Initiation Report

April 3 2023

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Noor Financial Investment Co KSC

Company trades at 30% below adj. NAV

- **Noor's 35% investment in Meezan, the largest Islamic bank in Pakistan, drives >55% of the top line and 71% of our NAV. The stake's market value is 16% above the carrying value (Meezan's CMP at PKR 93.0/share, 282x USD/PKR).**
- **Noor carries a large investment portfolio at FVtPL/FVOCI (16m, 17% of FVE, avg 8% of income FY16-22). The other ops (Real Estate, IT, Hotel) generate a small positive EBIT (after associated costs) but offer upside from re-opening. Gearing is low, with a net debt of KD 0.8m (< 1% of FVE).**
- **Opportunities: i) NIM uplift for Meezan Bank post rate hikes (rates at 20%, with CASA at 88%), ii) growth of the hospitality sector in Jordan, iii) strong IT project pipeline in Kuwait, iv) solid shareholder base. Threats: IMF has yet to approve a USD 1.1bn loan, FX headwinds, inflation of 32%, and very high sovereign CDS.**
- **We set a NAV-based TP of KWD 0.188/share, offering a 28.5% upside. Noor trades at a discount of 30% to our NAV (with Meezan at CMP and PKR at 282x), c15% below the published BVps of KWD 0.172/share YE22A.**

The investment segment is the primary earnings growth engine. Noor's business model revolves around four segments: i) Investments, ii) Real Estate, iii) IT services, and iv) Hotel operations. The main contribution to the bottom line stems from the investment segment, which accounted for > 90% of total profit and 60% of revenues in 2022, mainly through the company's share in Meezan (60% of the reported book value, with a market value of KWD 193m). Meezan is Pakistan's best performing bank stock (5-year basis), with the highest RoE of > 40%, and a 21/7% local market share in Islamic finance/deposits. Next to that, Noor carries a portfolio at FVtPL (7.8m) and FVOCI (8.6m), 14% of total assets, contributing, on average, 8% of income over the last few years.

Limited contribution from other subsidiaries. Low margins of the IT segment limit the contribution to the group's income. Hotel operations continue to be lackluster despite re-opening. The real estate segment's contribution has been limited as stable rental income has been partially offset by impairments on its investment properties and FV losses, offering scope for earnings recovery.

Earnings are likely to improve further on multiple levers. We expect the group's income to improve on the back of i) stronger Meezan performance thanks to higher margins and continued dynamic balance sheet growth, despite domestic challenges as the government implements fiscal austerity and targets a primary surplus after securing another USD 1.1bn loan from the IMF, ii) potential increase in IT projects given the historical relationship with the Kuwaiti government, iii) recovery of the hospitality sector in Jordan. Potential downside risks stem from i) mark-to-market adjustments on its investment portfolio (primarily invested in Kuwait), and ii) ongoing devaluation of the Pakistani Rupee (having fallen by 37% since YE 21).

Low leverage offers room for future expansion, dividend handouts or buybacks. Noor has very low net debt, with gross debt of KWD 15m, having reduced borrowings by KWD 80m over the last 5 years, cash balances of 14.2m, and an investment portfolio of 16m. Liquidity is strong, with a current and quick ratio of c. 314% and 148%, respectively. Past dues >60 days (government receivables), are c. 1.7% of total assets.

Valuation. We set a NAV-based FVE of KWD 0.188, offering a 28.5% upside, mainly reflecting Meezan's substantial hidden value, with a market valuation at 1.2x Noor's book value for the unit. The investment in Meezan in Pakistan (35% stake) drives >90% of earnings and 71% of our FV. We value the investment portfolio at book value (already carried at FVtPL and FVOCI, 17% of FVE, (16m, avg. c.8% of income). The remainder of the activities (Real Estate, IT, and Hotel ops) generated a positive EBIT of KD 1.3m in 2022 (after allocating 100% of contract costs and 57% of SG&A). The company recently benefitted from a court decision, against a fully impaired investment, regarding 50% ownership of c. 50m share of Bank Boubyan, which should result in a cash inflow of c. KWD 15m. Finally, we deduct net debt of KWD 0.8m, (0.7% of FVE). The stock trades at a P/E 22A of 3.7x and a 15% discount to the reported BVps.

Key downside risks: Continued macro risks in Pakistan, with 5-year CDS spread of 7600bps, pressure on PKR (-25% YtD), low FX reserves, high inflation of 32% y/y, despite proactive rate hikes to 20% (fresh 3% rate hike early march) by the central bank. The IMF has yet to release a USD 1.1bn loan. UAE and KSA have pledged support but will also demand IMF funding. GDP growth should slow significantly on fiscal austerity, soaring inflation, and higher rates.

BUY **KWD 0.188**

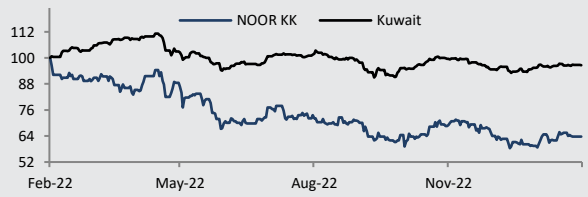
KUWAIT

Bloomberg code	NOOR KK
Market index	Kuwait
Target Price	0.188
Upside (%)	28.5

Market data	**3/27/2023**
Last closing price	0.146
52 Week range	0.141-0.276
Market cap (KWD m)	75
Market cap (USD m)	243
Average Daily Traded Value (KWD m)	49.0
Average Daily Traded Value (USD m)	158.5
Free float (%)	48%

Year-end (local m)	2022	2023e	2024e	2025e
Revenues	15	16	17	18
EBITDA	22	23	25	25
Net income	20	22	23	24
EPS	0.04	0.04	0.05	0.05
P/E (current price)	3.7	3.4	3.2	3.1
BVPS	0.2	0.2	0.2	0.2
P/B (current price)	0.8	0.8	0.7	0.6
Div. yield (%)	3.2	3.8	4.0	4.2
Interest cover (x)	28.1	35.4	40.5	45.3
RoAA (%)	17.3	18.4	18	17
RoAE (%)	22.8	23.6	22.4	20.6
RoIC (%)	21.4	20.3	19.4	18.2

Price Performance



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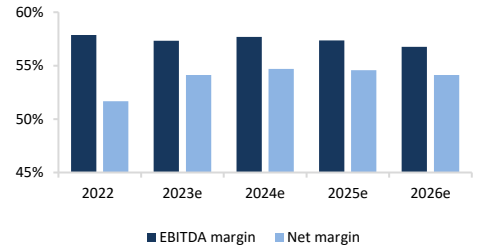
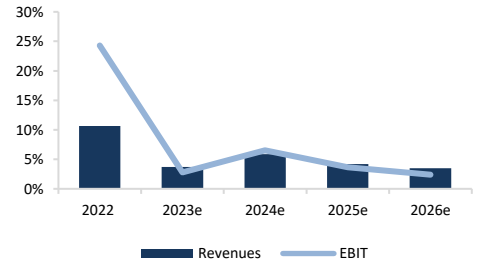
Abacus

Arqaam Capital Fundamental Data

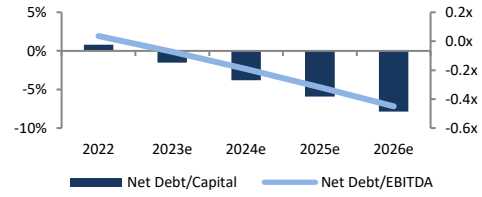
Profitability



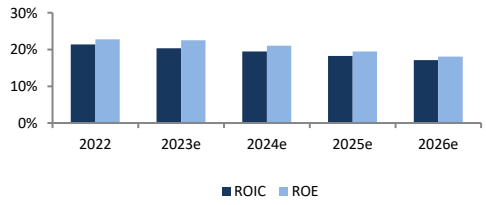
Growth



Gearing



Return



Noor Financial Investment Co KSC

Year-end	2021	2022	2023e	2024e	2025e	2026e
Financial summary						
Reported EPS	0.03	0.04	0.04	0.05	0.05	0.05
Diluted EPS	0.04	0.04	0.04	0.05	0.05	0.05
BVPS	0.17	0.17	0.19	0.22	0.24	0.27
Weighted average shares	510.37	510.37	510.37	510.37	510.37	510.37

Year-end	2021	2022	2023e	2024e	2025e	2026e
Valuation metrics						
P/E (x) (current price)	4.3	3.8	3.5	3.3	3.2	3.1
P/E (x) (target price)	5.4	4.7	4.4	4.1	3.9	3.8
Dividend yield (%)	3.1	3.1	3.7	3.9	4.1	4.2

Year-end	2021	2022	2023e	2024e	2025e	2026e
Growth (%)						
Revenues	19.07	10.63	3.71	5.88	4.21	3.50
EBITDA	38.1	24.3	2.8	6.5	3.6	2.4
EBIT	38.1	24.3	2.8	6.5	3.6	2.4
Net income	45.4	12.2	8.7	7	3.9	2.7

Year-end	2021	2022	2023e	2024e	2025e	2026e
Margins (%)						
EBITDA	51.5	57.9	57.3	57.7	57.4	56.8
EBIT	51.5	57.9	57.3	57.7	57.4	56.8
Net	51.0	51.7	54.1	54.7	54.6	54.1

Year-end	2021	2022	2023e	2024e	2025e	2026e
Returns (%)						
RoAA	15.9	17.3	18.4	18.0	17.0	16.0
RoAE	22.2	22.8	23.6	22.4	20.6	19.0
RoIC	16.8	21.4	20.3	19.4	18.2	17.1

Year-end	2021	2022	2023e	2024e	2025e	2026e
Gearing (%)						
Net debt/Capital	3.3	0.8	-1.5	-3.8	-5.9	-7.9
Net debt/Equity	4.0	0.9	-1.7	-4.3	-6.5	-8.5
Interest cover (x)	22.5	28.1	35.4	40.5	45.3	50.4
Net debt/EBITDA (x)	0.2	-	-0.1	-0.2	-0.3	-0.4

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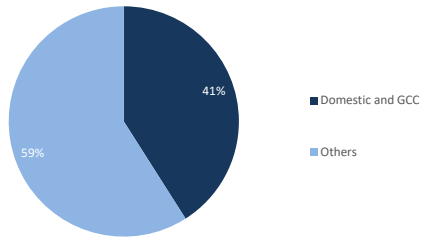
Abacus *Arqaam Capital Fundamental Data*

Company Profile

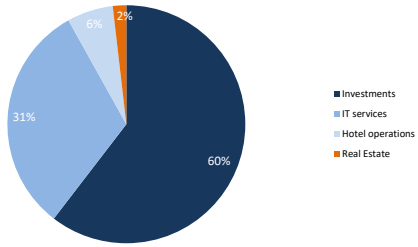
Noor Financial Investment Company - KPSC ("Noor") was established in Kuwait in 1996, and its shares were listed on the Kuwait Stock Exchange (Boursa Kuwait) in May 2006. Noor is engaged in investment activities and financial services, primarily in Kuwait, the Middle East, Asia, and other emerging markets. Noor offers a full spectrum of investment and financial services, which include both advisory and asset management.

Meezan is the first Islamic bank in Pakistan and commenced operations in 2002 and is headquartered in Karachi. It has a network of over 962 branches. Meezan started as an Islamic investment bank in 1997 and was then known as Al-Meezan Investment Bank. In 2002, Meezan Bank acquired the Pakistan operations of Société Générale. In 2014, Meezan Bank signed an agreement with HSBC Bank Middle East to acquire HSBC's Pakistan operations consisting of 10 branches. In 2015, Meezan Bank acquired the Pakistan operations of HSBC Oman, consisting of a single branch. It has a market share of 21% in the Islamic banking industry of the country and 6.9% of the total market share.

