

ADEEM Investment & Wealth Management Company.
30 November 2024



ADEEM Investment & Wealth Management Company
and Subsidiaries INTERIM CONDENSED
CONSOLIDATED INCOME STATEMENT
(UNAUDITED)

For the period ended 30 November 2024

		<i>Three months ended</i>		<i>Six months ended</i>	
		<i>30 Nov</i>		<i>30 Nov</i>	
	<i>Notes</i>	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>
		<i>KD 000's</i>	<i>KD 000's</i>	<i>KD 000's</i>	<i>KD 000's</i>
Continuing operations:					
Income:					
Interest income		106,410	108,718	205,482	218,576
Investment income	9	6,665	7,274	11,289	8,858
Fee and commission income		15,561	11,871	28,081	23,601
Share of results of associates		4,499	4,822	16,372	12,646
Digital satellite network services income		3,153	3,176	6,394	6,797
Hospitality and real estate income		31,257	24,040	57,590	46,608
Educational service income		7,429	7,137	14,712	13,238
Manufacturing and distribution income		6,703	5,399	11,983	11,320
Other income		8,213	13,204	14,622	21,002
Foreign exchange gain		3,217	6,894	4,843	10,826
Income		193,107	192,535	371,368	373,472
Expenses:					
Interest expense		73,470	72,363	146,007	140,468
Digital satellite network services expense		2,326	2,652	4,793	5,654
Hospitality and real estate expenses		21,629	18,117	40,300	33,615
Educational service expenses		3,963	3,425	7,372	7,051
Manufacturing and distribution expense		6,140	5,025	11,134	10,706
General and administrative expenses		46,772	46,444	92,626	91,894
Depreciation and amortisation		7,627	5,721	13,311	11,792
Expenses		161,927	153,747	315,543	301,180
Operating profit from continuing operations before provisions		31,180	38,788	55,825	72,292
Provision for credit losses		(4,534)	(4,116)	(5,464)	(4,977)
Provision for impairment of other financial and non-financial assets		(800)	(2,172)	(1,639)	(2,172)
Profit before taxation from continuing operations		25,846	32,500	48,722	65,143
Taxation		(4,551)	(3,796)	(7,850)	(7,882)
Profit for the period from continuing operations		21,295	28,704	40,872	57,261
Discontinued operation:					
Loss from discontinued operation	17	-	(9,788)	-	(19,772)
Profit for the period from continuing operations		21,295	18,916	40,872	37,489
Attributable to:					
Equity holders of the Parent Company		7,075	6,421	13,577	12,057
Non-controlling interest		14,220	12,495	27,295	25,432
		21,295	18,916	40,872	37,489
		<i>Fils</i>	<i>Fils</i>	<i>Fils</i>	<i>Fils</i>
EARNINGS PER SHARE:					
Basic - attributable to the equity holders of the Parent Company	10	4.88	4.40	7.00	5.90
Diluted - attributable to the equity holders of the Parent Company	10	4.88	4.40	7.00	5.90
EARNINGS PER SHARE FOR CONTINUING OPERATIONS:					
Basic - attributable to the equity holders of the Parent Company	10	4.88	11.25	7.00	19.71
Diluted - attributable to the equity holders of the Parent Company	10	4.88	11.25	7.00	19.71

The attached notes 1 to 17 form part of these interim condensed consolidated financial information.

ADEEM Investment & Wealth Management Company

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

For the period ended 30 November 2024

	<i>Three months ended 30 Nov</i>		<i>Six months ended 30 Nov</i>	
	<i>2024 KD 000's</i>	<i>2023 KD 000's</i>	<i>2024 KD 000's</i>	<i>2023 KD 000's</i>
Profit for the period	21,295	18,916	40,872	37,489
Other comprehensive income:				
<i>Items that will not be reclassified to interim condensed consolidated income statement in subsequent periods:</i>				
Net change in fair value of equity instruments at fair value through other comprehensive income	(1,388)	(5,524)	(547)	(12,309)
Share of other comprehensive (loss) income from associates	(1,376)	(5,057)	4,268	(3,492)
	<u>(2,764)</u>	<u>(10,581)</u>	<u>3,721</u>	<u>(15,801)</u>
<i>Items that are or may be reclassified to interim condensed consolidated income statement in subsequent periods:</i>				
Debt instruments at fair value through other comprehensive income:				
- Net change in fair value during the period	(317)	(1,753)	1,346	(3,017)
- Changes in allowance for expected credit losses	11	34	12	(77)
- Net transfer to interim condensed consolidated income statement	(330)	166	(2,394)	1,106
Change in fair value of cash flow hedge	(427)	3,434	(2,116)	5,154
Foreign currency translation adjustment	(6,248)	(1,201)	(11,494)	(6,148)
	<u>(7,311)</u>	<u>680</u>	<u>(14,646)</u>	<u>(2,982)</u>
Other comprehensive loss for the period	(10,075)	(9,901)	(10,925)	(18,783)
Total comprehensive income for the period	11,220	9,015	29,947	18,706
Attributable to:				
Equity holders of the Parent Company	122	(1,233)	4,770	(184)
Non controlling interest	11,098	10,248	25,177	18,890
	<u>11,220</u>	<u>9,015</u>	<u>29,947</u>	<u>18,706</u>

The attached notes 1 to 17 form part of these interim condensed consolidated financial information.

