3 Fair value hierarchy

All assets and liabilities for which fair value is measured or disclosed in the financial statements are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
Level 3: Inputs for assets or liabilities that are not based on observable market data (i.e., unobservable inputs).

The level within which the asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement.

Notes to the consolidated financial statements (continued)

31 Summary of financial assets and liabilities by category and fair value measurement (continued)

31.3 Fair value hierarchy (continued)

The financial assets and liabilities measured at fair value on a recurring basis in the statement of consolidated financial position are grouped into the fair value hierarchy as follows:

	Notes	Level 1 KD	Level 2 KD	Level 3 KD	Total KD
31 December 2024					
Financial assets:					
Investments at fair value through profit or loss					
Quoted securities	a	9,440,295	-	-	9,440,295
Unquoted securities	b	-	6,139,927	-	6,139,927
Investments at fair value through other comprehensive income					
Quoted securities	a	7,921,172	-	-	7,921,172
Unquoted securities	b	-	799,428	1,555,751	2,355,179
Debt securities	c	-	409,062	-	409,062
Foreign funds	d	-	2,397	-	2,397
		17,361,467	7,350,814	1,555,751	26,268,032
31 December 2023					
Financial assets:					
Investments at fair value through profit or loss					
Quoted securities	a	7,807,541	-	-	7,807,541
Foreign funds	d	-	2,320,336	-	2,320,336
Investments at fair value through other comprehensive income					
Quoted securities	a	5,937,441	-	-	5,937,441
Unquoted securities	b	-	778,774	1,643,914	2,422,688
Debt securities	c	-	9,013,302	-	9,013,302
Foreign funds	d	-	2,384	-	2,384
		13,744,982	12,114,796	1,643,914	27,503,692

The methods and valuation techniques used for the purpose of measuring fair values, are unchanged compared to the previous year.

Measurement at fair value

The Group's valuation team performs valuations of financial instruments for financial reporting purposes, including Level 3 fair values, in consultation with third party valuation specialists for complex valuations, where required. Valuation techniques are selected based on the characteristics of each instrument, with the overall objective of maximising the use of market-based information.

The methods and valuation techniques used for the purpose of measuring fair value are as follows:

a) Quoted securities

Quoted securities represent all listed equity securities which are publicly traded in stock exchanges. Where quoted prices in an active market are available, the fair value of such investments have been determined by reference to their quoted bid prices at the reporting date (Level 1) and if the market for an investment is not active, the Group has established fair value by using valuation techniques.

31 Summary of financial assets and liabilities by category and fair value measurement (continued)

31.3 Fair value hierarchy (continued)

Measurement at fair value (continued)

b) Unquoted securities
The consolidated financial statements include holdings in unlisted securities which are measured at fair value. Fair value is estimated using a discounted cash flow model or observable market prices or other valuation technique which includes some assumptions that are not supportable by observable market prices or rates.

c) Debt securities
The consolidated financial statements include holdings in unlisted debt securities which are measured at fair value. Fair value of such investments have been determined by reference to their observable prices, other than quoted, at the reporting date.

d) Foreign funds
The underlying investments of foreign funds primarily comprise of foreign quoted and unquoted securities. Information for these investments is limited to periodic financial reports provided by the investment managers. These investments are carried at net asset values reported by the investment managers. Due to the nature of these investments, the net asset values reported by the investment managers represent the best estimate of fair values available for these investments.

Level 3 Fair value measurements
The Group's financial assets classified in level 3 uses valuation techniques based on significant inputs that are not based on observable market data. The financial instruments within this level can be reconciled from beginning to ending balances as follows:

	31 Dec. 2024 KD	31 Dec. 2023 KD
Balance at the beginning of the year	1,643,914	1,664,683
Disposals	(28,750)	-
Changes in fair value	(59,413)	(20,769)
Balance at the end of the year	1,555,751	1,643,914

Information about the sensitivity of the fair values measurement to changes in the most significant unobservable inputs are as follows:

The fair values are estimated using net assets values of the underlined investments and applying a discount of 20% - 35% (2023: 10% - 35%) for lack of marketability. Discount for lack of marketability represents the amounts that the Group has determined that market participants would consider these discounts when pricing the investments.

The impact on other comprehensive income would be immaterial if the relevant risk variable used to fair value the level 3 investments were changed by 5%.