Assets – Geographical Breakdown



Income – Segmental Breakdown



Management	
CEO	Gururaj Rao
VP - Head of Alternative Investment Department	Abdullah Alhouli
VP - Head of Marketable Securities Department	Fahad Al-Bader
VP - Head of Finance Department	Moazzam Rafique

Noor Financial Investment Co KSC

Year-end	2021	2022	2023e	2024e	2025e	2026e
Income statement (KWD mn)						
Sales revenue	13	15	16	17	18	19
Cost of sales	(10)	(11)	(12)	(12)	(13)	(13)
Gross profit	**3**	**4**	**4**	**5**	**5**	**6**
Other operating income	21	24	24	26	26	26
SG&A	(6)	(5)	(6)	(6)	(6)	(6)
EBIT	**18**	**22**	**23**	**25**	**25**	**26**
Other pre-tax income/(expense)	-	(1)	(1)	(1)	-	(1)
Profit before tax	**18**	**21**	**22**	**24**	**25**	**25**
Taxes	-	-	-	(1)	(1)	-
Net profit (group)	**18**	**20**	**22**	**23**	**24**	**25**
Minorities	-	-	-	-	-	-
Net profit (parent)	**18**	**20**	**22**	**23**	**24**	**25**
Arqaam Net profit	**18**	**20**	**22**	**23**	**24**	**25**

Year-end	2021	2022	2023e	2024e	2025e	2026e
Balance sheet (KWD mn)						
Cash and equivalents	15	14	16	18	20	23
Associates	57	59	64	74	83	91
Investments (OCI, P&L, properties)	36	29	30	31	33	34
Tangible fixed assets	1	1	1	1	1	1
Other assets including goodwill	9	11	12	12	12	13
Total assets	**118**	**114**	**123**	**136**	**149**	**162**
Payables	9	9	10	10	11	11
Interest bearing debt	18	15	14	13	12	11
Other liabilities	3	2	2	2	2	2
Total liabilities	**30**	**26**	**26**	**25**	**25**	**24**
Shareholders equity	88	88	97	111	125	138
Total liabilities & shareholders equity	**118**	**114**	**123**	**136**	**149**	**162**

Year-end	2021	2022	2023e	2024e	2025e	2026e
Cash flow (KWD mn)						
Cashflow from operations and investing	**12**	**8**	**6**	**7**	**7**	**8**
Cashflow from Financing	**(8)**	**(7)**	**(5)**	**(5)**	**(5)**	**(5)**
Net cash flow	**4**	**0**	**2**	**2**	**2**	**3**

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SWOT

Opportunities

- NIM and RoE expansion for Meezan Bank. A stake in Meezan Bank, one of the top-performing banks in Pakistan, should support earnings growth amidst a tightening monetary policy. The bank is well positioned for the higher rate environment following State Bank of Pakistan's cumulative rate hike of 1300bps to 20% since January 2022 thanks to its 12m ALM gap of 19% of total assets, as 72% of assets re-price in 2023 vs. only 55% of liabilities and CASA mix of 85%.
- Rebound in the hospitality sector following a subdued performance as COVID-19 impact continues to subside and restrictions are lifted.
- Potential improvement in the IT projects pipeline in Kuwait, given the company's strong relationship with the government, as enhanced public finances on the back of oil windfall support investments.

Threats

- Significant macro risks in Pakistan. The central bank has raised rates by 1300bps this cycle so far to 20%. However, inflation soared to 32% y/y in February. FX reserves have dwindled by 80% to less than one month worth of imports. The IMF has yet to approve the release of USD 1.1bn that was due to be disbursed in November 2022. The UAE and KSA have pledged to provide support, but are reluctant without IMF funding.
- Devaluation of the Pakistani rupee, having depreciated 37% since YE 21, as the country works on releasing funding tranches, as part of an IMF loan.
- Potential losses on marketable securities portfolio (FVtPL portfolio of 7.8m and FVOCI of 8.6), 16% of our FVE.

Strengths

- Diversified business model from a geographical and segmental perspective
- Low leverage with net debt to equity currently at 0.9%, offers room for future expansion, dividend handouts or buybacks.
- Strong liquidity with a current ratio and quick ratio of 314% and 148%, respectively

Weaknesses

- Profitability stems predominantly from the investment segment, particularly the company's stake in Meezan bank.
- The company's investment in the hotel industry return generation is still weak despite improvement.

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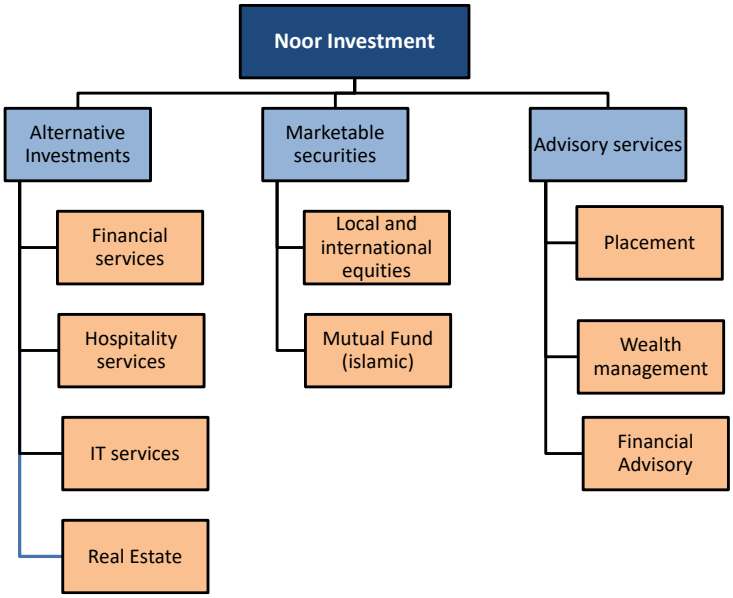
Investment company at a considerable discount to Net Asset Value. Investments driving the bulk of the FVE and EPS.

- Noor's primary activities are investments and financial services, primarily in Kuwait, the Middle East, Asia, and other EMs. It has a portfolio of Direct Capital Market Investments, Real Estate, and Alternative Investments and provides advisory and asset management services.
- The main contributor to return generation is the investment segment, particularly through the company's share in Meezan Bank (associate), which accounted for > 50% of total revenues over the past 5 years, followed by IT's contribution of c. 40%, though mostly offset by high OpEx.
- EPS growth should be driven by i) a stronger performance of Meezan Bank (higher NIM and dynamic balance sheet activity), ii) further recovery of hotel occupancy in Jordan, and iii) increased ICT spending in Kuwait, given the latter's historical business relationship with the government.
- National Industries Group (Holding) is the largest shareholder of Noor, with a stake of 50.28%. The largest shareholder of NIG is the Kuwaiti government.

Exhibit 1: Noor Financial Investment business model



Source: Company Data, Arqaam Capital Research

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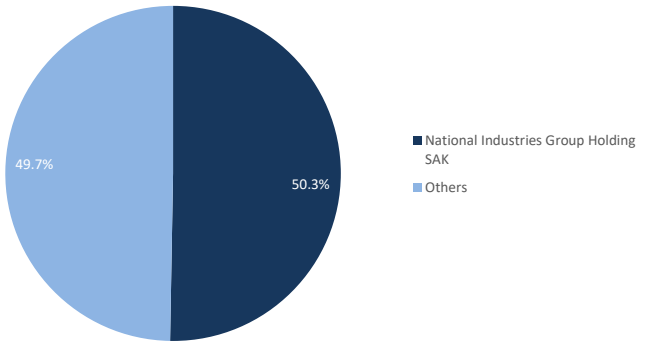
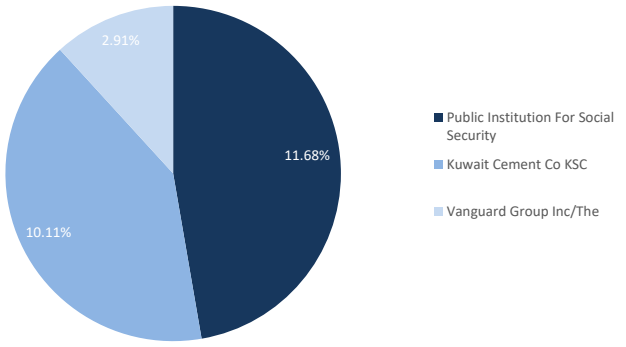
Exhibit 2: National Industries Group Holding is a major shareholder of Noor Financial Investment



Source: Company Data, Arqaam Capital Research

Exhibit 3: The Kuwaiti government (through the Public Institution for Social Security) is a major shareholder of National Industries Holding Group



Source: Company Data, Arqaam Capital Research

The company's business model spans multiple sectors.

Principal subsidiaries and associates include the following:

1. Meezan Bank – Associate

Meezan Bank was launched in 1997 as Al Meezan Investment Bank Limited and converted into a full-fledged Islamic commercial bank in 2002, following the issuance of the first Islamic Commercial Banking license by the State Bank of Pakistan. The bank has now become the most prominent Islamic bank in Pakistan, with 962 branches in 300 cities. Noor is the largest shareholder in Meezan Bank Limited, Pakistan, with a stake of 35.25%.

2. Noor GCC Islamic Fund – Subsidiaries

Noor GCC Islamic Fund is an open-ended, Shari'ah-compliant mutual fund, launched in 2007 and managed by Noor. It aims for long-term capital appreciation, mainly through Kuwait and GCC equities. The fund achieved a return of 24.7% in 2021, but shed 3.4% in 2022, averaging 6.6% since 2016.

Exhibit 4: Noor GCC Islamic Fund performance

KD	2016	2017	2018	2019	2020	2021	2022
Revenue	502,696	158,002	560,488	435,656	280,596	1,669,936	(117,928)
Expenses	(90,895)	(110,695)	(89,250)	(109,399)	(98,040)	(221,292)	(119,948)
	411,801	47,307	471,238	326,257	182,556	1,448,644	(237,876)
RoE	*8.4%*	*1.0%*	*9.1%*	*5.9%*	*3.2%*	*22.0%*	*-3.4%*

Source: Company Data, Arqaam Capital Research

3. Hotels Global Group Company - Jordan (HGG) – Subsidiaries

Through HGG, Noor holds the concession rights of Amman International Airport Hotel, a 4-stars hotel with 300 rooms and multiple F&B outlets, etc. HGG also operates a transit lounge within the new Queen Alia International Airport terminal while managing third-party hospitality businesses.

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4. Arab Information Management Services (AIMS) – Subsidiaries

AIMS is a leading IT company in Kuwait with a history of IT projects for the government of Kuwait and the private sector. It is a partner of Oracle, SAP, HP, etc. AIMS manages all project stages, from the planning and development stage to the actual delivery of IT solutions to meet the clients' needs and select the best systems while providing full-fledged comprehensive support. AIMS also assists in the evaluation of tenders and manages the project implementation.

Exhibit 5: The Group's subsidiaries and associates

Subsidiary Company	Relationship	Company Activity	Location	Ownership %
Noor Kuwait Holding Company -KSCC	Subsidiary	Investment and related activities	Kuwait	99.95%
Kuwaiti Indian Holding Company – KSCC	Subsidiary	Investment and related activities	Kuwait	56.59%
Meezan Bank Limited	Associate	Banking	Pakistan	35.25%
Arab Information Management Services (AIMS)	Indirect subsidiary	IT	Kuwait	95.00%
Hotels Global Group Company - Jordan (HGG)	Indirect subsidiary	Hospitality	Jordan	100.00%

Source: Company Data

The investment segment drives the bulk of the EPS (>90%). Noor's business model revolves around four segments: i) Investments, ii) Real Estate, iii) IT services, and iv) Hotel operations. The main contribution stems from the investment segment, which accounted for >90% of total profit and 60% of revenue in 2022, mainly through the company's 35% share in Meezan Bank and investment-related income (realized, unrealized, and dividend). The equities portfolio is well diversified with substantial exposure in Kuwait and across the GCC and other international markets. Assets under management amount to USD 200m. The team is currently managing four types of portfolios: i) Discretionary portfolios, including conventional and Islamic Shari'ah compliant portfolios, ii) non-discretionary portfolios, and iii) custody portfolios.