ADEEM Investment & Wealth Management Company

INTERIM CONDENSED CONSOLIDATED CASH FLOW STATEMENT (UNAUDITED)

For the period ended 30 November 2024

	Notes	Six months ended 30 Nov	
		2024 KD 000's	2023 KD 000's
OPERATING ACTIVITIES			
Profit before taxation from continuing operations		48,722	65,143
Loss from discontinued operation	17	-	(19,772)
		<u>48,722</u>	<u>45,371</u>
<i>Adjustments to reconcile profit before taxation to net cash flows:</i>			
Interest income		(205,482)	(218,576)
Investment income	9	(11,289)	(8,858)
Share of results of associates		(16,372)	(12,646)
Interest expense		146,007	140,468
Depreciation and amortisation		13,311	11,792
Provision for credit losses		5,464	4,977
Provision for impairment of other financial & non-financial assets		1,639	2,172
Share of results from discontinued operation	17	-	19,772
Foreign exchange income on loans payable and medium-term notes		267	1,818
Provision for employee stock option plan		226	57
		<u>(17,507)</u>	<u>(13,653)</u>
Changes in operating assets and liabilities:			
Deposits with original maturities exceeding three months		(14,162)	(22)
Treasury bills, bonds and other debt securities		30,608	87,631
Loans and advances		(231,453)	280,473
Financial assets at fair value through profit or loss		23,691	(5,736)
Financial assets at fair value through other comprehensive income		(27,033)	26,889
Other assets		(31,440)	(30,005)
Properties held for trading		(413)	223
Due to banks and other financial institutions		(726,938)	(248,399)
Deposits from customers		472,253	(79,544)
Other liabilities		19,219	28,961
Dividends received		4,749	8,004
Interest received		195,614	185,747
Interest paid		(153,833)	(144,336)
Taxation paid		(6,446)	(6,245)
Net cash (used in) from operating activities		<u>(463,091)</u>	<u>89,988</u>
INVESTING ACTIVITIES			
Additional subscription of shares in assets held for sale / investment in a media joint venture		(13,857)	(21,209)
Net movement in investment properties		508	1,131
Net movement in investment in associates		-	7,630
Dividends from associates		8,898	3,723
Net cash used in investing activities		<u>(4,451)</u>	<u>(8,725)</u>
FINANCING ACTIVITIES			
Proceeds from of loans payable, net		4,410	76,150
Repayment of medium term notes, net		(63,707)	(63,276)
Purchase of treasury shares		(1,053)	(3,538)
Proceeds from sale of treasury shares		323	349
Dividends paid to equity holders of the Parent Company		(16,664)	(13,435)
Interest payment on perpetual capital securities		(5,704)	(5,562)
Dividends paid to non controlling interest		(16,306)	(10,537)
Movement in non controlling interest		419	(569)
Net cash used in financing activities		<u>(98,282)</u>	<u>(20,418)</u>
Net foreign exchange difference		<u>(12,994)</u>	<u>(3,587)</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS		<u>(578,818)</u>	<u>57,258</u>
Cash and cash equivalents at 1 January		2,114,689	1,559,770
CASH AND CASH EQUIVALENTS AT 30 Nov	3	<u>1,535,871</u>	<u>1,617,028</u>

The attached notes 1 to 17 form part of these interim condensed consolidated financial information.

ADEEM Investment & Wealth Management Company

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the period ended 30 Nov 2024

	Attributable to equity holders of the Parent Company													
	Share capital KD 000's	Share premium KD 000's	Treasury shares KD 000's	Statutory reserve KD 000's	Voluntary reserve KD 000's	Cumulative changes in fair values KD 000's	Foreign currency translation reserve KD 000's	ESOP reserve KD 000's	Other reserve KD 000's	Retained earnings KD 000's	Total KD 000's	Perpetual capital securities KD 000's	Non controlling interest KD 000's	Total equity KD 000's
As at 1 January 2024	154,725	3,111	(86,111)	106,821	106,546	(6,271)	(97,046)	1,535	(14,172)	107,925	277,063	146,440	587,132	1,010,635
Profit for the period	-	-	-	-	-	-	-	-	-	13,577	13,577	-	27,295	40,872
Other comprehensive loss	-	-	-	-	-	(679)	(8,128)	-	-	-	(8,807)	-	(2,118)	(10,925)
Total comprehensive (loss) income	-	-	-	-	-	(679)	(8,128)	-	-	13,577	4,770	-	25,177	29,947
Dividends for 2023 at 12 fils per share (note 8)	-	-	-	-	-	-	-	-	-	(16,818)	(16,818)	-	-	(16,818)
Purchase of treasury shares	-	-	(1,053)	-	-	-	-	-	-	-	(1,053)	-	-	(1,053)
Sale of treasury shares	-	-	549	-	-	-	-	-	-	(226)	323	-	-	323
Transfer to retained earnings on derecognition of equity investments carried at FVOCI	-	-	-	-	-	2,208	-	-	-	(2,208)	-	-	-	-
Employees' share based payment	-	-	-	-	-	-	-	226	-	-	226	-	-	226
Dividends to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	(16,306)	(16,306)
Interest payment on perpetual capital securities	-	-	-	-	-	-	-	-	-	(3,594)	(3,594)	-	(2,110)	(5,704)
Ownership changes in subsidiaries	-	-	-	-	-	-	-	-	(5,040)	-	(5,040)	-	10,024	4,984
As at 30 Nov 2024	154,725	3,111	(86,615)	106,821	106,546	(4,742)	(105,174)	1,761	(19,212)	98,656	255,877	146,440	603,917	1,006,234

The attached notes 1 to 17 form part of these interim condensed consolidated financial information.

ADEEM Investment & Wealth Management Company

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED) (continued)

