DERAYAH FINANCIAL COMPANY
(A Saudi Closed Joint Stock Company)
FINANCIAL STATEMENTS
For the year ended 31 December 2023
Together with
INDEPENDENT AUDITOR'S REPORT

KPMG Professional Services
Roshn Front, Airport Road
P. O. Box 92876
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Kingdom of Saudi Arabia
Commercial Registration No 1010425494

Headquarters in Riyadh

كي بي إم جي للاستشارات المهنية
واجهة روشن، طريق المطار
صندوق بريد ٩٢٨٧٦
الرياض ١١٦٦٣
المملكة العربية السعودية
سجل تجاري رقم ١٠١٠٤٢٥٤٩٤

المركز الرئيسي في الرياض

Independent Auditor's Report

To the Shareholders of Derayah Financial Company

Opinion

We have audited the financial statements of Derayah Financial Company ("the Company"), which comprise the statement of financial position as at 31 December 2023, the statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards), that is endorsed in the Kingdom of Saudi Arabia, that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with the Code's requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. We have determined that there are no key audit matters to communicate in our report.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, when made available to us, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Independent Auditor's Report

To the Shareholders of Derayah Financial Company (continued)

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA, the applicable requirements of the Regulations for Companies, the Company's By-Laws and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance, the Board of Directors, are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, then we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

Independent Auditor's Report

To the Shareholders of Derayah Financial Company (continued)

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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Company's audit. We remain solely responsible for our audit opinion.

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

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

KPMG Professional Services

كي . بي . إم . جي للإستشارات المهنية
Lic No. 46
C.R. 1010425494
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ترخيص رقم ٤٦
س.ت ١٠١٠٤٢٥٤٩٤
KPMG
KPMG Professional Services

Hani Hamzah A. Bedairi
License No: 460

Riyadh: 28 March 2024
Corresponding to: 18 Ramadan 1445H

DERAYAH FINANCIAL COMPANY
(A SAUDI CLOSED JOINT STOCK COMPANY)

STATEMENT OF FINANCIAL POSITION
As at 31 December
(Amounts in Saudi Riyals)

	Notes	**2023**	2022
ASSETS			
NON-CURRENT ASSETS			
Property and equipment, net	*6*	**38,176,641**	35,703,809
Right-of-use assets, net	*7*	**4,944,683**	6,983,227
Intangible assets, net	*8*	**15,343,604**	13,142,426
Investment in an associate	*9*	**263,852,000**	291,795,800
Investments at amortised cost, net	*10*	**25,229,705**	17,141,266
Investments at fair value through profit or loss	*11*	**165,585,652**	148,905,676
Investments at fair value through other comprehensive income	*12*	**21,421,612**	26,277,177
TOTAL NON-CURRENT ASSETS		**534,553,897**	539,949,381
CURRENT ASSETS			
Due from related parties, net	*16*	**47,351,328**	32,830,323
Margin client receivables, net	*13*	**75,317,730**	85,854,127
Prepayments		**8,175,031**	4,689,282
Other current financial assets, net	*14*	**324,551,231**	203,336,883
Investments at fair value through profit or loss	*11*	**25,921,623**	14,812,352
Investments at amortised cost, net	*10*	**5,004,980**	5,070,801
Cash and cash equivalents, net	*15*	**20,888,231**	30,363,108
TOTAL CURRENT ASSETS		**507,210,154**	376,956,876
TOTAL ASSETS		**1,041,764,051**	916,906,257
LIABILITIES AND EQUITY			
NON-CURRENT LIABILITIES			
Employees' defined benefit obligations	*17*	**24,968,100**	21,550,028
Employees' Equity Award Plan ('EEAP')	*18*	**57,953,547**	52,708,021
Unearned revenue	*19*	**29,382,344**	29,382,344
Lease liability	*7*	**3,220,934**	5,088,588
TOTAL NON-CURRENT LIABILITIES		**115,524,925**	108,728,981
CURRENT LIABILITIES			
Accrued expenses and other payables	*20*	**90,287,696**	68,565,307
Zakat payable	*21*	**24,143,322**	21,295,229
TOTAL CURRENT LIABILITIES		**114,431,018**	89,860,536
TOTAL LIABILITIES		**229,955,943**	198,589,517
EQUITY			
Share capital	*22*	**162,290,130**	162,290,130
Statutory reserve	*23*	**48,687,039**	48,687,039
Retained earnings		**613,831,390**	511,333,539
Other reserves		**(13,000,451)**	(3,993,968)
TOTAL EQUITY		**811,808,108**	718,316,740
TOTAL LIABILITIES AND EQUITY		**1,041,764,051**	916,906,257

The attached notes 1 to 42 form an integral part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME
For the years ended 31 December
(Amounts in Saudi Riyals)

	Notes	2023	2022
OPERATING INCOME			
Revenue from contract with customers	25	**470,033,491**	613,736,916
Special commission income	26	**135,614,978**	35,220,555
Gain / (loss) on investments, net	27	**16,966,026**	(5,314,944)
Dividend income		**913,989**	1,817,591
TOTAL OPERATING INCOME		**623,528,484**	645,460,118
OPERATING EXPENSES			
Salaries and employee related expenses	28	**(127,536,577)**	(157,118,346)
Other general and administrative expenses	29	**(123,067,223)**	(117,475,544)
Marketing expenses		**(6,028,148)**	(9,299,752)
Allowance for expected credit losses	30	**(432,864)**	(190,648)
TOTAL OPERATING EXPENSES		**(257,064,812)**	(284,084,290)
NET OPERATING INCOME		**366,463,672**	361,375,828
Other income / (expenses)	31	**9,426,371**	(328,093)
Share of loss in an associate	9	**(27,943,800)**	(38,204,200)
INCOME BEFORE ZAKAT		**347,946,243**	322,843,535
Zakat charge for the year	21	**(18,242,210)**	(15,334,082)
INCOME FOR THE YEAR		**329,704,033**	307,509,453
Other comprehensive (loss) / income not to be reclassified to income subsequently			
Financial assets at fair value through OCI – net change in fair value		**(4,855,565)**	(6,699,122)
Remeasurement gain / (loss) on defined benefit plan	17	**186,862**	(211,251)
Remeasurement loss on employees' equity award plan	18	**(4,337,780)**	--
OTHER COMPREHENSIVE LOSS FOR THE YEAR		**(9,006,483)**	(6,910,373)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**320,697,550**	300,599,080
EARNINGS PER SHARE			
Basic and diluted, earning per share	32	**20.32**	18.95

The attached notes 1 to 42 form an integral part of these financial statements.