IT remains a low-margin business (4.9% NPM in FY22, 16% GPM, c.3% of EPS). The IT segment has been contributing, on average c.40% of total income in the past five years. However, it contributes only to 3% of EPS due to low margins and elevated OpEx, which accounted for c. 70% of overall costs. We expect the IT segment to benefit from the improvement in Kuwait's economy, albeit slowing down from 8.5% in 2022 to c.2.5%, on the back of rising oil prices. Kuwait should record a surplus at current oil prices, which could be translated into increased support to non-oil sectors. This may as well result in a pickup in government-led projects, such as IT-related projects, that could benefit the Group through its subsidiary "AIMS", known for its long history of IT projects with the government. Noor's strategy for growing its IT services consisted of acquiring various IT companies while expanding its existing businesses.

Strong upside from hotel operations (1.8% of BV, 1.4% of FV). Hotel operations continue to be lackluster following COVID-19 emergence, though they should improve gradually on recovering tourism sector in Jordan. Tourism's revenue grew by 115%, and tourists number increasing by 2.4m during the first eleven months of 2022, according to the Jordanian Ministry of Tourism.

The real estate segment's contribution to the revenue stream remains limited as stable rental income were mostly offset by losses from adverse FV changes of investment properties. Noor's real estate portfolio is mostly concentrated in Kuwait (>80%). The Group has been mainly reporting FV losses over the past 5Y (KD -2.09m, -0.49m, -1.15m, -0.87m in 2017-20 and -0.13m in 2022), except for 2021 with FV gains of 0.14m. Impairment charges averaged 1.1% of total assets over the past 5Y, having peaked in 2019 at 3.8% (impacted negatively by the disposable of a subsidiary NSREC and NCM). RoA (before NLST, KFAS, Zakat) of this segment has improved

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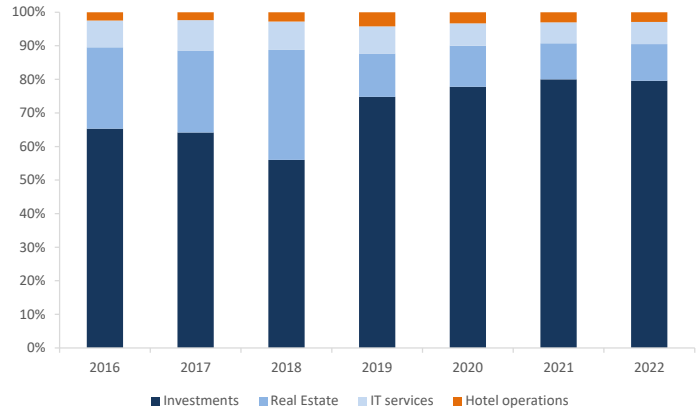
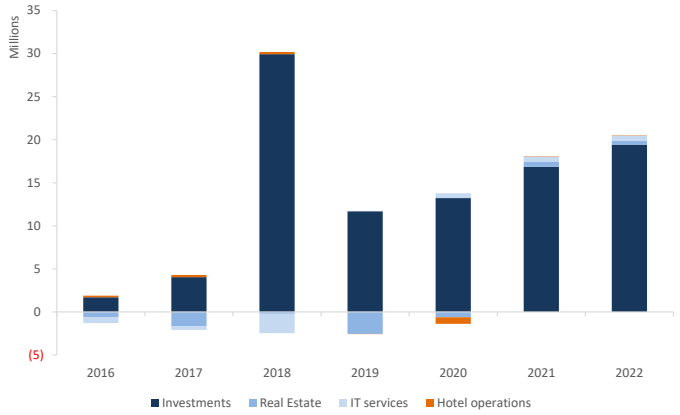
recently, reaching 3.5% in 2022 and 4.4% in 2021, having been mostly negative, averaging c. -1.2% (excluding 2019) because of heavy FV losses, enough to offset the stable rental income yielding separately an average return 3.6% over the past 5Y. Real estate BV makes up for 14% and 11.4% of FVe, with an average ROI of c. 5% over the past 5Y (direct yield based on rental income), c. 3% of group EPS (excl. FV changes and impairment).

Exhibit 6: Segmental assets breakdown – Investment segment dominates.



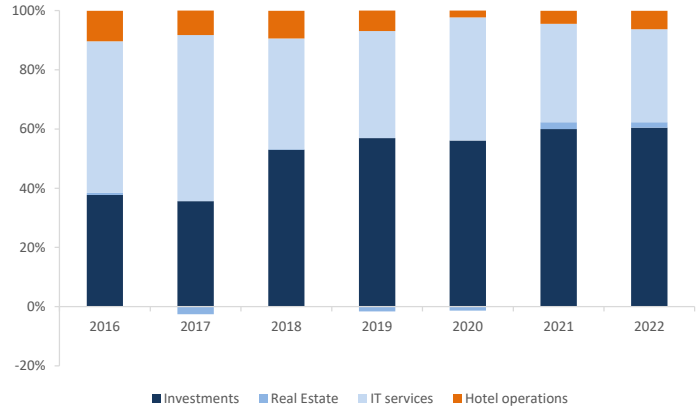
Source: Company Data, Arqaam Capital Research

Exhibit 7: Segmental profit breakdown – Investment segment is the main driver of earnings.



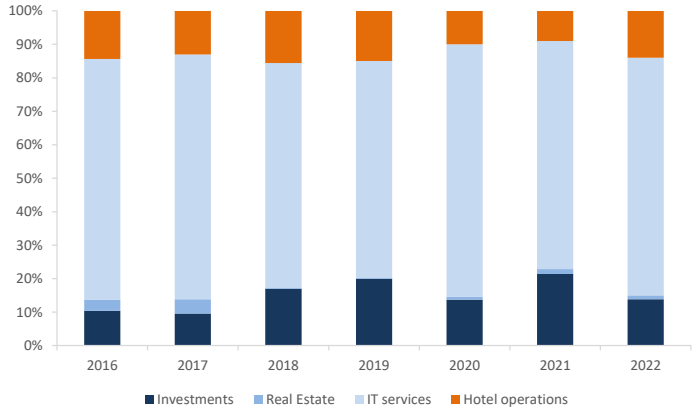
Source: Company Data, Arqaam Capital Research

Exhibit 8: Segmental income breakdown – Investment and IT segments dominate.



Source: Company Data, Arqaam Capital Research

Exhibit 9: Segmental OpEx breakdown – IT's elevated OpEx offsets its contribution to income.



Source: Company Data, Arqaam Capital Research

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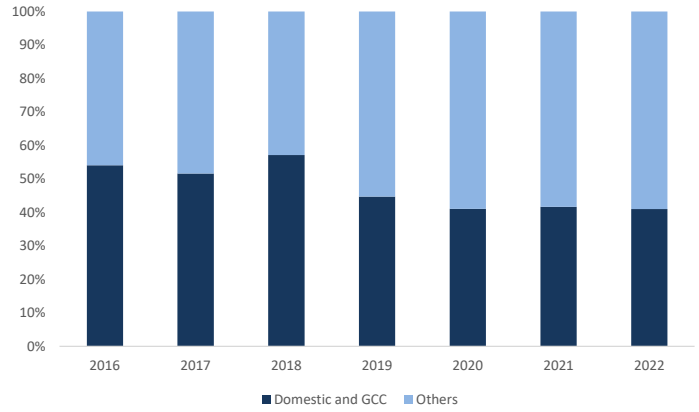
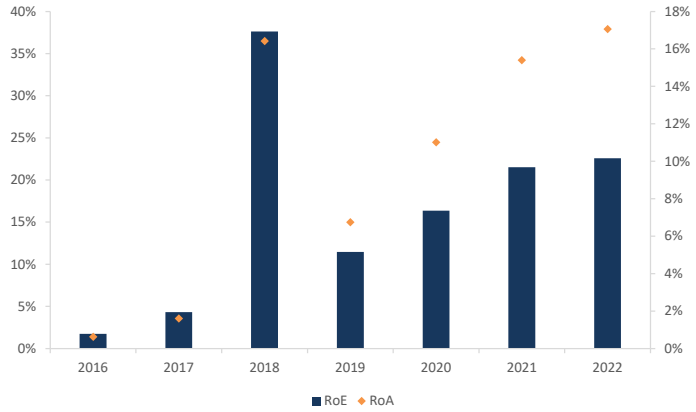
Exhibit 10: Assets breakdown – Emerging market' share of assets (Pakistan) dominates.



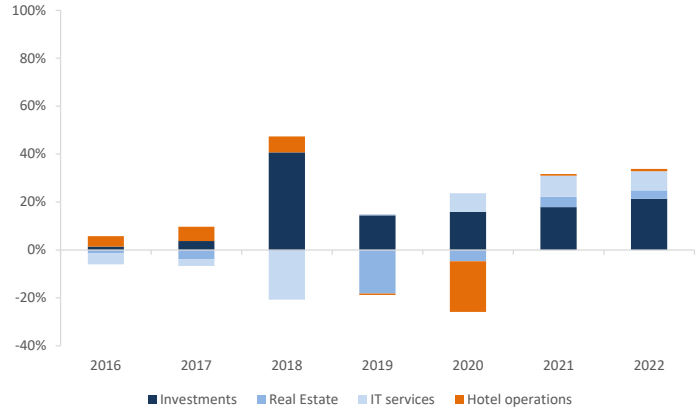
Source: Company Data, Arqaam Capital Research

Exhibit 11: Return generation evolution – RoE/RoA have been gradually improving for the past 5Y (excl. 2018)



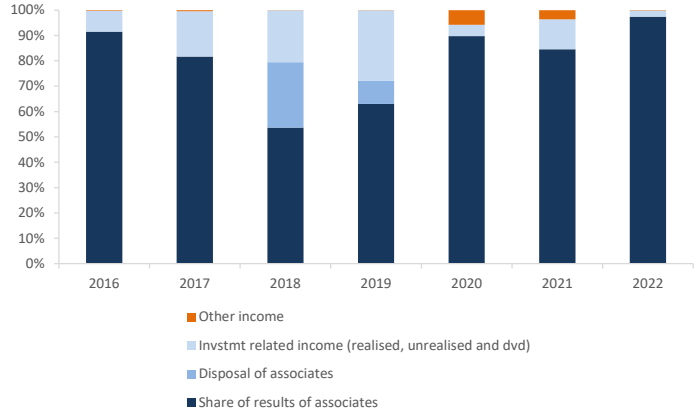
Source: Company Data, Arqaam Capital Research
2018 earnings benefited from a non-operating surge in interest income, other income and FX

Exhibit 12: Segmental breakdown of RoA – Investment segment is main contributor to bottom line.



Source: Company Data, Arqaam Capital Research

Exhibit 13: Investment segment drivers – The Group's associate Meezan Bank is the main contributor.