For the period ended 30 Nov 2024

	Attributable to equity holders of the Parent Company											Perpetual capital securities KD 000's	Non controlling interest KD 000's	Total equity KD 000's
	Share capital KD 000's	Share premium KD 000's	Treasury shares KD 000's	Statutory reserve KD 000's	Voluntary reserve KD 000's	Cumulative changes in fair values KD 000's	Foreign currency translation reserve KD 000's	ESOP reserve KD 000's	Other reserve KD 000's	Retained earnings KD 000's	Total KD 000's			
As at 1 January 2023 (restated)	147,357	3,111	(85,312)	106,821	106,546	737	(78,172)	1,597	(1,621)	238,211	439,275	146,440	626,367	1,212,082
Transition adjustment on adoption of IFRS 9 at 1 January 2023	-	-	-	-	-	9,206	-	-	-	(129,877)	(120,671)	-	(71,651)	(192,322)
Transition adjustment on adoption of IFRS 15 at 1 January 2023	-	-	-	-	-	-	-	-	-	957	957	-	46	1,003
Balance as at 1 January 2023 (restated)	147,357	3,111	(85,312)	106,821	106,546	9,943	(78,172)	1,597	(1,621)	109,291	319,561	146,440	554,762	1,020,763
Profit for the period	-	-	-	-	-	-	-	-	-	12,057	12,057	-	25,432	37,489
Other comprehensive loss	-	-	-	-	-	(6,772)	(5,469)	-	-	-	(12,241)	-	(6,542)	(18,783)
Total comprehensive (loss) income	-	-	-	-	-	(6,772)	(5,469)	-	-	12,057	(184)	-	18,890	18,706
Dividends for 2017 at 10 fils per share (note 8)	-	-	-	-	-	-	-	-	-	(13,355)	(13,355)	-	-	(13,355)
Issue of bonus shares (note 8)	7,368	-	-	-	-	-	-	-	-	(7,368)	-	-	-	-
Purchase of treasury shares	-	-	(3,538)	-	-	-	-	-	-	-	(3,538)	-	-	(3,538)
Sale of treasury shares	-	-	615	-	-	-	-	-	-	(266)	349	-	-	349
Transfer to retained earnings on derecognition of equity investments carried at FVOCI	-	-	-	-	-	(1,505)	-	-	-	1,505	-	-	-	-
Employees' share based payment	-	-	-	-	-	-	-	57	-	-	57	-	-	57
Dividends paid to non controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	(10,537)	(10,537)
Interest payment on perpetual capital securities	-	-	-	-	-	-	-	-	-	(3,604)	(3,604)	-	(1,958)	(5,562)
Ownership changes in subsidiaries	-	-	-	-	-	-	-	-	1,291	-	1,291	-	(1,782)	(491)
As at 30 Nov 2023	154,725	3,111	(88,235)	106,821	106,546	1,666	(83,641)	1,654	(330)	98,260	300,577	146,440	559,375	1,006,392

The attached notes 1 to 17 form part of these interim condensed consolidated financial information.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at 30 Nov 2024

1 CORPORATE INFORMATION

ADEEM Investment & Wealth Management Company (the “Parent Company”) is a public shareholding company registered and incorporated under the laws of the State of Kuwait on 2 August 2005, and listed in Boursa Kuwait. The address of the Parent Company’s registered office is P.O. Box 23982, Safat 13100 - State of Kuwait.

The interim condensed consolidated financial information of the Parent Company and its subsidiaries (collectively the “Group”) for the six months period ended 30 Nov 2024 were authorised for issue in accordance with a resolution of the Board of Directors on 29 July 2024.

The principal activities of the Parent Company comprise the following:

1. Owning stocks and shares in Kuwaiti or non-Kuwaiti companies and shares in Kuwaiti or non-Kuwaiti limited liability companies and participating in the establishment of, lending to and managing of these companies and acting as a guarantor for these companies.
2. Lending money to companies in which it owns shares, guaranteeing them with third parties where the holding parent company owns 20% or more of the capital of the borrowing company.
3. Owning industrial equities such as patents, industrial trademarks, royalties, or any other related rights and franchising them to other companies or using them within or outside the state of Kuwait.
4. Owning real estate and moveable properties to conduct its operations within the limits as stipulated by law.
5. Employing excess funds available with the Parent Company by investing them in investment and real estate portfolios managed by specialized companies.

The major shareholder of the Parent Company is Al Futtooh Holding Company K.S.C. (Closed).

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of presentation

The interim condensed consolidated financial information of the Group have been prepared in accordance with International Accounting Standard (“IAS”) 34: Interim Financial Reporting.

The accounting policies used in the preparation of the interim condensed consolidated financial information are consistent with those used in the preparation of the annual consolidated financial statements for the year ended 31 December 2023, except for the adoption of IFRS 16: Leases (“IFRS 16”). The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The interim condensed consolidated financial information does not contain all information and disclosures required for full financial statements prepared in accordance with IFRS and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2023.

In the opinion of management, all adjustments consisting of normal recurring accruals considered necessary for a fair presentation have been included. Further, results for the six months period ended 30 Nov 2024 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2024.

The interim condensed consolidated financial information is presented in Kuwaiti Dinars (“KD”) and all values are rounded to the nearest KD thousand except when otherwise indicated.

During the year ended 31 December 2023, the Group carried out Purchase Price Allocation (“PPA”) exercise for a business combination and accordingly restated the interim condensed consolidated statement of financial position and the interim condensed consolidated statement of changes in equity for the period ended 30 Nov 2023. The restatement in accordance with IFRS 3 is to account for increase in the Group’s ‘Intangible assets’ by KD 354 thousand and ‘Non-controlling interest’ by KD 354 thousand. The restatement did not have any effect on the interim condensed consolidated income statement and the interim condensed consolidated cash flow statement for the period ended 30 Nov 2023.

Further, certain prior period amounts have been reclassified to conform to the current period presentation. These reclassifications were made in order to more appropriately present certain items of interim condensed consolidated statement of financial position, interim condensed consolidated cash flow statement and interim condensed consolidated income statement. Such reclassifications do not affect previously reported assets, liabilities, equity and profit for the period, nor materially affect the interim condensed consolidated cash flow statement. The reclassifications are not material to the interim condensed consolidated financial information.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at 30 June 2023 **SIGNIFICANT ACCOUNTING POLICIES (continued)**

2.2 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS ADOPTED BY THE GROUP

IFRS 16 'Leases'

IFRS 16 supersedes IAS 17 *Leases*, IFRIC 4 *Determining whether an Arrangement contains a Lease*, SIC-15 *Operating Leases-Incentives* and SIC-27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model.

Lessor accounting under IFRS 16 is substantially unchanged under IAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in IAS 17. Therefore, IFRS 16 did not have an impact for leases where the Group is the lessor.