DERAYAH FINANCIAL COMPANY
(A SAUDI CLOSED JOINT STOCK COMPANY)

STATEMENT OF CHANGES IN EQUITY
For the years ended 31 December
(Amounts in Saudi Riyals)

	Share Capital	Statutory reserve	Fair value reserve	Other reserves	Retained earnings	Total
As at 1 January 2022	161,090,130	48,327,039	6,722,106	(3,805,701)	392,092,737	604,426,311
Issuance of share capital	1,200,000	--	--	--	(1,200,000)	--
Income for the year	--	--	--	--	307,509,453	307,509,453
Other comprehensive loss for the year	--	--	(6,699,122)	(211,251)	--	(6,910,373)
Dividends distribution (note 24)	--	--	--	--	(186,708,651)	(186,708,651)
Transfer to statutory reserve	--	360,000	--	--	(360,000)	--
Balance at 31 December 2022	**162,290,130**	**48,687,039**	**22,984**	**(4,016,952)**	**511,333,539**	**718,316,740**
Income for the year	--	--	--	--	**329,704,033**	**329,704,033**
Other comprehensive loss for the year	--	--	**(4,855,565)**	**(4,150,918)**	--	**(9,006,483)**
Dividends distribution (note 24)	--	--	--	--	**(227,206,182)**	**(227,206,182)**
Balance at 31 December 2023	**162,290,130**	**48,687,039**	**(4,832,581)**	**(8,167,870)**	**613,831,390**	**811,808,108**

The attached notes 1 to 42 form an integral part of these financial statements.

STATEMENT OF CASHFLOWS
For the years ended 31 December
(Amounts in Saudi Riyals)

	Notes	2023	2022
OPERATING ACTIVITIES			
Income before zakat		**347,946,243**	322,843,535
Non-cash adjustment to reconcile income before zakat to net cash flows:			
Provisions for employees' defined benefit obligations	17	**3,622,334**	3,593,717
Provisions for employees' equity award plan	18	--	52,708,021
Advisory services	25	--	(163,806,472)
(Gain) / loss on investments, net	27	**(16,966,026)**	5,314,944
Share of loss in an associate	9	**27,943,800**	38,204,200
Depreciation and amortisation	29	**13,717,336**	12,500,561
Allowance for credit losses	30	**432,864**	190,648
Amortisation of premium on investment at amortized cost		**171,802**	197,347
Finance cost		**2,475,512**	1,682,936
Operating cash flows before working capital changes		**379,343,865**	273,429,437
Margin client receivables, net		**9,930,279**	13,581,566
Other current financial assets, net		**(121,025,685)**	(36,240,826)
Prepayments		**(3,485,749)**	(3,744,081)
Due from related parties, net		**(14,526,292)**	(6,018,411)
Accrued expenses and other payables		**21,787,913**	(22,525,002)
		272,024,331	218,482,683
Zakat paid	21	**(15,394,117)**	(15,384,238)
End of service benefits paid	17	**(933,276)**	(633,495)
Finance cost paid		**(334,169)**	(1,682,936)
Cash generated from operating activities		**255,362,769**	200,782,014
INVESTING ACTIVITIES			
Purchase of financial assets at FVTPL		**(218,386,871)**	(202,574,388)
Purchase of financial assets at amortized cost		**(13,202,978)**	--
Proceeds from disposal of financial assets at FVTPL		**207,563,650**	146,962,160
Proceeds from redemption of financial assets at amortized cost		**5,000,000**	--
Additions of property and equipment	6	**(9,851,520)**	(15,595,595)
Additions of intangible assets	8	**(5,838,710)**	(2,926,048)
Cash used in investing activities		**(34,716,429)**	(74,133,871)
FINANCING ACTIVITIES			
Dividends paid	24	**(227,206,182)**	(186,708,651)
Lease liability paid	7.1	**(2,913,472)**	(3,725,209)
Cash used in financing activities		**(230,119,654)**	(190,433,860)
NET DECREASE IN CASH AND CASH EQUIVALENTS DURING THE YEAR		**(9,473,314)**	(63,785,717)
Cash and cash equivalents at the beginning of the year		**30,364,323**	94,150,040
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		**20,891,009**	30,364,323
NON-CASH SUPPLEMENTAL INFORMATION			
Right of use asset		**4,944,683**	6,983,227
Lease liability		**5,159,705**	(7,092,884)
Acquisition of investment in an associate		--	(193,188,816)

The attached notes 1 to 42 form an integral part of these financial statements.

1. ACTIVITIES

Derayah Financial Company (the "Company") is a Saudi Closed Joint Stock Company registered in the Kingdom of Saudi Arabia under commercial registration number 1010266977 dated 10 Jumada II 1436H (corresponding to 15 April 2009).