Source: Company Data, Arqaam Capital Research

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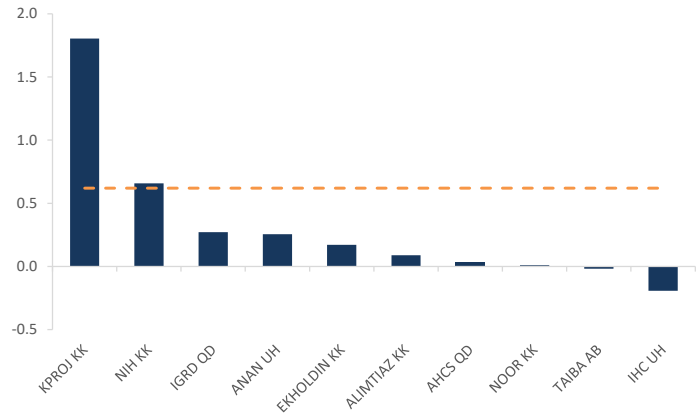
Low leverage positions the company well for future growth, while minimizing ST earnings volatility

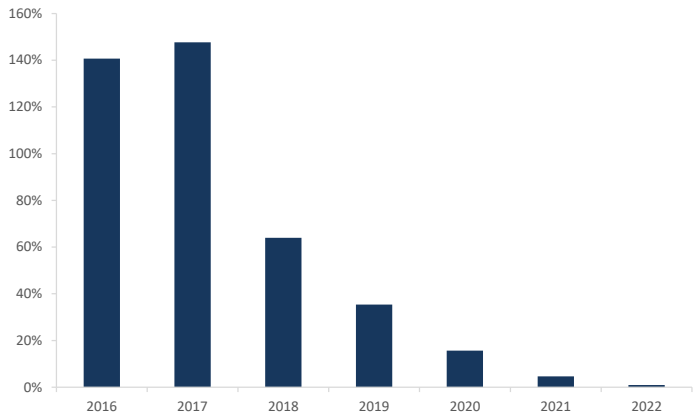
- Net debt to equity ratio has fallen to 0.9%, helped by the strong cash flow of the company, with gross debt cut by KWD 80m over the past 5 years, to reach the lowest level since the past 15 years. This presents an opportunity for the company for strategic opportunities, dividends, or buybacks.
- Remaining debt currently amounts to KD 15m (vs. KD 100m YE 17A), with the company recently rescheduling its outstanding loan with new terms, carrying an effective interest rate of 5.5% per annum (vs. 3.5% YE 21A and June 21A).
- Healthy liquidity level is reflected by high current and quick ratios, currently at c. 314% and 148%, respectively. Account receivables amount to 2.8% of total assets (past dues >60 days at c. 32%, primarily government-related and will take, on average, 3-4 months to get collected).

Exhibit 14: Net debt/ Equity – Noor sits below peers' average level



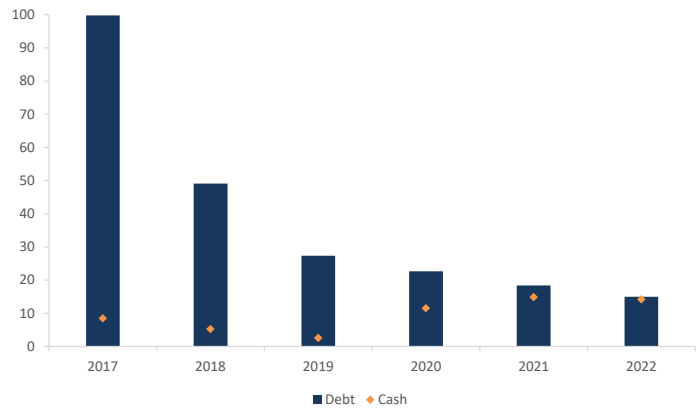
Source: Company Data, Arqaam Capital Research

Exhibit 15: Net debt/ Equity evolution – Sharp drop as the company systematically pay off debt.



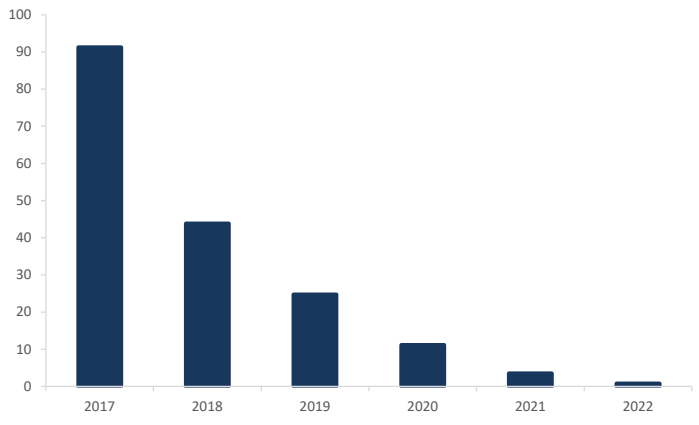
Source: Company Data, Arqaam Capital Research

Exhibit 16: Gross cash and debt evolution (KWD m)



Source: Company Data, Arqaam Capital Research

Exhibit 17: Net debt evolution (KWD m)



Source: Company Data, Arqaam Capital Research

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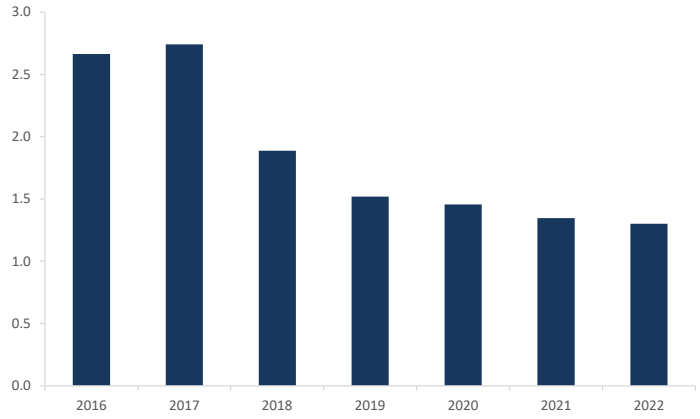
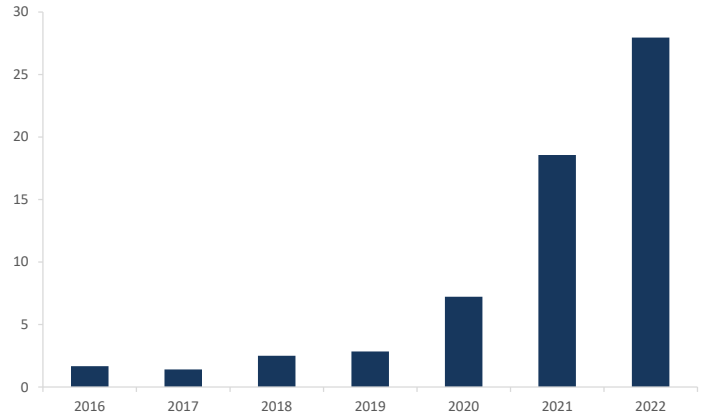
Exhibit 18: Equity multiplier – Assets/ Equity declining on lower debt outstanding.



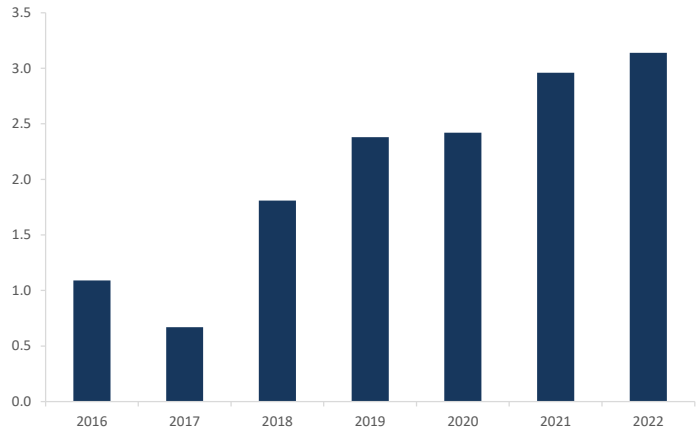
Source: Company Data, Arqaam Capital Research

Exhibit 19: Interest coverage ratio sharply improved, improving Noor's strategic and financial flexibility.



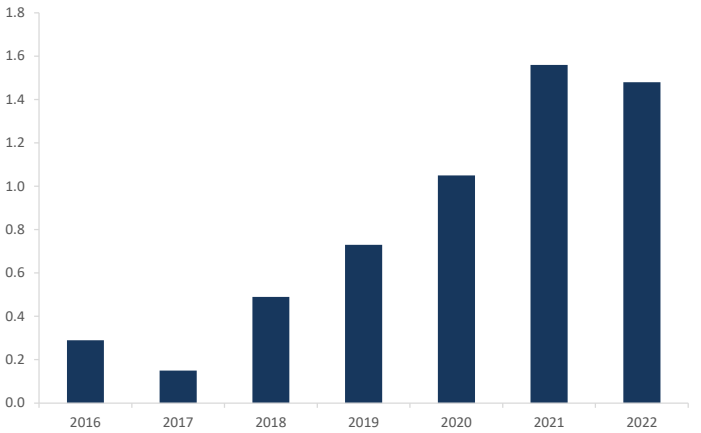
Source: Company Data, Arqaam Capital Research

Exhibit 20: Current ratio evolution – healthy liquidity level



Source: Company Data, Arqaam Capital Research

Exhibit 21: Quick ratio evolution – healthy liquidity level



Source: Company Data, Arqaam Capital Research

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Meezan Bank – Well geared for higher rates and well capitalized for strong credit growth.

- **The IMF has yet to approve the release of USD1.1bn that was initially due in November last year. The UAE and KSA have pledged support, but are insistent on an agreement with the IMF. Inflation soared to 32% in February on surging energy prices and rupee's depreciation.**
- **Meezan Bank enjoys superior returns due to higher i) equity multiplier, ii) NIM, and iii) operating efficiency. In FY22, Meezan bank reported RoE of 43% vs. 21% for peers, on higher RoA (2.0% vs. 1.2%) and equity multiplier (21.9x vs. 17.8x).**
- **We expect earnings to jump by 22% y/y in 2023, as the bank is well geared for the higher rate environment, given a favorable 12-month ALM gap of 19% of total assets. FY profit surged by 59% y/y, lifting RoE to 44% in 2022 vs. 36% in 2021.**
- **Asset quality is healthy with a low NPL ratio of 1.3% compared to peers' average of 6.1%, with ample overall coverage of 166% (vs. 112% for peers) following the bank's additional booking of RS 3.3bn in FY 22 as a preemptive measure against potential deterioration, despite no major stress recorded. We expect a pickup in CoR from 36bps in FY 22, due to political turmoil and uncertain economic outlook.**

Pakistan's economy could stabilize once IMF funds and GCC pledges are received. However, aggressive rate hikes, high inflation, tighter fiscal policy, recent floods, energy shortages, and restrictions on key imports, will weigh heavily on growth. Pakistan secured a USD1.1bn financial package from the IMF, crucial to avert a default after surging energy prices, lower FX reserves and increased inflation, which reached 31.5% in February, the highest since 1974. The IMF approved an extension of the EFF until end-June 2023, rephasing and augmentation of access by SDR 720m bringing the total access under the EFF to about USD6.5 bn. Further support stemmed from USD4 bn pledged by KSA, Qatar, and the UAE, with the economic growth exposed to the ongoing political turmoil and damage done by the heavy rainfall that led to a flood causing > 1,000 casualties and impacting the agricultural sector, which accounts for c. 20% of GDP and employs c. 40% of the labor force. However, the IMF has yet to approve the release of USD1.1bn that was originally due in November last year. The UAE and KSA have pledged support but insistent on an agreement with the IMF.

Fiscal consolidation. The authorities plan to achieve a small primary surplus in FY23 is a welcome step to reduce fiscal and external pressures and rebuild confidence. Containing current spending and increasing tax revenues, including increased fuel levies and energy tariffs can be used to enhance social protection and reduce public debt.

Interest rates, already at 20%, should increase further. Interest rates, raised by a cumulative 1300bps since January 2022, have further room to move higher, to help to reduce inflation and address the external imbalances. The central bank raised rates by 300bps in early march to 20.0%. We expect a further 2-3% over the coming months.