The Group adopted IFRS 16 using the modified retrospective method of adoption with the date of initial application of 1 January 2024. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application. The Group elected to use the transition practical expedient allowing the standard to be applied only to contracts that were previously identified as leases applying IAS 17 and IFRIC 4 at the date of initial application. The Group also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option ('short-term leases'), and lease contracts for which the underlying asset is of low value ('low-value assets').

a) Nature of the effect of adoption of IFRS 16

Before the adoption of IFRS 16, the Group classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease. A lease was classified as a finance lease if it transferred substantially all of the risks and rewards incidental to ownership of the leased asset to the Group; otherwise it was classified as an operating lease. Finance leases were capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments were apportioned between interest (recognised as finance costs) and reduction of the lease liability. In an operating lease, the leased property was not capitalised, and the lease payments were recognised as rent expense in the statement of income on a straight-line basis over the lease term. Any prepaid rent and accrued rent were recognised under 'Other current assets' and 'Trade and other payables', respectively.

Upon adoption of IFRS 16, the Group applied a single recognition and measurement approach for all leases that it is the lessee, except for short-term leases and leases of low-value assets. The Group recognised lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets. The Group adopted IFRS 16 using the modified retrospective method and accordingly, the comparative information is not restated with the date of initial application of 1 January 2024.

Leases previously accounted for as operating leases

The Group recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets were recognised based on the carrying amount as if the standard had always been applied, apart from the use of incremental borrowing rate at the date of initial application. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

The Group also applied the available practical expedients wherein it:

- ▶ Used a single discount rate to a portfolio of leases with reasonably similar characteristics;
- ▶ Relied on its assessment of whether leases are onerous immediately before the date of initial application;
- ▶ Applied the short-term leases exemptions to leases with lease term that ends within 12 months at the date of initial application;
- ▶ Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application and;
- ▶ Used hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

ADEEM Investment & Wealth Management Company

NOTES TO THE INTERIM CONDENSED
CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
As at 30 Nov 2024

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS ADOPTED BY THE GROUP (continued)

IFRS 16 'Leases' (continued)

a) Nature of the effect of adoption of IFRS 16 (continued)

The effect of adoption of IFRS 16 as at 1 January 2024 (increase/ (decrease)) is as follows:

	<i>KD 000's</i>
Assets	23,516
Right-of-use assets (included under other assets & property plant and equipment)	<u>23,516</u>
Total assets	<u>23,516</u>
Liabilities	23,516
Lease liabilities (included under other liabilities)	<u>23,516</u>

b) Summary of new accounting policies

Set out below are the new accounting policies of the Group upon adoption of IFRS 16, which have been applied from the date of initial application:

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the borrowing rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of finance cost and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

ADEEM Investment & Wealth Management Company

NOTES TO THE INTERIM CONDENSED
CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
As at 30 Nov 2024

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS ADOPTED BY THE GROUP (continued)

IFRS 16 'Leases' (continued)

b) Summary of new accounting policies (continued)

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of property and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Significant judgement in determining the lease term of contracts with renewal options

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has the option, under some of its leases to lease the assets for additional periods. The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g., a change in business strategy).

Other amendments to IFRSs which are effective for annual accounting period starting from 1 January 2024 did not have any material impact on the accounting policies, financial position or performance of the Group.

c) Amounts recognised in the interim condensed consolidated statement of financial position and profit or loss

The Group recognised a decrease in rental expense of KD 2,201 thousand and increase in depreciation expense of KD 2,033 thousand for the period ended 30 Nov 2024.

3 CASH IN HAND AND AT BANKS

	<i>30 Nov</i>	<i>(Audited)</i>	
	<i>2024</i>	<i>31 December</i>	<i>30 Nov</i>
	<i>KD 000's</i>	<i>2023</i>	<i>2023</i>
		<i>KD 000's</i>	<i>KD 000's</i>
Cash and bank balances	803,331	1,053,464	973,688
Deposits with original maturities up to three months	733,105	1,061,772	643,340
Expected credit losses	(565)	(547)	-
Cash and cash equivalents	1,535,871	2,114,689	1,617,028
Add: deposits with original maturities exceeding three months	18,241	4,079	9,817
	1,554,112	2,118,768	1,626,845

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4 PROVISIONS FOR CREDIT LOSSES

An analysis of changes in the ECL allowances in relation to loans and advances, as follows:

	<i>Stage 1</i> <i>KD '000</i>	<i>Stage 2</i> <i>KD '000</i>	<i>Stage 3</i> <i>KD '000</i>	<i>Total</i> <i>KD '000</i>
<i>ECL allowance</i>				
Balance at 1 January	27,947	58,181	118,952	205,080
(Reversal) / charge during the period	(90)	(8,311)	12,151	3,750
Amount written off during the period	-	-	(2,665)	(2,665)
Foreign exchange	159	1,016	(4,006)	(2,831)
As at 30 Nov 2024	28,016	50,886	124,432	203,334

During the period the charge to ECL allowance on non-cash credit related facilities is KD 1,714 thousand.

Following is the stage wise break-up of the gross carrying amount of loans and advances:

	<i>Stage 1</i> <i>KD 000's</i>	<i>Stage 2</i> <i>KD 000's</i>	<i>Stage 3</i> <i>KD 000's</i>	<i>Total</i> <i>KD 000's</i>
Loans and advances	4,177,253	651,630	235,767	5,064,650
ECL allowances	(28,016)	(50,886)	(124,432)	(203,334)
As at 30 Nov 2024	4,149,237	600,744	111,335	4,861,316

5 LOANS PAYABLE

	<i>30 Nov</i> <i>2024</i> <i>KD 000's</i>	<i>(Audited)</i> <i>31 December</i> <i>2023</i> <i>KD 000's</i>	<i>30 Nov</i> <i>2023</i> <i>KD 000's</i>
<i>By the subsidiaries:</i>			
Loans with maturity within 1 year	743,082	752,016	417,993
Loans with maturity above 1 year	500,960	509,871	666,507
	1,244,042	1,261,887	1,084,500
Less: inter-group borrowings	(544,421)	(566,676)	(505,210)
	699,621	695,211	579,290