The principal activities of the Company are to provide brokerage, advisory, custodian services, dealing as principal and dealing as agent, managing, and arranging securities. The Company has commenced its business on 8 Rajab 1430H (corresponding to 1 July 2009) under license number 08109-27 from the Capital Market Authority ("CMA"), dated 19 Jumada al-Alkhirah 1429H (corresponding to 23 June 2008). The Company's registered office is located at the following address:

Third Floor, Prestige Center
Al Takhassousi Street, Al Olaya
P.O. Box 286546, Riyadh 12331
Kingdom of Saudi Arabia

The Company has branches in Dammam and Jeddah operating under commercial registration number 2050101980 dated 23 Shawwal 1435H (corresponding to 19 August 2014) and commercial registration number 4030286122 dated 13 Safar 1437H (corresponding to 25 November 2015), respectively.

During the year, the Company has established a fully owned subsidiary Derayah Technology Services in Egypt with a share capital of USD 1 million. The subsidiary has no material impact on the financial statements and therefore, has not been consolidated in these financial statements. The nature and purpose of the subsidiary is to provide information technology services to Derayah Financial Company.

2. BASIS OF PREPARATION

2.1 Statement of compliance

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA"); and in compliance with the provisions of the Regulations for Companies in the Kingdom of Saudi Arabia and the by-laws of the Company.

2.2 Basis of measurement and presentation

These financial statements are prepared on a going concern basis under the historical cost convention, except for the following material items in the statement of financial position:

- Investments at fair value through profit or loss ("FVTPL") and fair value through other comprehensive income ("FVOCI") are measured at fair value;
- Employees' defined benefit obligations and Employees' equity award plan are recognised at the present value of future obligations using the projected unit credit method.

2.3 Functional and presentation currency

These financial statements are presented in Saudi Riyal ("SR"); which represents the functional currency of the Company. All the financial information rounded off to nearest Saudi Riyal except where otherwise indicated.

3. MATERIAL ACCOUNTING POLICIES

The Company has consistently applied the following accounting policies to all periods presented in these financial statements, unless otherwise stated. In addition, the Company adopted *Disclosure of Accounting Policies* (Amendments to lAS 1 and IFRS Practice Statement 2) from 01 January 2023. The amendments require the disclosure of 'material', rather than 'significant', accounting policies. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in certain instances.

3.1 Financial instruments

Classification of financial assets depends on the Company's business model for managing its financial assets and the contractual terms of the cash flows. The Company classifies its financial assets as:

- financial assets measured at amortised cost, or
- financial assets measured at fair value

Gains or losses of assets measured at fair value will be recognised either through the statement of comprehensive income or through OCI.

Investments at amortised cost, time deposits, margin client receivables, due from related parties, and other current financial assets are held to collect contractual cash flows and are expected to give rise to cash flows representing solely payments of principal and interests, are measured at amortised cost.

Initial measurement

Financial assets are initially measured at its fair value, plus transaction costs in the case of a financial asset not at fair value through statement of profit or loss. Transaction costs of financial assets carried at fair value through profit or loss are recognised in the statement of comprehensive income. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows meet the requirements as solely payment of principal and interest.

Subsequent measurement

Debt instruments

The Company recognises three classifications to subsequently measure its debt instruments:

- *Amortised cost*
  Financial assets held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest (SPPI) are measured at amortised cost. A gain or loss on a debt investment subsequently measured at amortised cost and not part of a hedging relationship is recognised in the statement of comprehensive income when the asset is derecognised or impaired. Special commission income from these financial assets is included in special commission income using the effective interest rate method.

- *Fair Value through Other Comprehensive Income ("FVOCI")*
  Financial assets held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, special commission income and foreign exchange gains and losses, which are recognised in the statement of comprehensive income. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI, is reclassified from equity to the statement of comprehensive income and recognised in other gains / (losses).

- *Fair Value through profit or loss ("FVTPL")*
  Financial assets that do not meet the criteria for subsequent recognition at amortised cost or FVOCI, are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through the statement of comprehensive income and which is not part of a hedging relationship is recognised and presented net in the statement of comprehensive income in the year in which it arises.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.1 Financial instruments (continued)

Equity instruments
The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Company's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

De-recognition
A financial asset or a part of a financial asset is de-recognised when:
- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:
- The Company has transferred substantially all the risks and rewards of the asset, or
- The Company has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control `of the asset.

Impairment
The Company assesses on a forward looking basis the Expected Credit Losses ("ECL") associated with its debt instruments as part of its financial assets, carried at amortised cost and FVOCI, the ECL is based on a 12-month ECL and life time ECL. The 12-month ECL is the portion of lifetime ECLs that results from default events on a financial instrument that are possible within 12 months after the reporting date. However, when there has been a significant increase in credit risk since origination, the allowance increases in credit risk since origination, the allowance will be based on the lifetime ECL. For investment in sukuks, margin client receivables, due from related parties, cash and cash equivalents, and other current financial assets, the Company applies the general approach.

Financial liabilities
The Company classifies its financial liabilities, as held at amortised cost. Amortised cost is calculated by taking into account any discount or premium on issue funds, and costs that are an integral part of the effective interest rate (EIR). Subsequent to initial recognition, financial liabilities are measured at amortised cost, unless they are required to be measured at fair value through profit or loss or an entity has opted to measure a liability at fair value through profit or loss as per the requirements of IFRS 9. The Company derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

Offsetting of financial instruments
Financial assets and financial liabilities are offset, and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the assets and settle the liability simultaneously.

3.2 Current versus non-current classification
The Company presents assets and liabilities in the statement of financial position based on current / non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle.
- Held primarily for the purpose of trading.
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.2 Current versus non-current classification (continued)

All other assets are classified as non-current.

A liability is current when:
- It is expected to be settled in the normal operating cycle.
- It is held primarily for the purpose of trading.
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

3.3 Property and equipment

Property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost can be measured reliably. Repairs and maintenance costs are charged to the statement of comprehensive income during the year in which they are incurred.