FX likely to remain under pressure. Preserving a market-determined exchange rate remains crucial to absorb external shocks, maintaining competitiveness, and rebuild international

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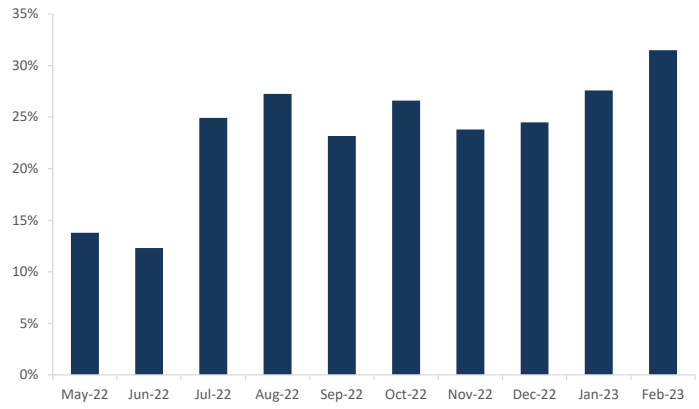
reserves. FX reserves have declined by c80% over the past year, now worth less than one month of imports.

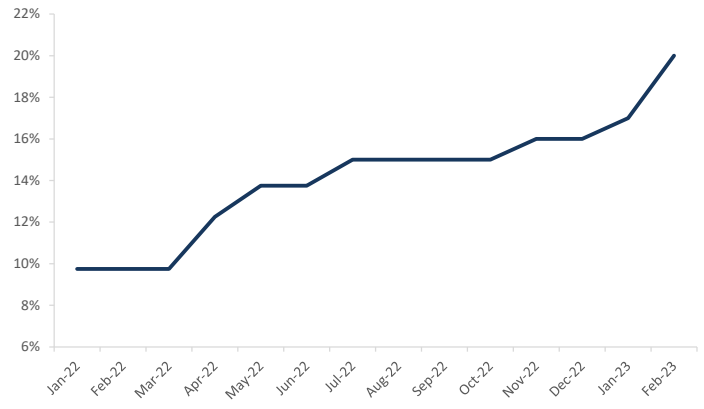
Institutional reforms: Finally, accelerating structural reforms to strengthen governance, including of state-owned enterprises, and improve the business environment would support sustainable growth. Reforms that create a fair-and-level playing field for business, investment, and trade necessary for job creation and the development of a robust private sector are essential, according to the IMF.

Exhibit 22: Pakistan – Inflation



Source: Company Data, Arqaam Capital Research

Exhibit 23: Pakistan – SBP key interest rate evolution



Source: Company Data, Arqaam Capital Research

Meezan is the first Islamic bank in Pakistan, with a market share of 21% in Islamic finance. It commenced operations in 2002 and is headquartered in Karachi. It has a network of 962 branches. It has a market share of 21% in the Islamic banking industry of the country and 6.9% of the total market share. Meezan started as an Islamic investment bank in 1997 and was then known as Al-Meezan Investment Bank. In 2002, Meezan Bank acquired the Pakistan operations of Société Générale. In 2014, Meezan Bank signed an agreement with HSBC Bank Middle East to acquire the HSBC's Pakistan operations consisting of 10 branches. In 2015, Meezan Bank acquired the Pakistan operations of HSBC Oman, consisting of a single branch.

High return generation on the back of higher RoA and equity multiplier. Meezan Bank reported higher RoE than peers throughout the past 5 years because of stronger RoA and higher equity multiplier. The bank posted a RoE of 43% in 2022 compared to its peers' average of 21% on higher RoA (2.0% vs. 1.2%) and equity multiplier (21.9x vs. 17.8x). RoA was driven by i) higher margins (NII/AA of 5.4% vs. 4.0%) aided by a cheaper funding mix (CoF of 5.2% vs. 6.8%) thanks to an elevated CASA ratio (85% of the total book) and ii) lower credit cost.

Return profile 2x of peer's average. We expect RoA of 2.0% in 2023 as the bank benefits from the higher rate environment with a 12m ALM gap of 19% of total assets, as 72% of assets re-price in 2023 vs. only 55% of liabilities. State Bank of Pakistan raised key interest rates by 1300bps since January 2022 to tame soaring inflation. Meezan's NIM should continue to be supported by its cheap funding mix, with CASA share reaching 86%.

Strong FY results on the dynamic balance sheet and higher NIM. In FY 22, earnings jumped by 60% y/y, on the back of a higher topline, up by 67% y/y via i) higher NII (+77% y/y) supported by

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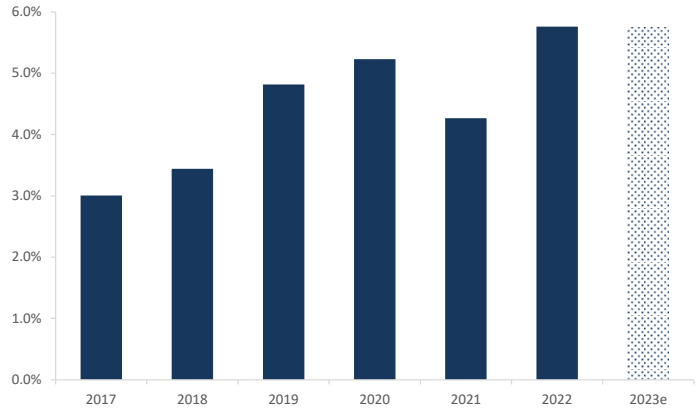
strong credit growth (+31% y/y) and higher NIM (+149bps y/y) and ii) higher non-NII (+18% y/y), reducing C/I by 8ppt y/y down to 34% and yielding JAWs +31%. Non-NII improvement was mainly driven by a rise in debt card-related fee income (+36% y/y) supported by an increase in debit cards, trade, and branch banking related income. The bank's debit card portfolio expanded by 17%, with overall related spending rising by 90% and NFC transactions up by 8x. The trade business volume increased as well by 29%, contributing as a result to F&C generation and aiding in attracting CA balances. OpEx 36% jump was primarily driven by i) an increase in costs associated with the opening of 60 new branches, ii) a substantial rise in inflation, iii) steep rupee devaluation and iv) investment in IT-related initiatives. OpEx growth is in line with the bank's dynamic balance sheet activity (+35% y/y)

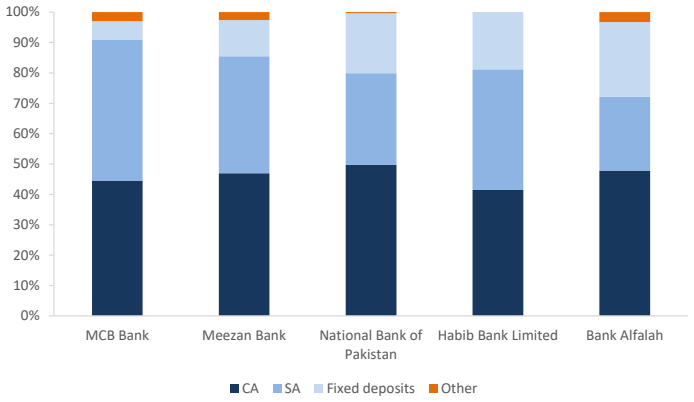
Market share gains over the past 5Y. Meezan Bank managed to increase its market share by 1.9% over the past 5Y reaching 6.9%, alongside Bank Al Habib (BAHL) with a market share increasing to 6.2%. On the other hand, bigger banks such as HBL, UBL, MCB Bank, and ABL's combined market share declined from 42% in 2016 to 39.2%.

Exhibit 24: NIM evolution



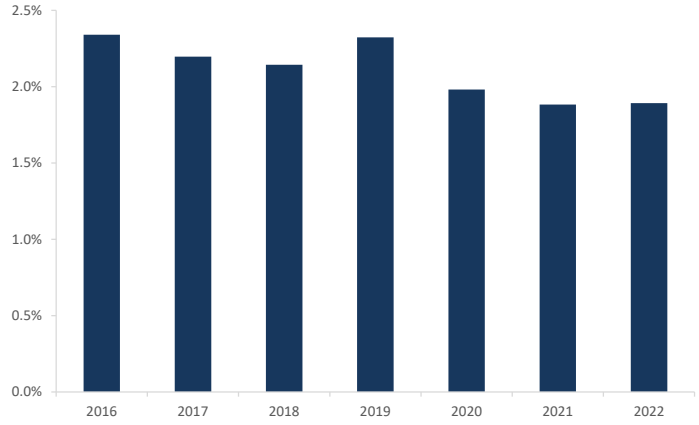
Source: Company Data, Arqaam Capital Research

Exhibit 25: Optimal funding mix



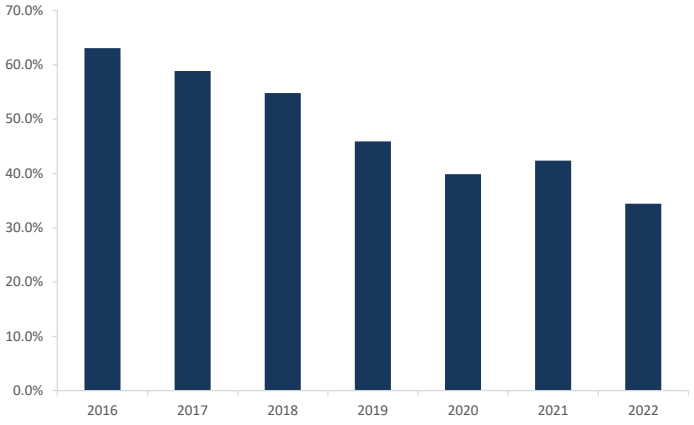
Source: Company Data, Arqaam Capital Research

Exhibit 26: OpEx/ TA evolution



Source: Company Data, Arqaam Capital Research

Exhibit 27: C/I evolution



Source: Company Data, Arqaam Capital Research

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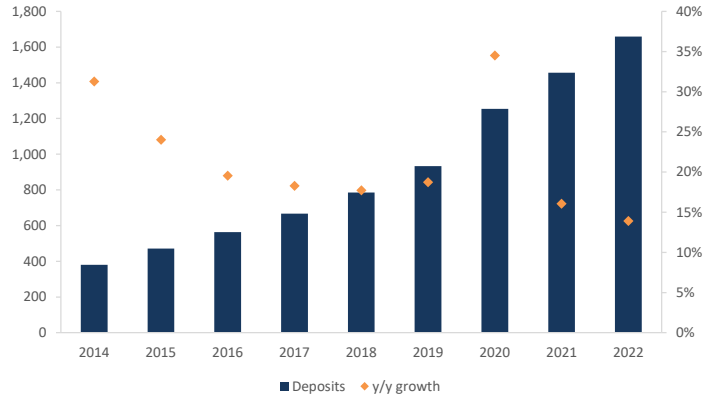
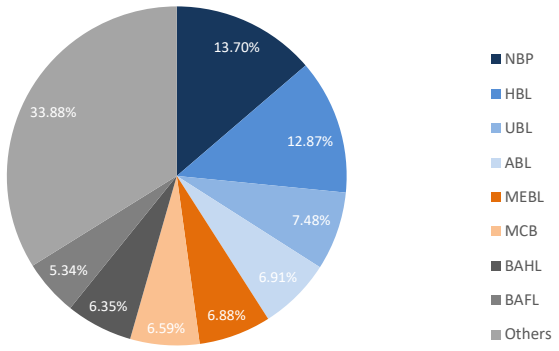
Exhibit 28: Deposits evolution (Rs in Bn)