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6 BONDS

	<i>30 Nov 2024 KD 000's</i>	<i>(Audited) 31 December 2023 KD 000's</i>	<i>30 Nov 2023 KD 000's</i>
<i>Issued by the Parent Company:</i>			
Fixed interest of 5.25% per annum and maturing on 28 December 2024	35,648	35,620	35,594
Floating interest of 2.25% per annum above the CBK discount rate and maturing on 28 December 2024	63,374	63,325	63,279
Fixed rate bond at 5.50% per annum and maturing on 8 November 2024	13,906	13,898	-
Floating rate bonds at 2.25% plus CBK discount rate (Capped at 6.5%) per annum and maturing on 8 November 2024	85,425	85,367	-
<i>Issued by subsidiaries:</i>			
Fixed interest of 4.125% per annum and maturing 30 December 2021	99,655	99,624	-
Fixed interest of 5.75% per annum and maturing on 19 April 2024	32,150	32,150	32,150
Fixed interest of 6% per annum and maturing on 26 July 2024	14,900	14,900	-
Floating interest of 2.75% per annum above the CBK discount rate (capped at 7% per annum) and maturing on 26 July 2024	25,100	25,100	-
	29,859	29,841	29,823
Fixed interest of 6% per annum and maturing on 9 March 2026	69,341	69,299	69,257
Floating interest of 3.95% per annum above the CBK discount rate (capped at 7% per annum) and maturing on 9 March 2026	27,850	27,850	27,850
and maturing on 19 April 2024	497,208	496,974	257,953
Floating interest of 2.50% per annum above the CBK discount	(24,000)	(24,000)	-
Less: inter-group eliminations	473,208	472,974	257,953

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7 MEDIUM TERM NOTES

	30 Nov 2024 KD 000's	(Audited) 31 December 2023 KD 000's	30 Nov 2023 KD 000's
<i>Euro medium term notes (EMTN) issued by the Parent Company through a SPE:</i>			
Fixed rate notes amounting to US\$ 233 million (originally US\$ 500 million) having a term of 5 years carrying a coupon interest rate of 4.8% payable on a semi-annual basis matured and paid on 5 February 2024. The notes were listed on the London Stock Exchange.	-	70,602	70,450
Fixed rate notes amounting to US\$ 500 million having a term of 10 years maturing on 15 July 2020 and carrying a coupon interest rate of 9.375% payable on a semi-annual basis. The notes are listed on the London Stock Exchange.	151,273	151,213	150,834
Fixed rate notes amounting to US\$ 500 million having a term of 7 years maturing on 15 March 2024 and carrying a coupon interest rate of 5% per annum payable on a semi-annual basis. The notes are listed on the London Stock Exchange.	151,575	151,650	151,400
Fixed rate notes amounting to US\$ 500 million having a term of 10 years maturing on 23 February 2027 and carrying a coupon interest rate of 4.5% per annum payable on a semi-annual basis. The notes are listed on the London Stock Exchange.	148,069	147,956	147,528
<i>Issued by subsidiaries through SPEs:</i>			
Fixed rate notes amounting to US\$ 500 million having a term of 5 years maturing on 14 September 2021 and carrying a coupon interest rate of 3.125%. The notes are listed on the Irish Stock Exchange.	150,924	150,852	150,455
	601,841	672,273	670,667
Less: inter-group eliminations	(909)	(7,293)	(7,264)
	600,932	664,980	663,403

8 SHAREHOLDERS' EQUITY, TREASURY SHARES, RESERVES AND APPROPRIATIONS AND PERPETUAL CAPITAL SECURITIES

a) Share capital

	30 Nov 2024 KD 000's	(Audited) 31 December 2023 KD 000's	30 Nov 2023 KD 000's
Authorised share capital (shares of 100 fils each)	200,000	200,000	200,000
Issued and fully paid up capital (shares of 100 fils each) *	154,725	154,725	154,725

* This comprises 1,049,620,700 shares (31 December 2023: 1,049,620,700 shares and 30 Nov 2023: 1,049,620,700 shares) which are fully paid up in cash, whereas 497,630,638 shares (31 December 2023: 497,630,638 shares and 30 Nov 2023: 497,630,638 shares) were issued as bonus shares.

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**8 SHAREHOLDERS' EQUITY, TREASURY SHARES, RESERVES AND APPROPRIATIONS
AND PERPETUAL CAPITAL SECURITIES (continued)**

b) Share premium

The share premium is not available for distribution.

c) Treasury shares

		(Audited)	
	30 Nov 2024	31 December 2023	30 Nov 2023
Number of treasury shares	150,333,801	146,921,701	150,134,670
Percentage of capital	9.72%	9.50%	9.70%
Market value (KD 000's)	33,073	30,560	37,384

Reserves equivalent to the cost of the treasury shares held are not available for distribution.

d) Dividend

On 10 April 2024 the Annual General Assembly of shareholders approved the distribution of cash dividend of 12 fils per share for the year ended 31 December 2023 (for the year ended 31 December 2017: 10 fils per share) and stock dividend of Nil (for the year ended 31 December 2017: 5%) to the Parent Company's shareholders on record as at the record date.

e) Capital Increase

On 12 June 2024, the Board of Directors of the Parent Company has passed a resolution to increase the Parent Company's capital through the issuance of 452,748,662 shares at an offer price of 210 fils per share which includes a nominal value of 100 fils per share and a share premium of 110 fils per share. The offering period was from 27 June 2024 until 17 July 2024. The Parent Company has obtained necessary approvals from regulatory bodies. Subsequent to the period end, the offering period was closed and the subscription to offer was oversubscribed.

f) Perpetual Capital securities issued by a subsidiary of the Group

Subsequent to the period end, one of the subsidiaries of the Group i.e. Burgan Bank S.A.K ("BB") has issued new Perpetual Tier 1 Capital Securities of USD 500,000 thousand. The new Perpetual Tier 1 Capital Securities bear interest on their nominal amount from the issue date to the first call date at a fixed annual rate of 5.75% and are eligible as Tier 1 capital under the Kuwait Basel III regulations.

The issuance was part of a wider financing exercise and was undertaken in conjunction with a tender offer on the BB existing USD 500,000 thousand Perpetual Tier 1 Capital Securities, after which BB accepted USD 230,185 thousand worth of securities for purchase at 100.85% of their nominal value. The tender offer given by BB was subject to the successful settlement of the newly issued Perpetual Tier 1 Capital Securities and was completed subsequent to the reporting period.