31 Summary of financial assets and liabilities by category and fair value measurement (continued)

31.4 Fair value measurement of non-financial assets

The Group's non-financial assets measured at fair value consist of investment properties. All investment properties are categorized as level 3 under the fair value hierarchy on a recurring basis at 31 December 2024 and 2023. The following table shows the information regarding the level 3 fair value measurements of investment properties:

Description and Valuation technique	Significant unobservable inputs	Range of unobservable inputs 2024	Range of unobservable inputs 2023
Income Approach			
Buildings in Kuwait, UAE and UK	Average monthly rent (per sqm)	KD1.09 - KD18.80	KD1.01 - KD17.36
	Average yield rate	7.4%	7.5%
Market Approach			
Land in Jordan	Estimated market price for land (per sqm)	KD41.90	KD41.68

The fair values of all investment properties have been determined based on valuations obtained from independent and professionally qualified property valuers (two appraisals for local properties, of which one from a local bank, and one appraisal for foreign properties). The significant inputs and assumptions are developed in close consultation with management.

Buildings
The fair values of the buildings that have been determined based on the fair value provided by independent and accredited valuers who have valued the buildings using income approach which capitalises the monthly estimated rental income stream, net of projected operating costs using a discount rate derived from the market yields. When actual rent differs materially from estimated rents, adjustments have been made to the estimated rental value. When using the estimated rental stream approach, adjustments to actual rental are incorporated for factors such as current occupancy levels, the terms of in-place leases, expectations for rentals from future leases and unlicensed rented areas.

Land
The fair values of the plots of land that have been determined based on fair values provided by an independent and accredited valuers who has valued the land using a market approach that reflects observed prices for recent market transactions for similar properties and incorporates adjustments for factors specific to the land in question, including plot size, location, encumbrances and current use.

Level 3 Fair value measurements
The Group measurement of investment properties classified in level 3 uses valuation techniques inputs that are not based on observable market data. The movement in the investment properties is disclosed in Note 18.

32 Risk management objectives and policies

The Group's principal financial liabilities comprise of borrowings, due to banks, lease liabilities and accounts payable and other liabilities. The main purpose of these financial liabilities is to raise finance for the Group's operations. The Group has various financial assets such as accounts receivable and other assets, cash and bank balances, short term deposits and investment securities which arise directly from operations.

Notes to the consolidated financial statements (continued)

32 Risk management objectives and policies (continued)

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk.

The Parent Company's Board of Directors sets out policies for managing each of these risks as discussed below.

The Group does not use derivative financial instruments.

32.1 Market risk

The significant financial risks to which the Group is exposed to are described below:

a) Foreign currency risk

Foreign currency risk is the risk that the fair values or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates.

The Group mainly operates in the Middle East and few Asians countries and is exposed to foreign currency risk arising from various foreign currency exposures, primarily with respect to US Dollar, Saudi Riyal and UAE Dirham. The Parent Company's consolidated statement of financial position can be affected by the movement in these currencies. To mitigate the Group's exposure to foreign currency risk, non-Kuwaiti Dinar cash flows are monitored.

Generally, the Group's risk management procedures distinguish short-term foreign currency cash flows (due within twelve months) from longer-term cash flows. Foreign currency risk is managed on the basis of limits determined by the Parent Company's board of directors and a continuous assessment of the Groups' open positions.

The Group's significant net exposure to foreign currency denominated monetary assets less monetary liabilities at the reporting date, translated into Kuwaiti Dinars at the closing rates are as follows:

	31 Dec 2024 *Equivalent* *KD*	31 Dec. 2023 *Equivalent* *KD*
US Dollar	10,423,073	3,041,721
Saudi Riyal	259,785	159,370
UAE Dirham	496,685	206,679

Exposures to foreign exchange rates vary during the year depending on the volume and nature of the transactions. Nonetheless, a reasonable possible change in exchanges rates of the foreign currencies noted above would not have a significant impact on the Group's consolidated statement of profit or loss.

b) Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. The Group is exposed to interest rate risk with respect to due to banks and borrowings which are at floating interest rates. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate short term deposits and borrowings.

Positions are monitored regularly to ensure positions are maintained within established limits.

Notes to the consolidated financial statements (continued)

32 Risk management objectives and policies (continued)

32.1 Market risk (continued)

b) Interest rate risk (continued)

The Group's interest rate risk sensitivity position, based on the contractual re-pricing or maturity dates of assets and liabilities, whichever dates are earlier.

The Group does not have any off-balance sheet financial instruments which are used to manage the interest rate risk. The following table illustrates the sensitivity of the interest-bearing financial instruments on the profit for the year to a reasonable possible change in interest rates with effect from the beginning of the year.

Based on observation of current market conditions it has been assumed that a reasonable possible change in the interest rates would be +50 and -50 basis points for interest rates for the current year (2023: Interest rate +50 and -50 for basis point). The calculation is based on the Group's financial instruments held at reporting date. All other variables are held constant. There is no other direct impact on Group's equity.