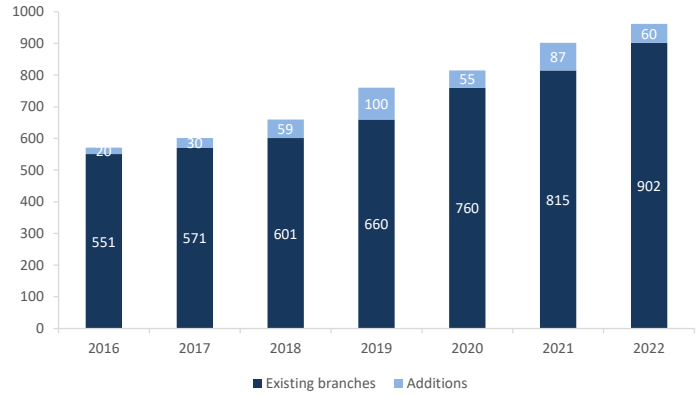
Source: Company Data, Arqaam Capital Research

Exhibit 29: Deposits market share



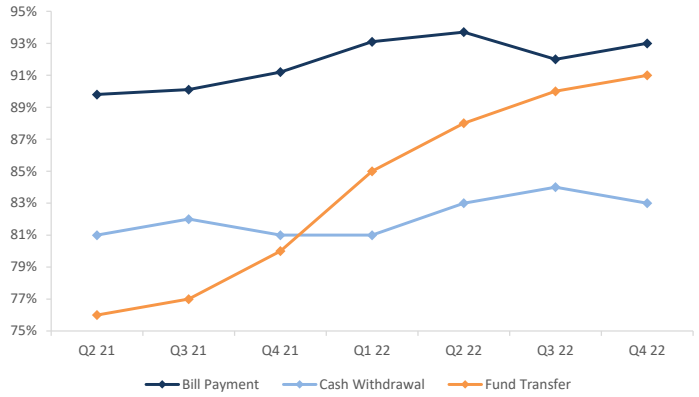
Source: Company Data, Arqaam Capital Research

Exhibit 30: Large branch network in 300+ cities



Source: Company Data, Arqaam Capital Research

Exhibit 31: Digitalization Percentage



Source: Company Data, Arqaam Capital Research

Strong capitalization and healthy liquidity position the bank well for credit growth. CET1, T1 and CAR currently sit at 14.8%, 15.7%, and 18.4%, respectively, well above the minimum requirement. Asset/ Equity and Loan/ Equity currently stand at 21.9x and 8.6x, respectively, offering significant support to RoE. Liquidity is healthy with LCR and NSFR of 284% (vs. 222% YE 21A) and 157% (VS. 165% ye 21a), while LtD stands at 61%. Strong capitalization is key for the bank to pursue its strategy of growing its credit book across different sectors and financing MSMEs through Fintech collaborations (i.e., FINCA, Techlogix and Burque etc.). RWA represents only 30% of total assets as of YE 22 as the lending book, of which the corporate segment makes up 88%, is only c. 40% of total assets.

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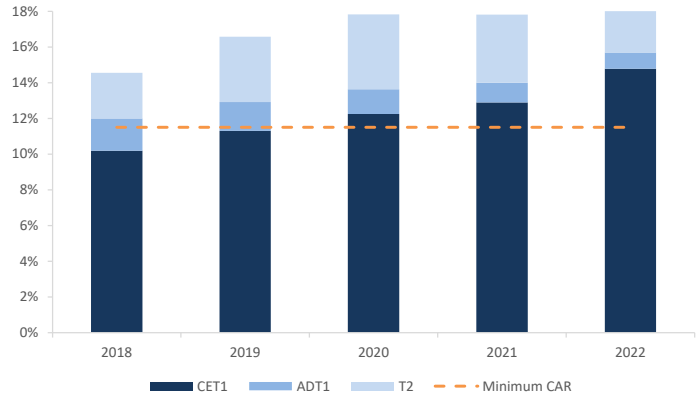
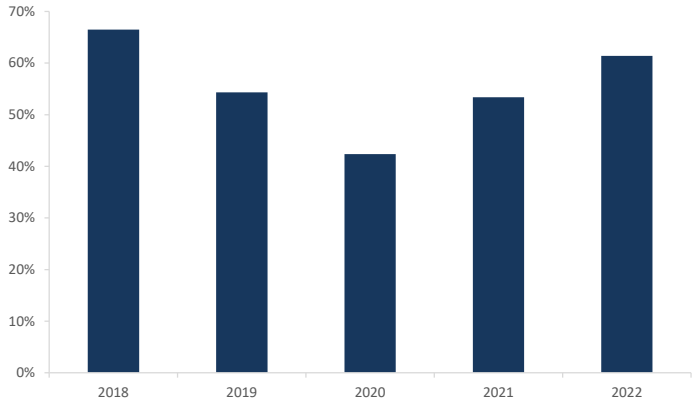
Exhibit 32: Strong capitalization



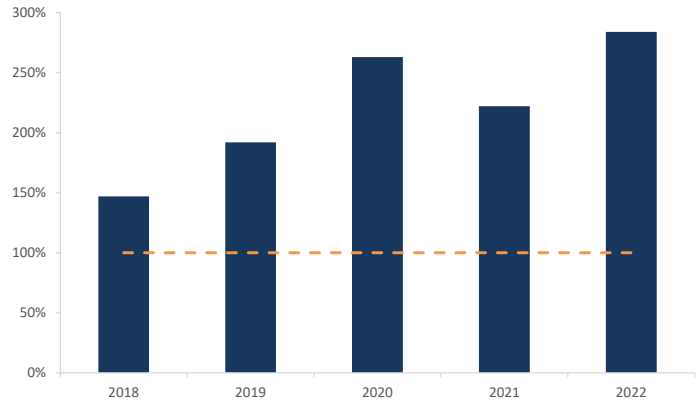
Source: Company Data, Arqaam Capital Research

Exhibit 33: Healthy liquidity



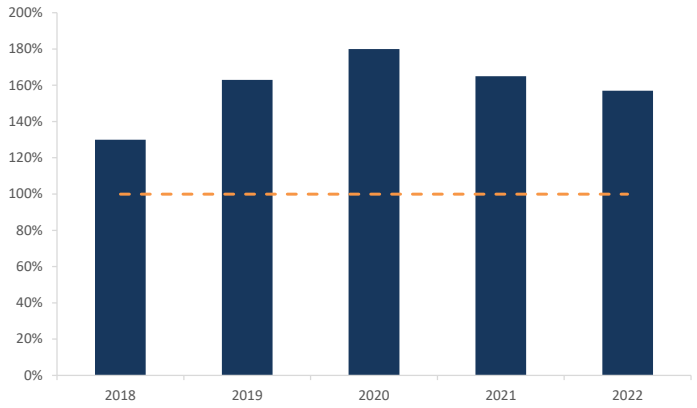
Source: Company Data, Arqaam Capital Research

Exhibit 34: Healthy liquidity – High LCR



Source: Company Data, Arqaam Capital Research

Exhibit 35: Healthy liquidity – High NSFR



Source: Company Data, Arqaam Capital Research

Healthy asset quality is reflected by the lowest NPL ratio in the sector, the highest overall NPL coverage, and a diversified credit book. NPL ratio and corresponding coverage stand at 1.3% and 166%, respectively, vs. peers' averages of 6.1% and 112%, respectively. This is supported by a well-diversified portfolio spread across many sectors, with agriculture sitting at the top with total exposure of 21%, followed by textile at 18.5% and electricity at 12.6%. The bank's credit rating was upgraded to 'AAA-A-1+' in 2021 (maintained in 2022). CoR settled at 36bps in FY 22, though pressure remains given the ongoing political instability and uncertain economic outlook, despite recently secured funding that should contribute to stabilizing the situation. Meezan Bank and BAHL topped the list regarding asset quality, with enough provisions' coverage insulating the banks from potential deterioration.

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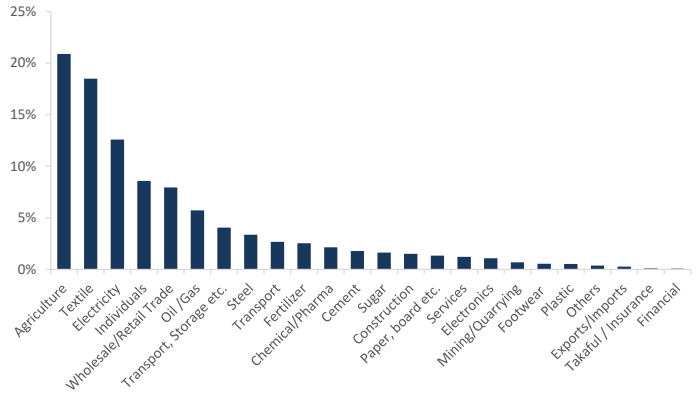
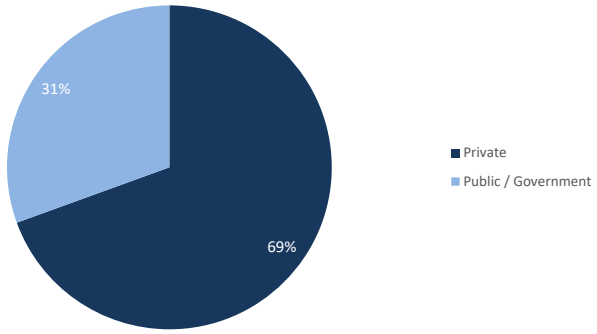
Exhibit 36: Segmental breakdown of credit book



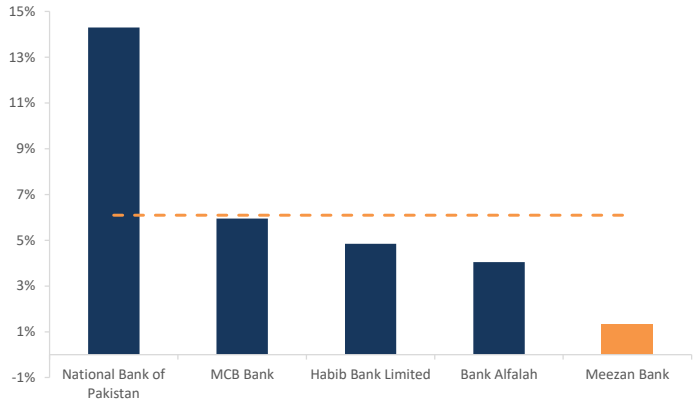
Source: Company Data, Arqaam Capital Research

Exhibit 37: Loan book composition: Private vs. Public



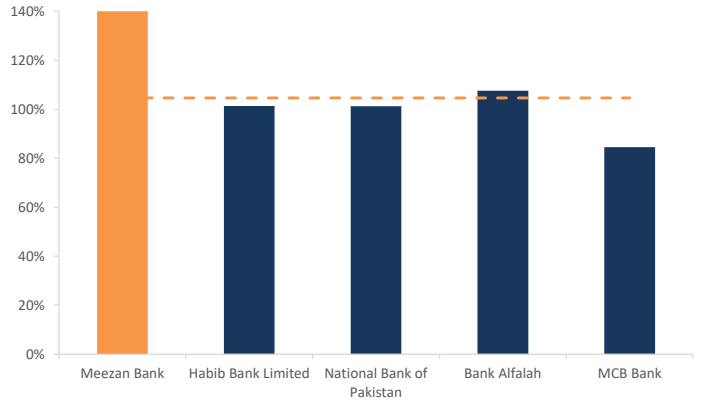
Source: Company Data, Arqaam Capital Research