9 INVESTMENT INCOME

	Three months ended 30 Nov		Six months ended 30 Nov	
	2024 KD 000's	2023 KD 000's	2024 KD 000's	2023 KD 000's
Gain on sale of financial assets at fair value through profit or loss	542	291	898	803
Unrealised gain (loss) on financial assets at fair value through profit or loss	2,849	(14)	3,208	716
Gain (loss) on sale of debt instruments at fair value through other comprehensive income	330	226	2,530	(716)
Dividend income	3,040	6,888	4,749	8,004
Loss on sale of investment properties	(96)	(117)	(96)	(125)
Gain on sale of investment in associates	-	-	-	176
	<u>6,665</u>	<u>7,274</u>	<u>11,289</u>	<u>8,858</u>

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10 EARNINGS (LOSS) PER SHARE

Basic:

Basic earnings (loss) per share is computed by dividing the profit (loss) for the period attributable to equity holders of the Parent Company after interest payment on perpetual capital securities by the weighted average number of shares outstanding during the period, as follows:

	Three months ended 30 Nov		Six months ended 30 Nov	
	2024 KD 000's	(Restated) * 2023 KD 000's	2024 KD 000's	(Restated) * 2023 KD 000's
Basic earnings per share:				
Profit for the period attributable to the equity holders of the Parent Company from continuing operations	7,075	16,209	13,577	31,829
Loss for the period attributable to the equity holders of the Parent Company from discontinued operation	-	(9,788)	-	(19,772)
Profit for the period attributable to the equity holders of the Parent Company	7,075	6,421	13,577	12,057
Less: interest payment on perpetual capital securities attributable to the equity holders of the Parent Company	(121)	(124)	(3,594)	(3,604)
Profit for the period attributable to the equity holders of the Parent Company after interest payment on perpetual capital securities	6,954	6,297	9,983	8,453
	Shares	Shares	Shares	Shares
Number of shares outstanding:				
Weighted average number of paid up shares	1,572,452,246	1,572,452,246	1,572,452,246	1,572,452,246
Weighted average number of treasury shares	(147,039,586)	(142,522,777)	(146,957,828)	(140,491,565)
Weighted average number of outstanding shares	1,425,412,660	1,429,929,469	1,425,494,418	1,431,960,681
	Fils	Fils	Fils	Fils
Basic earnings per share	4.88	4.40	7.00	5.90
Basic earnings per share from continuing operations	4.88	11.25	7.00	19.71
Basic loss per share from discontinued operation	-	(6.85)	-	(13.81)

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10 EARNINGS (LOSS) PER SHARE (continued)

Diluted:

Diluted earnings (loss) per share is calculated by dividing the profit (loss) for the period attributable to the equity holders of the Parent Company after interest payment on perpetual capital securities adjusted for the effect of decrease in profit due to exercise of potential ordinary shares of subsidiaries by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on the conversion of all employee's stock options. The Parent Company has outstanding share options, issued under the Employee Stock Options Plan (ESOP), which may have a dilutive effect on earnings.

	Three months ended 30 Nov		Six months ended 30 Nov	
	2019	(Restated) *	2024	(Restated) *
	KD 000's	2023	KD 000's	2023
		KD 000's		KD 000's
Diluted earnings per share:				
Profit for the period attributable to the equity holders of the Parent Company from continuing operations	7,075	16,209	13,577	31,829
Loss for the period attributable to the equity holders of the Parent Company from discontinued operation	-	(9,788)	-	(19,772)
Profit for the period attributable to the equity holders of the Parent Company	7,075	6,421	13,577	12,057
Less: interest payment on perpetual capital securities attributable to the equity holders of the Parent Company	(121)	(124)	(3,594)	(3,604)
Profit for the period attributable to the equity holders of the Parent Company after interest payment on perpetual capital securities	6,954	6,297	9,983	8,453
	Shares	Shares	Shares	Shares
Weighted average number of outstanding Shares	1,425,412,660	1,429,929,469	1,425,494,418	1,431,960,681
	Fils	Fils	Fils	Fils
Diluted earnings per share	4.88	4.40	7.00	5.90
Diluted earnings per share from continuing operations	4.88	11.25	7.00	19.71
Diluted loss per share from discontinued operation	-	(6.85)	-	(13.81)

The effect of stock options on issue has not been considered in the computation of diluted earnings (loss) per share as the result is anti-dilutive.

* Basic and diluted earnings (loss) per share for 2024 and 2023 has been adjusted to reflect the adjustments of the rights issue (Note 8).

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11 HEDGE OF NET INVESTMENT IN FOREIGN OPERATIONS

The Group designated its investments in foreign operations (i.e. investment in Panther Media Group Limited , United Gulf Holding Company B.S.C., Taka'ud Savings & Pensions Company B.S.C. and Pulsar Knowledge Centre) and EMTN as a hedge of a net investment in foreign operations. EMTN is being used to hedge the Group's exposure to the US\$ foreign exchange risk on these investments. During the period, gains or losses amounting to KD 187 thousand on the retranslation of this borrowing are transferred to interim condensed consolidated statement of comprehensive income to offset any losses on translation of the net investments in the foreign operations. There is no ineffectiveness during the period ended 30 November 2024.

Burgan Bank has entered into a forward foreign exchange contract between Turkish lira (TRY) and United States Dollar (USD), rolled over on a monthly basis, which has been designated as a hedge of the Bank's net investment in its Turkish subsidiary. This transaction has created a net long position in USD. Gains or losses on the retranslation of the aforesaid contracts are transferred to interim condensed consolidated statement of comprehensive income to offset any gains or losses on translation of the net investments in the Turkish subsidiary. No ineffectiveness from hedges of net investments in foreign operations was recognised in profit or loss during the period.