	Increase in interest rates		Decrease in interest rates	
	Year ended 31 Dec. 2024 KD	Year ended 31 Dec. 2023 KD	Year ended 31 Dec. 2024 KD	Year ended 31 Dec. 2023 KD
Profit for the year	46,747	(33,311)	(46,747)	33,311

c) Price risk

This is a risk that the value of financial instruments will fluctuate as a result of changes in market prices, whether these changes are caused by factors specific to individual instrument or its issuer or factors affecting all instruments traded in the market. The Group is exposed to equity price risk with respect to its equity investments.

Equity investments are classified either as investments carried at fair value through profit or loss or investments at fair value through other comprehensive income.

To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.

The price risk sensitivity is determined at the rate of 10% on the exposure to equity price risks at the reporting date. If equity prices had been higher by 10%, the effect on the profit for the year and equity for the year ended 31 December would have been as follows, with all other variables held constant:

A positive number below indicates an increase in profit for the year/equity, where the equity prices increase by the above-mentioned percentages.

	Profit for the year		Equity	
	31 Dec. 2024 KD	31 Dec. 2023 KD	31 Dec. 2024 KD	31 Dec. 2023 KD
Investments at FVTPL	1,558,022	1,012,788	-	-
Investments at FVTOCI	-	-	1,068,781	1,737,582
	1,558,022	1,012,788	1,068,781	1,737,582

Notes to the consolidated financial statements (continued)

32 Risk management objectives and policies (continued)

32.1 Market risk (continued)

c) Price risk (continued)
If there was a negative change in equity prices in accordance with the above-mentioned equity price risk sensitivity assumptions (10%), there would be an equal and opposite impact on the profit and other comprehensive income for the year, and the balances shown above would be negative.

32.2 Credit risk
Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Group's credit policy and exposure to credit risk is monitored on an ongoing basis. The Group seeks to avoid undue concentrations of risks with individuals or groups of customers in specific locations or business through diversification of its activities.

The Group's exposure to credit risk is limited to the carrying amounts of financial assets recognised at the reporting date, as summarized below:

	31 Dec. 2024 KD	31 Dec. 2023 KD
Cash and cash equivalents	22,749,695	22,090,702
Accounts receivable and other assets (note 15)	3,958,761	3,040,358
Investments at FVTPL	7,193,722	3,562,924
Investments at FVTOCI	411,148	15,087,261
	34,313,326	43,781,245

The Group continuously monitors defaults of customers and other counterparty, identified either individually or by group, and incorporates this information into its credit risk controls. Where available at reasonable cost, external credit ratings and/or reports on customers and other counterparties are obtained and used. The Group's policy is to deal only with creditworthy counterparties. The Group's management considers that all the above financial assets that are neither past due nor impaired, review are of good credit quality.

None of the Group's financial assets are secured by collateral or other credit enhancements.

In respect of receivables, the Group is not exposed to any significant credit risk exposure to any single counterparty. The credit risk for bank balances and amounts due from related parties is considered negligible, since the counterparties are reputable financial institutions/entities with high credit quality.

32.3 Concentration of financial assets
The distribution of financial assets by geographic region is as follows:

	Kuwait KD	Middle East KD	Asia & Africa KD	Europe & USA KD	Total KD
At 31 December 2024					
Cash and cash equivalents	21,982,451	728,855	14,288	27,489	22,753,083
Investments at FVTPL	8,364,305	7,100,047	69,877	45,993	15,580,222
Accounts receivable and other assets	3,733,279	222,546	1,356	1,580	3,958,761
Investments at FVTOCI	9,655,925	12,271	800,044	219,570	10,687,810
	43,735,960	8,063,719	885,565	294,632	52,979,876

Notes to the consolidated financial statements (continued)

32 Risk management objectives and policies (continued)

32.3 Concentration of financial assets (continued)

	Kuwait KD	Middle East KD	Asia & Africa KD	Europe & USA KD	Total KD
At 31 December 2023					
Cash and cash equivalents	21,224,887	831,484	11,578	27,944	22,095,893
Investments at FVTPL	3,518,664	4,222,461	2,376,798	9,954	10,127,877
Accounts receivable and other assets	2,652,521	302,529	82,048	3,260	3,040,358
Investments at FVTOCI	7,502,543	14,609	9,715,489	143,174	17,375,815
	34,898,615	5,371,083	12,185,913	184,332	52,639,943

32.4 Liquidity risk
Liquidity risk is the risk that the Group will be unable to meet its liabilities when they fall due. To limit this risk, management has arranged diversified funding sources, manages assets with liquidity in mind, and monitors liquidity on a daily basis.