Exhibit 38: NPL ratio



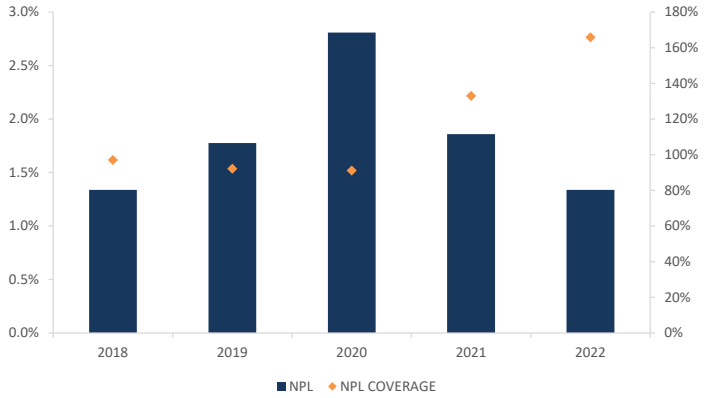
Source: Company Data, Arqaam Capital Research

Exhibit 39: NPL coverage



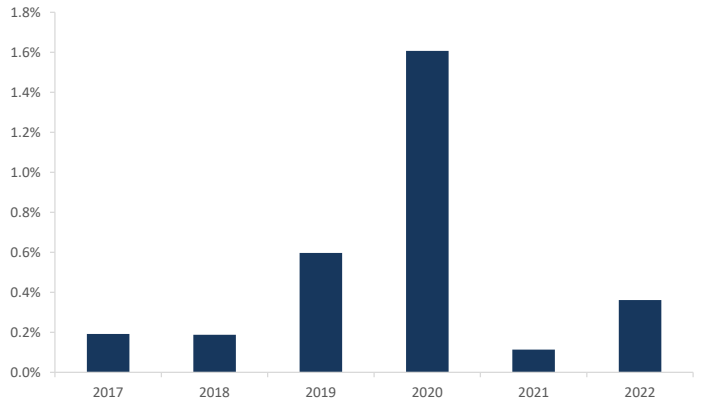
Source: Company Data, Arqaam Capital Research

Exhibit 40: Meezan Bank – NPL ratio vs. NPL coverage evolution



Source: Company Data, Arqaam Capital Research

Exhibit 41: Meezan Bank – CoR evolution



Source: Company Data, Arqaam Capital Research
CoR: cost of risk

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DuPont Meezan Bank – higher return generation than peers

Exhibit 42: RoE

Company	RoE				
	FY 18A	FY 19A	FY 20A	FY 21A	FY 22A
MEBL	**22.4%**	**29.9%**	**33.5%**	**35.0%**	**43.4%**
MCB	13.3%	14.9%	16.2%	16.9%	18.5%
BAFL	15.3%	15.7%	11.9%	14.9%	18.1%
HBL	6.3%	7.4%	12.8%	13.0%	12.1%
NBP	10.2%	7.4%	11.9%	10.0%	10.2%
Pakistan	13.5%	15.1%	17.3%	18.0%	20.5%

Source: Company Data, Arqaam Capital Research

Exhibit 43: RoA

Company	RoA				
	FY 18A	FY 19A	FY 20A	FY 21A	FY 22A
MEBL	**1.0%**	**1.5%**	**1.7%**	**1.6%**	**2.0%**
MCB	1.4%	1.5%	1.7%	1.6%	1.6%
BAFL	1.1%	1.3%	0.9%	0.9%	0.9%
HBL	0.4%	0.5%	0.9%	0.9%	0.8%
NBP	0.7%	0.6%	1.0%	0.8%	0.7%
Pakistan	0.9%	1.1%	1.2%	1.2%	1.2%

Source: Company Data, Arqaam Capital Research

Exhibit 44: Equity Multiplier

Company	Equity Multiplier				
	FY 18A	FY 19A	FY 20A	FY 21A	FY 22A
MEBL	**22.1**	**18.3**	**21.2**	**21.4**	**21.9**
BAFL	13.2	12.0	15.0	17.1	22.1
HBL	15.5	14.6	14.8	15.4	16.4
NBP	13.3	13.1	11.0	13.1	17.0
MCB	10.5	9.4	9.8	12.0	11.7
Pakistan	14.9	13.5	14.4	15.8	17.8

Source: Company Data, Arqaam Capital Research

Exhibit 45: NII/AA

Company	NII/AA				
	FY 18A	FY 19A	FY 20A	FY 21A	FY 22A
MEBL	**3.2%**	**4.5%**	**4.9%**	**4.0%**	**5.4%**
MCB	3.2%	4.0%	4.3%	3.4%	4.4%
HBL	2.9%	3.2%	3.7%	3.2%	3.7%
BAFL	3.2%	4.3%	3.6%	2.9%	3.9%
NBP	2.3%	2.4%	3.4%	2.8%	2.6%
Pakistan	3.0%	3.7%	4.0%	3.3%	4.0%

Source: Company Data, Arqaam Capital Research

Exhibit 46: Non-NII/AA

Company	non-NII/AA				
	FY 18A	FY 19A	FY 20A	FY 21A	FY 22A
NBP	1.4%	1.3%	1.2%	1.1%	0.9%
BAFL	1.1%	1.1%	1.1%	1.1%	1.1%
MCB	1.2%	1.1%	1.1%	1.0%	1.2%
MEBL	**1.0%**	**1.0%**	**0.8%**	**0.9%**	**0.9%**
HBL	0.7%	0.8%	0.9%	0.9%	1.0%
Pakistan	1.1%	1.0%	1.0%	1.0%	1.0%

Source: Company Data, Arqaam Capital Research

Exhibit 47: OpEx/AA

Company	OpEx/AA				
	FY 18A	FY 19A	FY 20A	FY 21A	FY 22A
HBL	2.6%	3.0%	2.7%	2.4%	2.8%
BAFL	2.5%	2.9%	2.6%	2.4%	2.5%
MCB	2.5%	2.4%	2.2%	2.1%	2.3%
MEBL	**2.3%**	**2.5%**	**2.3%**	**2.1%**	**2.2%**
NBP	2.2%	2.3%	2.1%	1.8%	1.7%
Pakistan	2.4%	2.6%	2.4%	2.1%	2.3%

Source: Company Data, Arqaam Capital Research

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Exhibit 48: Provisions/AA

Company	Provisions/AA				
	FY 18A	FY 19A	FY 20A	FY 21A	FY 22A
NBP	0.42%	0.46%	1.01%	0.34%	0.3%
HBL	0.18%	0.11%	0.35%	0.20%	0.2%
BAFL	0.00%	0.29%	0.62%	0.15%	0.6%
MEBL	**0.13%**	**0.40%**	**0.62%**	**0.06%**	**0.2%**
MCB	-0.06%	0.17%	0.42%	-0.27%	-0.1%
Pakistan	0.13%	0.29%	0.60%	0.09%	0.23%

Source: Company Data, Arqaam Capital Research

Exhibit 49: Asset Yields

Company	Asset Yields				
	FY 18A	FY 19A	FY 20A	FY 21A	FY 22A
NBP	5.7%	8.1%	8.4%	6.8%	11.1%
MCB	5.9%	9.3%	8.3%	6.6%	10.0%
HBL	5.8%	8.3%	7.7%	6.4%	9.7%
BAFL	5.9%	8.9%	7.5%	6.4%	10.7%
MEBL	**5.6%**	**9.1%**	**8.0%**	**6.4%**	**10.3%**
Pakistan	5.8%	8.7%	8.0%	6.5%	10.4%

Source: Company Data, Arqaam Capital Research

Exhibit 50: Cost of Funds

Company	Cost of Funds				
	FY 18A	FY 19A	FY 20A	FY 21A	FY 22A
NBP	3.6%	6.1%	5.5%	4.3%	9.1%
MCB	5.1%	5.9%	4.5%	3.5%	6.1%
HBL	3.1%	5.4%	4.3%	3.4%	6.5%
BAFL	3.0%	5.0%	3.7%	3.3%	7.2%
MEBL	**2.5%**	**4.9%**	**3.3%**	**2.5%**	**5.2%**
Pakistan	3.5%	5.4%	4.2%	3.4%	6.8%

Source: Company Data, Arqaam Capital Research

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ESG Initiatives

Meezan Bank is supporting the UN Sustainable Development Goals (SDG) as part of its ESG initiatives.

Environmental:

- Access to affordable, reliable, sustainable, and modern energy for masses and climate action measures.
- Solar Financing to Consumer and SME, Bank remains committed to promoting and leading green energy.
- Conversion of 140KW at HO and 59 branches to clean solar energy.
- Reduction of 312,000 kgs of CO2.
- Financial Inclusion through Farmers Literacy Program.
- Clean Water and Sanitation.
- Running various pilot project for energy conservation across the bank using AI.

Social:

- COVID-19 Vaccination Drives - Bank in collaboration with the Provincial Government, established two vaccination centers and mobile vaccination vans while also vaccinating all staff.
- Quality education - Conducted 75 Islamic banking seminars and workshops attended by 5,500+ participants.
- Bank extended Islamic Refinance Facility for wages and salaries to Corporate/SME customers to safeguard the workforce/labor from being laid off during the pandemic.
- Digital Leadership, Highest e-com spend, largest funds received through IBFT, 2nd largest Bank in sending funds through IBFT.
- Focus on Employee Development.

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Valuation: We set a NAV-based FVE of KWD 0.188, with 28.5% upside

- **The stock trades at 0.9x of the reported book value, with Meezan bank carried at KWD 59m, 14% below its market cap. Noor trades at 31% below its adjusted NAV (ACe).**
- **We also assign some value to the remainder of the activities (Hotel, IT and RE), while valuing the investment portfolio at book value (FVtPL, FVOCI).**
- **Further support to valuation stems from the potential cash inflow of c. KWD 15m following the favorable court decision against a fully impaired investment, regarding 50% ownership of c. 50m share of Bank Boubyan.**
- **OpEx are allocated to its business units. OpEx allocated to the investment portfolio are 2.3m for FY22, or 14% of its investment book and 2.0% of total assets.**

We set a NAV-based FVE of KWD 0.188, offering 28.5% upside, mainly reflecting Meezan's substantial hidden value, with a market valuation 1.25x ahead of Noor's book value. The investment in Meezan in Pakistan (35% stake) drives >55% of revenue and 71% of our FV. In addition, it has a large investment portfolio carried at FVtPL and FVOCI (16m, 17% of FVe, avg. c.8% of income). Overall investment segment expenses are limited to 14% of investment assets and 2.0% of total assets.

The remainder of the activities (Real Estate, IT and Hotel ops) generated a positive EBIT of KD 1.3m in 2022 (after allocating 100% of contract costs and 57% of SG&A).

The company has low leverage (net debt of KD 0.8m, 0.7% of FVe).