The major categories of property and equipment are depreciated on a straight line basis as follows:

Asset categories	**Useful lives**
Leasehold improvements	Period of lease or 5 years; whichever is shorter
Furniture, fixture and fittings	5 years
Computer and office equipment	4 years
Right of use asset	Period of lease

The Company allocates the amount initially recognised in respect of an item of property and equipment to its significant parts and depreciates separately each such part. The carrying amount of a replaced part is derecognised when replaced. Residual values, method of amortisation and useful lives of the assets are reviewed annually and adjusted if appropriate.

Impairment losses and gains and losses on disposals of property and equipment are included in statement of comprehensive income.

Work in progress is stated at cost incurred until the asset is ready for its intended use, thereafter, this cost is capitalised on the related assets. This includes the cost of contractors, materials, services and capital advances. Work in progress is not depreciated.

Right of Use Assets
The right of use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses and adjusted for certain re-measurement of the lease liability. Generally, right of use assets would be equal to the lease liability. However, if there are additional costs such as site preparation, non-refundable deposits, application money, other expenses related to transaction etc. need to be added to the right of use assets' value.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.3 Property and equipment (Continued)

Lease Liability
The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Company's incremental borrowing rate.

After the commencement date, Company measures the lease liability by:
- Increasing the carrying amount to reflect interest on the lease liability.
- Reducing the carrying amount to reflect the lease payments made and;
- Re-measuring the carrying amount to reflect any re-assessment or lease modification.

IFRS 16 stipulates that all leases and the associated contractual rights and obligations should generally be recognised in the Company's Statement of Financial Position, unless the term is 12 months or less or the lease for low value asset. Thus, the classification required under IAS 17 "Leases" into operating or finance leases is eliminated for Lessees. For each lease, the lessee recognises a liability for the lease obligations incurred in the future. Correspondingly, a right to use the leased asset is capitalized, which is generally equivalent to the present value of the future lease payments plus directly attributable costs and which is amortised over the useful life.

Property and equipment and right of use assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

3.4 Intangible assets

Intangible assets consist of both internally and externally developed software. Expenditures on internally developed software is recognised as an asset when the Company is able to demonstrate its intention and ability to complete the development and use the software in a manner that will generate future economic benefits and can reliably measure the costs to complete the development. The capitalised costs of internally developed software include all costs directly attributable to developing the software and are amortised over its useful life. Internally developed software is stated at capitalised cost less accumulated amortisation and impairment, if any.

Intangible assets that are acquired by the Company and have finite lives are measured at cost less accumulated amortization and accumulated impairment losses, if any.

Amortisation is recognised in statement of comprehensive income on a straight-line basis over the estimated useful life of the software from the date that it is available for use since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful life of software is four years. Amortisation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

Subsequent expenditures on software assets are capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditures are expensed in the statement of comprehensive income as incurred.

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.5 Zakat

The Company is domiciled in the Kingdom of Saudi Arabia. The Company is subject to Zakat in accordance with the Regulations of the Zakat, Tax and Custom Authority (“ZATCA”) as applicable in the Kingdom of Saudi Arabia. The Zakat charge is computed on the Zakat base. An estimate of Zakat arising therefrom is provided by a charge to the statement of comprehensive income.

3.6 Contingent liabilities

A contingent liability is disclosed where the existence of the obligation will only be confirmed by future events or where the amount of obligations cannot be measured with reasonable reliability. Contingent assets are not recognised but are disclosed where an inflow of economic benefits is probable.

3.7 Revenue from contracts with customers

The Company generates following revenue streams that are covered under *IFRS 15 Revenue from Contracts with Customers*:
a) Fee and commission income
b) Other operating income

a) Fee and commission income:

Brokerage service fee income
The performance obligation is satisfied at the point in time at which trade (buy or sell order) is executed by the Client. Hence the Company recognises the share brokerage service fee income, net of discount, if any, as and when a trade order is executed.

Management fees from investment funds
Management fees is computed on daily / weekly / monthly / semi-annually (annual % pro-rated for periodic accrual) with reference to periodic net asset value of the fund. The Company’s practice for recognition of management fee is aligned with IFRS 15 since management fee is recognised on an accrual basis against rendering of asset management services that the Company is providing on an on-going basis.

Performance fee from investment funds
Performance fee income based on a fund’s performance, relative to a benchmark or the realised appreciation of fund’s investments, are types of variable consideration. In many cases, these performance fees are highly susceptible to market volatility until they are crystallised or are no longer subject to clawback, which may be after the end of the reporting period.

Subscription fees from investment funds
Performance obligation for Subscription fee is assignment of respective Fund units to Investor’s account and considering that this happens as soon as an Approved Subscription Form is executed, therefore the Company rightfully recognises the revenue against subscription fee at the time of fulfilment of performance obligation.

In case of the Company, effect of clawback does not apply since the Company does not recognise any revenue against performance fee until the end of respective period for testing of benchmark achievement when performance fee is crystallized and recorded as revenue. Analysis of performance fee by the Company reveals that performance fee income recognition at the Company is in accordance five step model in IFRS 15. The Company performs a daily accrual for performance fee based on defined benchmark as a difference between fund growth and benchmark growth. At the end of relevant period (month or quarter) aggregate growth of fund is compared against benchmark and if it is above Benchmark (a positive aggregate figure consolidation daily accruals), then performance fee is recognised, otherwise it is not recognised.

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.7 Revenue from contracts with customers (continued)

b) Other operating income

Advisory fee income

This relates to income generated by providing financial advisory services to financial institutions, individual and institutional investors. The Company charges financial advisory service fee upon delivery of services or once performance obligation is fulfilled based on the agreement between the Company and the counterparty.