The table below summarises the maturity profile of the Group's assets and liabilities. Except for investments carried at fair value through profit or loss and fair value through other comprehensive income investments, the maturities of assets and liabilities have been determined on the basis of the remaining period from the reporting date to the contractual maturity date. The maturity profile for investments carried at fair value through profit or loss, fair value through other comprehensive income and investment properties is determined based on management's estimate of liquidation of those investments.

Maturity profile of assets and liabilities are as follows:

	Within 1 year KD	Over 1 year KD	Total KD
At 31 December 2024			
ASSETS			
Cash and cash equivalents	22,753,083	-	22,753,083
Investments at FVTPL	15,580,222	-	15,580,222
Accounts receivable and other assets	7,822,852	-	7,822,852
Inventories	777,810	-	777,810
Investments at FVTOCI	-	10,687,810	10,687,810
Investment in associates	-	101,341,490	101,341,490
Investment properties	-	12,754,717	12,754,717
Property and equipment	-	1,102,733	1,102,733
Right of use of assets	-	784,461	784,461
Goodwill	-	2,029,278	2,029,278
	46,933,967	128,700,489	175,634,456
LIABILITIES			
Due to banks	1,937,486	-	1,937,486
Accounts payable and other liabilities	11,224,070	-	11,224,070
Lease liability	121,007	723,944	844,951
Provision for employees' end of service benefits	-	1,219,722	1,219,722
	13,282,563	1,943,666	15,226,229

32 Risk management objectives and policies (continued)

32.4 Liquidity risk (continued)

	Within 1 year KD	Over 1 year KD	Total KD
At 31 December 2023			
ASSETS			
Cash and cash equivalents	22,095,893	-	22,095,893
Investments at FVTPL	10,127,877	-	10,127,877
Accounts receivable and other assets	3,692,840	-	3,692,840
Inventories	623,728	-	623,728
Investments at FVTOCI	8,936,101	8,439,714	17,375,815
Investment in associate	-	74,910,265	74,910,265
Investment properties	-	12,488,209	12,488,209
Property and equipment	-	1,175,643	1,175,643
Right of use of assets	-	911,040	911,040
Goodwill	-	2,029,278	2,029,278
	45,476,439	99,954,149	145,430,588
LIABILITIES			
Due to banks	21,851	-	21,851
Accounts payable and other liabilities	13,347,301	-	13,347,301
Lease liabilities	121,473	876,555	998,028
Borrowings	500,000	14,250,000	14,750,000
Provision for employees' end of service benefits	-	1,597,386	1,597,386
	13,990,625	16,723,941	30,714,566

The contractual maturity of financial liabilities based on undiscounted cash flows is as follows:

	Up to 1 month KD	1-3 months KD	3-12 months KD	1-5 Years KD	Total KD
31 December 2024					
Financial liabilities					
Due to banks	-	41,510	2,066,272	-	2,107,782
Accounts payable and other liabilities	-	-	11,224,070	-	11,224,070
Lease liabilities	94,303	16,541	117,309	971,923	1,200,076
	94,303	58,051	13,407,651	971,923	14,531,928
31 December 2023					
Financial liabilities					
Due to banks	21,851	-	-	-	21,851
Accounts payable and other liabilities	-	-	13,347,301	-	13,347,301
Lease liabilities	135,270	16,541	49,623	1,016,104	1,217,538
Borrowings	-	231,164	1,206,336	17,062,500	18,500,000
	157,121	247,705	14,603,260	18,078,604	33,086,690

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33 Capital risk management

The Group's capital risk management objectives are to ensure that the Group maintains a strong credit rating and healthy ratios in order to support its business and maximise shareholder value.

The Group manages the capital structure and makes adjustments in the light of changes in economic conditions and risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the number of dividends paid to shareholders, buy back shares, issue new shares or sell assets to reduce debt.

The capital structure of the Group consists of the following:

	31 Dec. 2024 KD	31 Dec. 2023 KD
Borrowings (note 22)	-	14,750,000
Less: Cash and cash equivalents (note 13)	(20,210,597)	(21,360,028)
Net debt	(20,210,597)	(6,610,028)
Total equity	160,408,227	114,716,022

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total equity as follows:

	31 Dec. 2024 KD	31 Dec. 2023 KD
Net debt	(20,210,597)	(6,610,028)
Total equity	160,408,227	114,716,022
Net debt to total equity ratio	(13%)	(6%)

34 Fiduciary assets

The Group manages mutual funds and portfolios on behalf of its Ultimate Parent Company, other related parties, and outsiders, and maintains securities in fiduciary accounts which are not reflected in the Group's consolidated statement of financial position. Assets under management at 31 December 2024 amounted to KD18,340,751 (31 December 2023: KD19,446,645) of which assets managed on behalf of its Ultimate Parent Company and other related parties amounted to KD18,301,714 (31 December 2023: KD19,409,375).