Exhibit 51: SoTP

	at FV Meezan	at CMP Meezan	Implied
Shareholders' equity	87,934	87,934	87,934
minus goodwill	(2,029)	(2,029)	(2,029)
valuation Mezzan	73,432	68,359	49,694
minus BV	(56,997)	(59,119)	(59,119)
valuation other operations	(3,778)	(3,778)	(3,778)
CF (court decision)	15,000	15,000	15,000
Holding Co discount (10%)	(11,356)	(10,637)	(13,155)
Adjusted NAV	102,206	95,730	77,065
NOSH	510,367	510,367	510,367
Adjusted NAVps (KWD)	**0.200**	**0.188**	**0.151**

Source: Company Data, Arqaam Capital Research

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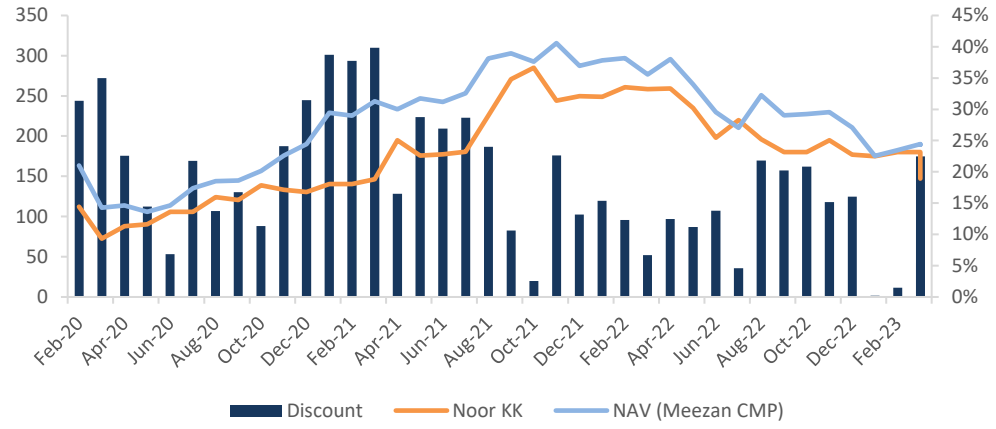
Exhibit 52: Relative valuation

Country	Ticker	MKT CAP (USD m)	ADTV (USD m)	P/B	ROE (%)	ROA (%)	DY (%)
Kuwait	**NOOR KK Equity**	**251**	**165**	**0.88**	**23.19**	**17.06**	**3.38**
Kuwait	ALIMTIAZ KK Equity	187	256	0.33	-2.50	-1.62	
Kuwait	KPROJ KK equity	1,879	2,172	0.85	-3.62	-0.03	4.42
Kuwait	EKHOLDIN KK Equity	1,369	274	2.48	36.29	10.21	9.37
Kuwait	INTEGRAT KK Equity	291	1,466	1.41	6.36	4.11	2.89
Kuwait	KPPC KK Equity	61	51	0.25	-6.69	-4.05	
Kuwait	NIH KK Equity	83	384	0.69	4.11	2.91	4.26
UAE	IHC UH Equity	235,929	115	12.44	26.15	7.98	
UAE	ANAN UH Equity	2,563		7.56	-10.38	-2.55	
KSA	GACO AB Equity	193	2.7	2.50	0.25	0.16	
KSA	TAIBA AB Equity	1,181	1.2	1.22	3.86	3.37	
QATAR	AHCS QD equity	1,537	1.15	0.71	4.42	3.86	5.63
QATAR	IGRD QD Equity	1,663	5.2	1.36	11.47	6.36	
OMAN	OEIO OM Equity	27	0.01	0.45	14.54	6.65	8.82

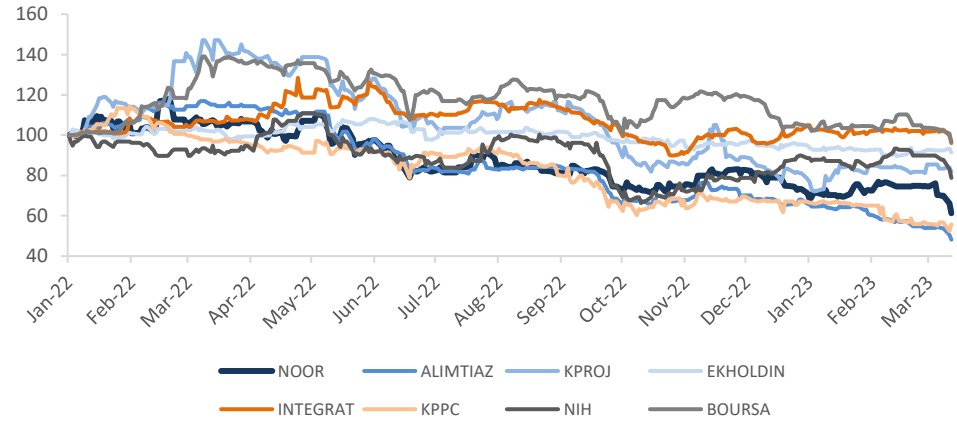
Source: Bloomberg, Arqaam Capital Research

Exhibit 53: NOOR KK vs. NAV (Meezan at CMP) and discount evolution



Source: Bloomberg, Arqaam Capital Research

Exhibit 54: Price performance YtD



Source: Company Data, Arqaam Capital Research

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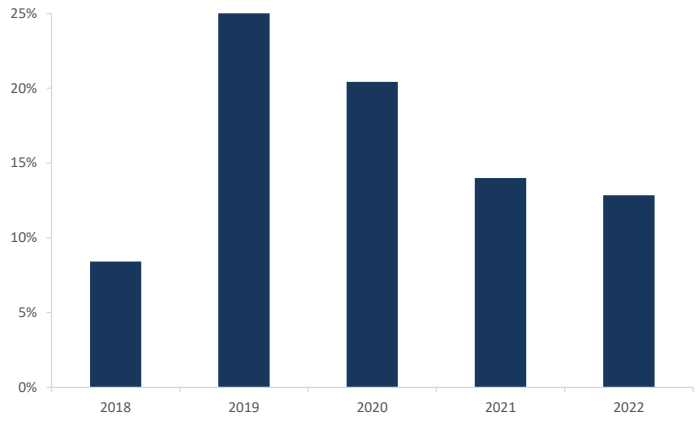
Exhibit 55: P/BV vs. RoE evolution



Source: BBG, Arqaam Capital Research

Exhibit 56: DPO evolution



Source: Company Data, Arqaam Capital Research

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FY results review – Noor Financial Investment Company

- **FY earnings jumped by 14.3% y/y on stronger topline (+10.6%) driven mainly by higher i) revenue from contracts with customers (+11.7%) due to a pickup in hotel operations and IT services, and ii) share of results of associate (+28.4%) given strong performance by Meezan Bank. This was partially offset by i) losses stemming from changes in FV of investments (KD -0.19m vs. 1.7m in 2021) and ii) higher cost base (+7.7%) mainly on higher cost of contracts with customers and impairment of receivables (-KD 1.1m).**
- **FY profit growth was mainly generated from the investments segment (+15% y/y) that continues to be driven by associate income (+28.4%) with Meezan Bank reporting EPS growth of 59% in 2022. The real estate segment exhibited some weakness, as it fell by 21% y/y due to negative changes in FV of investment properties and impairment of receivables. The IT services segment declined by 7% as higher OpEx offset income growth. Hotel operations contribution to overall profit remains muted (0.16% in 2022 vs. 0.14% in 2021).**
- **Noor's RoE reached 22.6% in FY 22A, compared to 21.5% in FY 21A.**
- **Nevertheless, FY earnings have been mostly offset by OCI losses (KD -17m vs. -1.2m in FY 21A), driven mainly by FX losses.**
- **Net debt/ equity ratio currently sits at 0.9%, compared to 4.7% YE 21A. The company rescheduled in 2022 the outstanding loan (KD 15m vs. 18.4m YE 21A) at a higher effective interest rate of 5.5% per annum given the higher rate environment (vs. 3.5% YE 21A).**

Exhibit 57: Q4/ FY 22A earnings review table

KD' 000	Q4 22A	Q3 22A	q/q 22	Q4 21A	Q3 21A	q/q 21	y/y Q4	y/y Q3	FY 22A	FY 21A	FY y/y
Revenue from contracts with customers	3,264	3,328	-1.9%	3,433	3,727	-7.9%	(4.9%)	-10.7%	14,617	13,086	11.7%
Cost of contracts with customers	(2,145)	(2,416)	-11.2%	(2,764)	(2,811)	-1.7%	(22.4%)	-14.1%	(11,032)	(10,377)	6.3%
Company's share in the net profit of associates	7,741	5,491	41.0%	5,004	4,394	13.9%	54.7%	25.0%	22,854	17,796	28.4%
Investment income (P&L, IP, dvd)	(574)	(54)	955.7%	450	544	-17.3%	(227.5%)	-110.0%	427	2,602	(83.6%)
Other operating income	230	210	9.6%	130	195	-33.4%	77.0%	7.5%	837	674	24.1%
Total Income	**8,516**	**6,559**	**29.8%**	**6,253**	**6,049**	**3.4%**	**36.2%**	**8.4%**	**27,703**	**23,782**	**16.5%**
General, administrative and other expenses	(1,544)	(1,359)	13.6%	(2,223)	(1,296)	71.5%	(30.5%)	4.9%	(5,249)	(5,716)	(8.2%)
EBIT	**6,972**	**5,200**	**34.1%**	**4,031**	**4,753**	**-15.2%**	**73.0%**	**9.4%**	**22,454**	**18,065**	**24.3%**
Finance charges	(229)	(220)	4.5%	(185)	(222)	-16.9%	24.0%	-1.3%	(923)	(896)	3.0%
Impairment	(1,027)	(21)	4722.4%	0	0	nm	nm	nm	(1,091)	0	na
Other income (losses), net (Interest, FX etc.)	14	(66)	-121.9%	179	296	-39.5%	(92.0%)	-122.2%	71	918	(92.3%)
EBT	**5,730**	**4,894**	**17.1%**	**4,025**	**4,827**	**-16.6%**	**42.4%**	**1.4%**	**20,511**	**18,087**	**13.4%**
Zakat paid	(97)	(202)	-51.7%	(50)	(66)	-24.9%	96.4%	205.8%	(463)	(213)	117.9%
Director remuneration	(178)	0	nm	(162)	0	nm	9.6%	nm	(178)	(162)	9.6%
Group net Profit for the year	**5,455**	**4,692**	**16.3%**	**3,813**	**4,761**	**-19.9%**	**43.1%**	**-1.4%**	**19,870**	**17,713**	**12.2%**
Minority interest	(42)	10	na	13	43	-70.5%	na	-76.6%	47	377	(87.6%)
Parent net profit for the year	**5,497**	**4,682**	**17.4%**	**3,800**	**4,717**	**-19.4%**	**44.7%**	**-0.8%**	**19,823**	**17,336**	**14.3%**
EBIT margin	**65%**	**58%**		**45%**	**54%**				**58%**	**53%**	
Net profit margin	**52%**	**52%**		**42%**	**53%**				**51%**	**51%**	

Source: Company Data, Arqaam Capital Research

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Exhibit 58: Segments performance

KD' 000	Q4 22A	Q3 22A	q/q 22	Q4 21A	Q3 21A	q/q 21	y/y Q4	y/y Q3	FY 22A	FY 21A	FY y/y
Segment Income											
Investments	7,281	5,371	35.6%	5,349	5,234	2.2%	36.1%	2.6%	23,452	21,050	11.4%
Real Estate	103	210	-50.8%	265	195	36.0%	(61.1%)	7.5%	710	792	(10.3%)
IT services	2,661	2,467	7.9%	3,207	3,026	6.0%	(17.0%)	-18.4%	12,213	11,668	4.7%
Hotel operations	630	861	-26.8%	376	702	-46.4%	67.5%	22.6%	2,431	1,568	55.0%
Profit BFT											
Investments	5,683	4,554	24.8%	3,468	4,535	-23.5%	63.9%	0.4%	19,438	16,861	15.3%
Real Estate	29	117	-75.2%	205	88	nm	(85.8%)	33.5%	436	554	(21.3%)
IT services	97	111	-12.5%	368	26	nm	(73.6%)	nm	603	648	(6.9%)
Hotel operations	(79)	112	nm	(17)	178	nm	nm	-37.2%	33	26	29.6%

Source: Company Data, Arqaam Capital Research

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Board Members and Management Team

Exhibit 59: Board of directors

Name	Designation
Dr. Fahad Sulaiman Al-Khaled	Chairman
Mr. Abdulghani M.S. Behbehani	Vice Chairman
Mr. Riyadh S. A. A. Edrees	Board Member
Mr. Faisal A. Al-Nassar	Board Member
Mr. Bader H. Al-Rabiah	Board Member
Mr. Talal S. Al-Shehab	Board Member
Mr. Fahad A. Al-Jarallah	Board Member

Source: Company Data

Exhibit 60: Management Team

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

Source: Company Data

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