Miscellaneous service income

This relates to income generated from offering miscellaneous financial services to financial institutions. Income is recognised once performance obligation is fulfilled based on the agreement between counterparty and the Company.

3.8 Fiduciary assets

Assets held in a fiduciary capacity are not treated as assets of the Company, and accordingly, are not included in the financial statements. In the normal course of business, the Company agrees with the clients to place the clients' cash in a remunerative bank accounts and the commission earned is recognised in the statement of comprehensive income (note 39.2).

3.9 Gains or loss on investments

This relates to net gains or losses on remeasurement of financial assets held at fair value through profit or loss and gains or losses on derecognition of investments held at fair value through profit or loss and investments held at amortised cost.

3.10 Margin client's receivables

The margin client's receivables arise within brokerage business as shariah compliant margin financing. Margin client's receivables are recognised when cash / limits are advanced to the customer including the related cost. These are derecognised when borrowers repay their obligation or the balance is sold off or written off, or substantially all the risks and rewards of ownership are transferred to other party. A provision is established against the credit losses based on expected credit loss approach of IFRS 9 compliant with general quantification approach requirements for credit losses in general and when there is objective evidence that the company will not be able to collect all or part of the amounts due according to terms of the margin contract as specific provision.

3.11 Investment In An Associate

An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The Company's investment in its associate is accounted for using the equity method. Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Company's share of net assets of the associate since the acquisition date.

The statement of comprehensive income reflects the Company's share of the results of operations of the associate. Any change in other comprehensive income ("OCI") of those investees is presented as part of the Company's OCI. In addition, when there has been a change recognised directly in the equity of the associate, the Company recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Company and the associate are eliminated to the extent of the interest in the associate or joint venture. The aggregate of the Company's share of profit or loss of an associate is shown on the face of the statement of comprehensive income outside operating profit.

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.11 Investment In An Associate (continued)

The financial statements of the associate are prepared for the same reporting period as the Company. When necessary, adjustments are made to bring the accounting policies in line with those of the Company.

3.12 Employee defined benefit obligations

The Company operates a defined benefit scheme for its employees in accordance with labour regulations applicable in the Kingdom of Saudi Arabia. The cost of providing the benefits under the defined benefits plan is determined using the projected unit credit method. Actuarial gains and losses are recognised in full in the period in which they occur in other comprehensive income. Such actuarial gains and losses are also immediately recognized in the retained earnings and are not reclassified to profit or loss in subsequent periods. Re-measurements are not reclassified to profit or loss in subsequent periods.

Interest expense is calculated by applying the discount rate to the net defined benefit liability. The Company recognises the following changes in the net defined benefit obligation under 'salaries and employee related expenses' in the statement of comprehensive income (by nature).

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements, and
- Net interest expense or income

The defined benefit asset or liability comprises the present value of the defined benefit obligation, less past service costs and less the fair value of plan assets out of which the obligations are to be settled. However, currently the plan is unfunded and has no assets.

3.13 Employees' Equity Award Plan

The Company has introduced Employees' Equity Award Plan ('EEAP') for selected employees against the services provided by those employees for development of the Bank D360 ('D360'). Subject to completion of vesting period employees shall be granted specific number of shares of D360 as per the agreement signed amongst Derayah and the Eligible Employees, however the settlement of shares shall be made after 5 years of lock up period which is referenced from the month in which D360 has obtained registration from the Ministry of Commerce.

The present value of defined benefit obligation is calculated actuarially using Projected Unit Credit (PUC) method. The PUC method involves projection of the accrued benefits of the members till the date of benefits settlement. The projection is done by making an assumption about mortality, attrition, and eligible benefits (per plan). While the projection allows for full service being rendered (barring actuarial assumptions), the future service is not considered in the measurement of DBO, since the Employer's obligation is limited to the benefits earned in exchange for past service rendered during the current year as well as all prior years. The projected benefits are then discounted back to the statement of financial position date using the assumed discount rate.

Current service cost (CSC) is the present value of obligation in respect of the benefit earned during the current year only. It is also determined using the PUC method, as used for the measurement of DBO. CSC is measured at the end of the relevant year, rather than the start of the year. Therefore, it reflects the actual plan experience over the relevant accounting year. The interest on the current service cost is allowed for in the interest cost measurement of current service cost requires that a part of the accrued benefit be attributed to the current period of service. The attribution is done by reference to the plan's benefit formula, which does not lead to higher benefits being allocated during the later parts of any eligible employee's service. The benefit formula spreads the benefits evenly over a member's service, till the time the maximum benefit limit is reached.

4 SIGNIFICANT JUDGEMENTS, ACCOUNTING ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements in conformity with IFRS as endorsed in the KSA and other standards and pronouncements issued by SOCPA requires the use of certain critical accounting judgements, estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Such judgements, estimates, and assumptions are continually evaluated and are based on historical experience and other factors, including obtaining professional advices and expectations of future events that are believed to be reasonable under the circumstances.

Significant areas where management has used judgements, estimates and assumptions are as follows:

4.1 Measurement of the expected credit loss allowance

The measurement of the expected credit loss allowance for financial assets measured at amortised cost is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g. the likelihood of customers defaulting and the resulting losses). Explanation of the input, assumptions and estimation techniques used in measuring ECL is further detailed in note 3.1 Impairment - Financial assets, which also sets out key sensitivities of the ECL to changes in these elements.

4.2 Assumptions for employee defined benefit obligations

Employee benefits represent obligations that will be settled in the future and require assumptions to project these obligations. IFRS requires management to make further assumptions regarding variables such as discount rates, rate of compensation increases and return on assets, mortality rates, employment turnover and future healthcare costs. The management uses an external actuary for performing this calculation. Changes in key assumptions can have a significant impact on the projected benefit obligation and/or periodic employees' benefits incurred costs.