12 RELATED PARTY TRANSACTIONS

These represent transactions with related parties, i.e. major shareholder, associates, directors and key management personnel of the Group, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Group's management. Related party balances and transactions consist of the following:

	Major shareholder KD 000's	Associates KD 000's	Others KD 000's	Total 30 Nov 2024 KD 000's	(Audited) 31 December 2023 KD 000's	30 November 2023 KD 000's
Interim condensed consolidated statement of financial position:						
Loans and advances *	-	39,698	346,802	386,500	367,414	370,961
Other assets	2,211	663	599	3,473	3,640	16,959
Due to banks and other financial institutions *	-	11,990	14,724	26,714	35,528	53,929
Deposits from customers *	87,135	41,626	32,641	161,402	93,175	104,475
Medium term notes	-	3,032	-	3,032	3,033	3,028
Other liabilities	455	89	53,241	53,785	62,635	89,578
Perpetual capital securities	-	1,509	906	2,415	2,415	2,415
Commitments and contingent liabilities:						
Letter of credit	-	3,338	4,043	7,381	6,994	7,128
Guarantees	25	53,846	47,956	101,827	79,978	74,574
					<u>Six months ended 30 Nov</u>	
	Major shareholder KD 000's	Associates and joint venture KD 000's	Others KD 000's		2024 KD 000's	2023 KD 000's
Transactions:						
Interest income	2,629	625	4,039		7,293	8,810
Dividend income	-	-	1,598		1,598	4,795
Fee and commission income	44	743	456		1,243	1,885
Interest expense	2,468	381	225		3,074	2,652

* Related party balances pertain to operations of a banking subsidiary.

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13 SEGMENT INFORMATION

On 8 August 2023 the Board of Directors of the Parent Company approved initiating an active plan to divest its stake in Panther Media Group Limited, a media segment. Accordingly, for management purposes, the Group reorganised its media segment as discontinued operation in accordance with IFRS 5 (Note 17) and others are organised into six main business segments based on internal reporting provided to the chief operating decision maker as follows:

Commercial banking - represents Group's commercial banking activities which includes retail banking, corporate banking, and private banking and treasury products. These entities are regulated by the Central Banks of the respective countries.

Asset management and investment banking - represents Group's asset management and investment banking activities which includes asset management, corporate finance (advisory and capital markets services), investment advisory and research, and wealth management.

Insurance - represents Group's insurance activities and other related services.

Industrial - represents Group's activities in industrial project development, Petrochemical Industries, food, utilities, services, medical equipment and other related sectors.

Hospitality and real estate - represents Group's activities in the hospitality and real estate sector.

Others - represents other activities undertaken by the Group which includes management advisory, education and consultancy.

Transfer prices between operating segments are at a price approved by the management of the Group.

The following table presents revenue and profit before taxation from continuing operations regarding the Group's operating segments:

	<i>Six months ended 30 Nov</i>			
	<i>2024</i>		<i>2023</i>	
	<i>Segment revenues KD 000's</i>	<i>Segment results KD 000's</i>	<i>Segment revenues KD 000's</i>	<i>Segment Results KD 000's</i>
Commercial banking	256,452	74,379	277,598	89,423
Asset management and investment banking	28,750	(27,547)	18,049	(25,935)
Insurance	3,709	3,709	3,468	3,468
Industrial	23,945	7,389	20,653	4,853
Hospitality and real estate	60,008	1,868	51,995	(69)
Others	24,648	(269)	23,818	(1,343)
Inter-segmental eliminations	(26,144)	(10,807)	(22,109)	(5,254)
Segment revenues and results	<u>371,368</u>	<u>48,722</u>	<u>373,472</u>	<u>65,143</u>

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13 SEGMENT INFORMATION (continued)

The following table presents assets and liabilities of the Group's operating segments:

	<i>30 Nov 2024</i>	<i>(Audited) 31 December 2023</i>	<i>(Restated) 30 Nov 2023</i>
	<i>KD 000's</i>	<i>KD 000's</i>	<i>KD 000's</i>
Assets:			
Commercial banking	8,399,943	8,708,774	8,363,695
Asset management and investment banking	759,762	795,279	716,009
Insurance	73,018	73,174	71,332
Media	-	-	181,010
Industrial	305,265	278,966	272,365
Hospitality and real estate	982,829	970,290	873,314
Others	284,710	291,009	269,706
Inter-segmental eliminations	(945,699)	(934,485)	(878,473)
Assets held for sale	200,940	187,304	-
Total assets	10,060,768	10,370,311	9,868,958
Liabilities:			
Commercial banking	7,433,090	7,754,344	7,497,810
Asset management and investment banking	1,388,733	1,294,011	1,128,431
Industrial	141,648	138,145	117,651
Hospitality and real estate	681,883	675,398	571,226
Others	197,783	205,692	200,067
Inter-segmental eliminations	(788,603)	(707,914)	(652,619)
Total liabilities	9,054,534	9,359,676	8,862,566

Inter-segmental eliminations represent the elimination of balances and transactions arising in the normal course of business between different segments of the Group.

14 COMMITMENTS

The Group has the following commitments:

	<i>30 Nov 2024</i>	<i>(Audited) 31 December 2023</i>	<i>30 Nov 2023</i>
	<i>KD 000's</i>	<i>KD 000's</i>	<i>KD 000's</i>
Credit related commitments:			
Letters of credit	313,762	332,348	319,721
Guarantees & Acceptances	987,366	974,017	995,651
	1,301,128	1,306,365	1,315,372
Undrawn lines of credit	715,390	656,263	858,651
Investment related commitments	94,213	88,173	106,945
	2,110,731	2,050,801	2,280,968

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15 DERIVATIVES

The table below shows the notional amounts of derivatives outstanding as at the reporting date. The notional amount of a derivative is based upon the derivative's underlying asset, reference rate or index.

	30 Nov 2024 KD 000's	(Audited) 31 December 2023 KD 000's	30 Nov 2023 KD 000's
Derivatives held for trading: (including non-qualifying hedges)			
Forward foreign exchange contracts	1,060,074	938,513	1,091,692
Interest rate swaps	213,582	269,553	312,657
Options	102,609	220,446	712,514
Derivatives held for hedging:			
Fair value hedges:			
Forward foreign exchange contracts	193,639	293,282	245,429
Interest rate swaps	-	106,155	105,980
Cash flow hedges:			
Interest rate swaps	314,269	299,963	287,568

16 FAIR VALUE OF FINANCIAL INSTRUMENTS

Financial instruments comprise of financial assets and financial liabilities.