35 Contingent liabilities and capital commitments

Contingent liabilities and capital commitments at the financial position date are as follows:

	31 Dec. 2024 KD	31 Dec. 2023 KD
Issued letters of guarantee	5,437,427	5,437,427
Commitments on purchase of investment (Note 15.1)	6,951,875	-
Capital commitments on purchase of investment	6,000,000	-
	18,389,302	5,437,427

36 Legal Cases

36.1 Wakala investments of KD14,324,160 placed with a local Islamic investment company matured in the last quarter of 2008. The investee company defaulted on settlement of these balances on the original maturity date. However, revised maturity dates were stipulated by the court. The investee company again defaulted the payment of 2nd, 3rd, 4th and 5th instalments due in September 2014, 2015, 2016 and 2017, respectively. The Group made full provision in prior years for the receivable in accordance with the Central Bank of Kuwait provision rules.

The Group initiated various legal cases against the investee company which were eventually decided in favor of the Group. During 2019, the Parent Company signed a settlement agreement with the investee company under which 50% shares of Excellent Choice General Trading and Contracting Co. - WLL ("acquired company" or "ECC") were transferred to the Parent Company.

In years prior to the above settlement agreement, the acquired company had filed lawsuits against a local bank ("Bank") claiming return of the ownership of 33,544,500 shares of Boubyan Bank, which were transferred by the Bank through a sale contract, plus any cash or in-kind dividends and other benefits related to those shares. The lawsuits relating to the shares were finally decided by the Court of Cessation in favour of the acquired company. Accordingly, the acquired company obtained full rights over the transferred shares. Therefore, the Parent Company's share of the net assets of ECC was recognised and classified as an investment in associate amounting to KD8,584,340 against partial settlement of the wakala investments and recognised a gain on reversal of impairment of wakala investments of KD8,584,340 in the consolidated statement of profit or loss for the year ended 31 December 2023.

In previous years, the acquired company filed a lawsuit against the legal representative of the Kuwait Clearing Company and others regarding the disbursement of dividends from previous years pertaining to the above shares of Boubyan Bank for an amount of KD1,354,064, which were held by the Kuwait Clearing Company. The court of first-instance ruling was issued on 24 October 2023 in favor of the acquired company, obliging the defendant to pay the amount of these dividends to the acquired company.

On 18 April 2024, the Court of Appeal upheld the above-mentioned ruling issued in favor of the acquired company. Later during the year, the acquired company collected an amount of KD1,368,259 from the defendants.

36.2 On 1 December 2011, the Parent Company's Jordanian subsidiary, Noor Jordan Kuwait Financial Investment Company Limited ("the Seller" or "Noor Jordan") disposed of its entire equity interest in one of its Jordanian subsidiaries to nine individual buyers ("the Buyers"). Subsequent to the transfer of shares and control to the Buyers, they filed a case against the Seller claiming misrepresentation in valuing the net assets of the company sold. On 15 September 2022, the Court of First Instance ruled in favour of the Seller. However, the Buyers filed an appeal to the Court of Appeals which ruled to annul the decision and returned it back to the Court of First Instance for review. Later, the Court of First Instance issued another verdict in favor of the Seller. However, this verdict was appealed before the Amman Court of Appeal, which issued its decision on 5 December 2023 (in absentia) in favor of the Buyers and ordered the Seller and its representatives to jointly pay an amount of JOD2,744,370 equivalent of KD1,188,286. Therefore, the Group had recognised a provision of KD2,376,572 in the consolidated financial statements for the year ended 31 December 2023 which represented the judgment amount plus the legal interest according to the Civil Procedure Code in Jordan.

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36 Legal Cases (continued)

Noor Jordan submitted a request at the Court of Cassation to challenge the verdict issued by the Court of Appeal. This request was accepted in January 2024. On 4 April 2024, the Court of Cassation issued a verdict and referred the case back to Court of Appeal. On 23 June 2024, the Court of Appeal issued verdict in favor of Noor Jordan dismissing all criminal charges. Consequently, the Group has reversed the provision of KD2,376,572 in these consolidated financial statements for the year ended 31 December 2024.

37 Comparative amounts

Certain comparative amounts have been reclassified to conform to the presentation in the current year. Such reclassification does not affect previously reported net assets, net equity, net results for the year or net increase in cash and cash equivalents.

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