4.3 Assumptions for Employees' Equity Award Plan ('EEAP')

Employees' Equity Award Plan represents obligation in respect of benefits is the amount of future benefit based on number of shares granted to eligible employees in return for their service in the current and prior periods. IFRS requires management to make further assumptions regarding variables such as discount rates, fair value of shares, and rate of attrition. The management uses an external actuary for performing this calculation. Changes in the key assumptions can have a significant impact on the projected service plan.

4.4 Going concern

These financial statements have been prepared on a going concern basis. The Company's management has made an assessment of the Company's ability to continue as a going concern and is satisfied that the Company has the resources to continue in business for the foreseeable future. Furthermore, the management is not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as going concern.

(Amounts in Saudi Riyals)

5 STANDARDS ISSUED BUT NOT YET EFFECTIVE

New standards, amendments and interpretations adopted in preparation of these financial statements

Below amendments to accounting standards and interpretations became applicable for annual reporting periods commencing on or after 1 January 2023. The management has assessed that the new standards and amendments have no significant impact on the Company's financial statements.

1 January 2023	IFRS 17 Insurance Contracts, including amendments Initial Application of IFRS 17 and IFRS 9
1 January 2023	Disclosure Initiative: Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2
1 January 2023	Definition of Accounting Estimates – Amendments to IAS 8
1 January 2023	Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction – Amendments to IAS 12

New standards and amendments issued but not yet effective and not early adopted

The accounting standards, amendments and revisions which have been published and are mandatory for compliance for the Company's accounting year beginning on or after 1 January 2024 are listed below. The Company has opted not to early adopt these pronouncements.

1 January 2024	Classification of Liabilities as Current or Non-current – Amendments to IAS 1 and Non-current liabilities with covenants – Amendments to IAS 1
1 January 2024	Lease Liability in a Sale and Leaseback – Amendments to IFRS 16
1 January 2024	Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7
1 January 2025	Lack of Exchangeability – Amendments to IAS 21
Effective date deferred indefinitely	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28

The management of the Company anticipates that the application of these new standards and amendments in the future will not have significant impact on the amounts reported.

(Amounts in Saudi Riyals)

6 PROPERTY AND EQUIPMENT, NET

	Land	**Leasehold improvements**	**Computers and office equipment**	**Furniture, fixtures and fittings**	**Work in Progress**	**Total**
Cost						
As at 1 January 2023	**12,299,352**	**12,856,682**	**41,831,754**	**2,173,988**	**3,343,405**	**72,505,181**
Additions during the year	**--**	**135,171**	**6,367,480**	**522,255**	**2,826,614**	**9,851,520**
Transfers during the year	**--**	**157,259**	**2,388,026**	**798,120**	**(3,343,405)**	**--**
Written off during the year	**--**	**(3,375,909)**	**--**	**(2,100,022)**	**--**	**(5,475,931)**
As at 31 December 2023	**12,299,352**	**9,773,203**	**50,587,260**	**1,394,341**	**2,826,614**	**76,880,770**
Accumulated depreciation						
As at 1 January 2023	**--**	**5,341,724**	**29,340,309**	**2,119,339**	**--**	**36,801,372**
Charge during the year	**--**	**1,523,998**	**5,718,263**	**136,427**	**--**	**7,378,688**
Written off during the year	**--**	**(3,375,909)**	**--**	**(2,100,022)**	**--**	**(5,475,931)**
As at 31 December 2023	**--**	**3,489,813**	**35,058,572**	**155,744**	**--**	**38,704,129**
Net book value as at 31 December 2023	**12,299,352**	**6,283,390**	**15,528,688**	**1,238,597**	**2,826,614**	**38,176,641**

	Land	Leasehold improvements	Computers and office equipment	Furniture, fixtures and fittings	Work in Progress	Total
Cost						
As at 1 January 2022	12,299,352	5,372,624	37,378,365	2,173,988	980,865	58,205,194
Additions during the year	--	--	3,398,536	--	10,901,451	14,299,987
Capitalization during the year	--	7,484,058	1,054,853	--	(8,538,911)	--
As at 31 December 2022	12,299,352	12,856,682	41,831,754	2,173,988	3,343,405	72,505,181
Accumulated depreciation						
As at 1 January 2022	--	5,179,775	24,612,609	2,110,612	--	31,902,996
Charge during the year	--	161,949	4,727,700	8,727	--	4,898,376
As at 31 December 2022	--	5,341,724	29,340,309	2,119,339	--	36,801,372
Net book value as at 31 December 2022	12,299,352	7,514,958	12,491,445	54,649	3,343,405	35,703,809

(Amounts in Saudi Riyals)

6 PROPERTY AND EQUIPMENT, NET

6.1 The Company holds a land on which Company has a plan to construct a new head office in the near future. This land is not held for rental or other appreciation purposes.

6.2 The work in progress relates to setting up of IT data centre and server room in head office.

7 RIGHT-OF-USE ASSETS, NET

	31 December	
	2023	2022
Cost		
As at 1 January	**15,007,855**	13,712,245
Additions during the year	**662,572**	1,295,610
Written off during the year	**(3,913,469)**	--
As at 31 December	**11,756,958**	15,007,855
Accumulated depreciation		
As at 1 January	**8,024,628**	4,921,211
Charge during the year	**2,701,116**	3,103,417
Written off during the year	**(3,913,469)**	--
As at 31 December	**6,812,275**	8,024,628
Net book value at 31 December	**4,944,683**	6,983,227

7.1 The movement of corresponding lease liability is as follows:

Movement in lease liability:

	31 December	
	2023	2022
At the beginning of the year	**7,092,884**	9,108,363
Additions during the year	**662,572**	1,295,510
Payments during the year	**(2,913,472)**	(3,725,209)
Finance cost on lease liability	**317,721**	414,220
At the end of the year	**5,159,705**	7,092,884
Current lease liability	**1,938,771**	2,004,296
Non-current lease liability	**3,220,934**	5,088,588