Fair value of financial instruments are not materially different from their carrying values except for medium term notes whose fair value amounts to KD 620,585 thousand (31 December 2023: KD 655,883 thousand). For financial assets and financial liabilities that are liquid or having a short-term maturity (less than three months) it is assumed that the carrying amounts approximate to their fair value. This assumption is also applied to demand deposits, savings accounts without a specific maturity and variable rate financial instruments.

Fair value of quoted securities is derived from quoted market prices in active markets, if available. For unquoted securities, fair value is estimated 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; discounted cash flow analysis or other valuation models.

The fair values of the funds that are listed on active markets are determined by reference to their quoted bid prices. The fair values of unlisted funds are based on net asset values which are determined by the fund manager using the quoted market prices of the underlying assets, if available, or other acceptable methods such as a recent price paid by another investor or the market value of a comparable company.

Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair values of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in an active market for identical assets and liabilities;

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and

Level 3: other techniques which use inputs which have a significant effect on the recorded fair value are not based on observable market data.

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy:

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16 FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

Fair value hierarchy (continued)

	<i>Level 1</i> <i>KD 000's</i>	<i>Level 2</i> <i>KD 000's</i>	<i>Level 3</i> <i>KD 000's</i>	<i>Total fair</i> <i>value</i> <i>KD 000's</i>
30 November 2024				
Assets measured at fair value				
<i>Financial assets at fair value through profit or loss:</i>				
Equity securities	11,883	-	1,640	13,523
Debt securities	3,359	-	-	3,359
Managed funds	-	66,542	72,261	138,803
Forfeiting assets	-	-	89,795	89,795
	<u>15,242</u>	<u>66,542</u>	<u>163,696</u>	<u>245,480</u>
 <i>Financial assets at fair value through other</i> <i>comprehensive income:</i>				
Equities	30,553	37,461	38,038	106,052
Debt securities	161,099	6,109	6,999	174,207
	<u>191,652</u>	<u>43,570</u>	<u>45,037</u>	<u>280,259</u>
 31 December 2023				
Assets measured at fair value				
<i>Financial assets at fair value through profit or loss:</i>				
Equity securities	10,846	-	7,723	18,569
Debt securities	2,832	-	-	2,832
Managed funds	-	60,562	77,770	138,332
Forfeiting assets	-	-	105,332	105,332
	<u>13,678</u>	<u>60,562</u>	<u>190,825</u>	<u>265,065</u>
 <i>Financial assets at fair value through other</i> <i>comprehensive income:</i>				
Equities	32,709	34,790	53,874	121,373
Debt securities	118,291	6,020	8,000	132,311
	<u>151,000</u>	<u>40,810</u>	<u>61,874</u>	<u>253,684</u>

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16 FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

Fair value hierarchy (continued)

	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Total fair value</i>
30 Nov 2023	<i>KD 000's</i>	<i>KD 000's</i>	<i>KD 000's</i>	<i>KD 000's</i>
Assets measured at fair value				
<i>Financial assets at fair value through profit or loss:</i>				
Equity securities	6,981	-	17,791	24,772
Debt securities	3,940	-	-	3,940
Managed funds	-	54,172	61,232	115,404
Forfeiting assets	-	-	85,457	85,457
	<u>10,921</u>	<u>54,172</u>	<u>164,480</u>	<u>229,573</u>
<i>Financial assets at fair value through other comprehensive income:</i>				
Equities	25,207	32,749	69,855	127,811
Debt securities	134,257	6,662	8,000	148,919
	<u>159,464</u>	<u>39,411</u>	<u>77,855</u>	<u>276,730</u>

There were no material transfers between the levels during the period. The impact on the interim condensed consolidated statement of financial position or the interim condensed consolidated statement of changes in equity is immaterial, if the relevant risk variables used to determine fair values for the unquoted securities are altered by 5%.

17 DISCONTINUED OPERATION

The Group's investment in a media joint venture consists of interest in Panther Media Group Limited ("PMGL") known as "OSN", a jointly controlled entity incorporated in Dubai and registered in the Dubai International Financial Centre, engaged in providing satellite encrypted pay television services across the Middle East and North Africa region.

The Group had accounted for its interest in PMGL using the equity method. On 8 August 2023, the Board of Directors of the Parent Company approved initiating an active plan to divest its entire interest in PMGL. The Group has engaged an international investment banker for this purpose. As a result, the investment in a media joint venture has been classified as "Assets held for sale" in accordance with IFRS 5 - Non-current Assets held for sale and discontinued operations ("IFRS 5") in the interim condensed consolidated statement of financial position for the period ended 30 November 2024.

The business of OSN represented the entirety of the Group's media operating segment in accordance with IFRS 5. The results of PMGL for the period are presented below:

	<i>Three months ended 30 Nov 2023</i>	<i>Six months ended 30 Nov 2023</i>
	<i>KD 000's</i>	<i>KD 000's</i>
Income	38,535	80,158
Expenses	(54,736)	(112,883)
Loss for the period from discontinued operation	<u>(16,201)</u>	<u>(32,725)</u>
Total comprehensive loss for the period from discontinued operation	<u>(16,205)</u>	<u>(32,796)</u>
Group's share of loss for the period from discontinued operation	<u>(9,788)</u>	<u>(19,772)</u>
Group's share of total comprehensive loss for the period from discontinued operation	<u>(9,791)</u>	<u>(19,815)</u>

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17 DISCONTINUED OPERATION (continued)

The following table summarizes the carrying value of the Group's share of investment in a media joint venture and assets held for sale.

	30 Nov 2024 * KD 000's	31 December 2023 * KD 000's	30 Nov 2023 KD 000's
Current assets	90,713	90,698	90,348
Non-current assets	427,442	427,372	427,081
Current liabilities	(133,906)	(133,884)	(135,009)
Non-current liabilities	(58,285)	(58,276)	(57,562)
Equity	325,964	325,910	324,858
Group's carrying value as investment in a media joint venture	-	-	181,010
Group's carrying value as assets held for sale	200,940	187,304	-

* Represents activity until 8 August 2023, prior to the classification as assets held for sale & discontinued operation and subsequent movement in carrying value is due to foreign currency translation and capital contribution.