8 INTANGIBLE ASSETS, NET

Intangible assets comprise mainly of internally developed and externally acquired software:

	Work in Progress	**Software**	**Total**
Cost			
As at 1 January 2023	**955,379**	**53,700,596**	**54,655,975**
Additions during the year	**2,719,895**	**3,118,815**	**5,838,710**
Capitalised during the year	**(955,379)**	**955,379**	**--**
As at 31 December 2023	**2,719,895**	**57,774,790**	**60,494,685**
Accumulated amortisation			
As at 1 January 2023	**--**	**41,513,549**	**41,513,549**
Charge during the year	**--**	**3,637,532**	**3,637,532**
As at 31 December 2023	**--**	**45,151,081**	**45,151,081**
Net book value as at 31 December 2023	**2,719,895**	**12,623,709**	**15,343,604**

(Amounts in Saudi Riyals)

8 INTANGIBLE ASSETS, NET (CONTINUED)

	Work in Progress	Software	Total
Cost			
As at 1 January 2022	786,938	50,942,988	51,729,926
Additions during the year	168,441	2,757,608	2,926,049
As at 31 December 2022	955,379	53,700,596	54,655,975
Accumulated amortization			
As at 1 January 2022	--	37,014,781	37,014,781
Charge during the year	--	4,498,768	4,498,768
As at 31 December 2022	--	41,513,549	41,513,549
Net book value as at 31 December 2022	955,379	12,187,047	13,142,426

9 INVESTMENT IN AN ASSOCIATE

The Company holds 20% equity in Bank D360. The investment was made in the year ended 31 December 2022 and comprises of SR 137 million directly invested and SR 193 million contributed by other shareholders as a recognition of the Company's efforts for development of the Bank D360. The Company has determined that it has significant influence over D360 and has accounted for the investment using the equity method (note 3.11). Below is the movement in the carrying value of investment in an associate.

	31 December	
	2023	2022
Investment as at 1 January	**291,795,800**	--
Investment made during the year	**--**	330,000,000
Share of loss during the year	**(27,943,800)**	(38,204,200)
Investment as at 31 December	**263,852,000**	291,795,800

Summarised financial results of the Bank D360:

	31 December	
	2023	2022
Total Assets	**1,368,616,000**	1,495,190,000
Total Liabilities	**(49,356,000)**	(36,211,000)
Net Assets	**1,319,260,000**	1,458,979,000
Company's share of net assets (20%)	**263,852,000**	291,795,800
Net loss for the year	**(139,719,000)**	(191,021,000)
Company's share of net loss (20%)	**(27,943,800)**	(38,204,200)

10 INVESTMENT AT AMORTISED COST, NET

	31 December	
	2023	2022
Investment at amortised cost (note 10.1)	**30,244,310**	22,213,134
Allowance for expected credit losses (note 10.2)	**(9,625)**	(1,067)
	30,234,685	22,212,067
Sukuk with maturity date of less than 12 months	**5,004,980**	5,070,801
Sukuk with maturity date after 12 months	**25,229,705**	17,141,266

(Amounts in Saudi Riyals)

10 INVESTMENT AT AMORTISED COST, NET (CONTINUED)

10.1 The breakup of the investment is as follows;

		31 December	
	Maturity date	**2023**	2022
Kingdom of Saudi Arabia Sukuk 07-05-2018	25 July 2023	**--**	2,535,522
Kingdom of Saudi Arabia Sukuk 05-10-2018	24 October 2023	**--**	2,535,522
Kingdom of Saudi Arabia Sukuk 05-01-2019	23 January 2024	**2,503,355**	2,535,522
Kingdom of Saudi Arabia Sukuk 04-07-2020	26 July 2024	**2,503,219**	2,535,522
Kingdom of Saudi Arabia Sukuk 05-10-2019	23 March 2025	**5,038,463**	5,071,046
Banque Saudi Fransi Tier 1 Sukuk	03 May 2026	**2,000,000**	2,000,000
Saudi Awwal Bank Tier II Sukuk	22 July 2030	**5,000,000**	5,000,000
Kingdom of Saudi Arabia Sukuk 08-08-2023	17 August 2031	**3,736,918**	--
Kingdom of Saudi Arabia Sukuk 09-08-2023	17 August 2032	**1,995,953**	--
Kingdom of Saudi Arabia Sukuk 10-08-2023	17 August 2033	**3,736,405**	--
Kingdom of Saudi Arabia Sukuk 30-04-2019	24 April 2049	**3,729,997**	--
		30,244,310	22,213,134

The sukuks are earning commission income at profit rates ranging from 1.64% to 4.64% (2022: 1.6% to 4.5%) per annum.

10.2 Movement of allowance for credit losses

	31 December	
	2023	2022
Balance at the beginning of the year	**1,067**	3,317
Charge / (reversal) for the year	**8,558**	(2,250)
Balance at the end of the year	**9,625**	1,067

11 INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

Investments at FVTPL consists of investments in local, regional and international funds, equity and debt securities. The movements are set out below:

	31 December 2023		
	Cost	**Unrealised Gain / (loss)**	**Fair Value**
Real estate fund (note 11.1)	**25,877,855**	**(966,256)**	**24,911,599**
Private equity fund (note 11.1)	**888,860**	**--**	**888,860**
Equity securities	**121,164**	**--**	**121,164**
Total current investments at FVTPL	**26,887,879**	**(966,256)**	**25,921,623**
Equity funds	**35,027,766**	**11,478,448**	**46,506,214**
Corporate sukuks (note 11.2)	**42,186,490**	**--**	**42,186,490**
Money market funds	**33,571,576**	**1,440,629**	**35,012,205**
Equity securities (note 11.3)	**27,001,400**	**--**	**27,001,400**
Venture capital and private equity funds	**13,612,532**	**(789,089)**	**12,823,443**
Real estate funds	**2,055,900**	**--**	**2,055,900**
Total non-current investments at FVTPL (note 11.4)	**153,455,664**	**12,129,988**	**165,585,652**
Total investments at FVTPL (note 11.5)	**180,343,543**	**11,163,732**	**191,507,275**

(Amounts in Saudi Riyals)

11 INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

	31 December 2022		
	Cost	Unrealised Gain / (Loss)	Fair Value
Real estate fund (note 11.1)	21,297,025	(7,373,533)	13,923,492
Private equity fund (note 11.1)	919,530	(30,670)	888,860
Total current investments at FVTPL	22,216,555	(7,404,203)	14,812,352
Money market funds	111,482,670	1,311,539	112,794,209
Equity funds	15,129,952	(5,018)	15,124,934
Venture capital and private equity funds	13,117,055	(1,756,922)	11,360,133
Corporate sukuks (note 11.2)	7,000,000	--	7,000,000
Equity securities	2,626,400	--	2,626,400
Total non-current investments at FVTPL (note 11.4)	149,356,077	(450,401)	148,905,676
Total investments at FVTPL (note 11.5)	171,572,632	(7,854,604)	163,718,028

11.1 Investment in real estate fund represents 43,705 units (2022: 22,705 units) in the Company's managed unlisted Durat Al Khaleej Real Estate Fund, and investment in private equity fund represents 100,000 units (2022: 100,000 units) in the Company's managed unlisted Derayah Healthcare Fund. Both the funds are treated as current, as these are under liquidation.

11.2 The sukuks are earning commission income at profit rates ranging from 4.00% to 7.57% (2022: 4.00%) per annum.

11.3 This includes investment of SR 15 million made by the Company in BwaTech (a related party) during the year.

11.4 The investments have been treated as non-current based on the Company's investment model and management's intention to hold the investment for more than one year from the reporting date.

11.5 This includes investment of SR 115,689,270 (2022: 147,942,043) made by the Company in Company-managed funds (related parties).

12 INVESTMENT AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	31 December 2023		
	Cost	**Unrealized Loss**	**Fair Value**
Derayah REIT Fund (note 12.1)	**26,277,177**	**(4,855,565)**	**21,421,612**

	31 December 2022		
	Cost	Unrealized Loss	Fair Value
Derayah REIT Fund (note 12.1)	32,976,299	(6,699,122)	26,277,177

12.1 Investments in REIT fund represents 2,596,559 units (2022: 2,596,559 units) in the Company's managed listed Derayah REIT Fund (a related party).

(Amounts in Saudi Riyals)

13 MARGIN CLIENT RECEIVABLES, NET

	31 December 2023	31 December 2022
Margin client receivables	**77,339,655**	90,269,934
Allowance for expected credit losses (note 13.2)	**(2,021,925)**	(4,415,807)
	75,317,730	85,854,127

13.1 Staging of margin client receivables:

	31 December 2023			
	12 month ECL	**Lifetime ECL not credit impaired**	**Lifetime ECL credit impaired**	**Total**
Margin client receivables	**65,173,205**	**10,963,950**	**1,202,500**	**77,339,655**
Allowance for expected credit losses	**(8,253)**	**(811,172)**	**(1,202,500)**	**(2,021,925)**
	65,164,952	**10,152,778**	**--**	**75,317,730**

	31 December 2022			
	12 month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
Margin client receivables	64,358,769	25,911,165	--	90,269,934
Allowance for expected credit losses	(2,452)	(4,413,355)	--	(4,415,807)
	64,356,317	21,497,810	--	85,854,127

13.2 Movement of allowance for expected credit losses:

	31 December 2023	31 December 2022
Balance at the beginning of the year	**4,415,807**	4,439,858
Charge / (reversal) for the year	**606,118**	(24,051)
Written off during the year (note 13.3)	**(3,000,000)**	--
Balance at the end of the year (note 13.4)	**2,021,925**	4,415,807

13.3 Provision held against a specific customer was written off during the year against the settlement of margin client receivable balance.

13.4 This includes SR 1,402,500 (2022: SR 4,402,500) held against specific customers.

(Amounts in Saudi Riyals)

14 OTHER CURRENT FINANCIAL ASSETS, NET

	31 December	
	2023	2022
Muqassa deposit (note 14.1)	**231,436,414**	162,500,000
Accrued brokerage fees	**61,085,066**	19,577,971
Other receivables (note 14.2)	**27,012,074**	16,567,610
Employees loans and advances	**5,060,449**	4,922,736
Allowance for expected credit losses (note 14.3)	**(42,772)**	(231,434)
	324,551,231	203,336,883

14.1 This amount represents deposit with Muqassa. The deposit is maintained through an omnibus client collateral account in compliance with mandatory requirements of the Muqassa clearing procedures.

14.2 This includes a receivable of SR 4,304,540 (2022: Nil) from Derayah Technology Services (a related party).

14.3 Movement of allowance for expected credit losses:

	31 December	
	2023	2022
Balance at the beginning of the year	**231,434**	13,912
(Reversal) / charge for the year	**(188,662)**	217,522
Balance at the end of the year	**42,772**	231,434

15 CASH AND CASH EQUIVALENTS, NET

	31 December	
	2023	2022
Cash at banks – current accounts, gross	**20,891,009**	30,364,323
Allowance for expected credit losses (note 15.1)	**(2,778)**	(1,215)
Cash at banks – current accounts, net	**20,888,231**	30,363,108

16 RELATED PARTY TRANSACTIONS AND BALANCES

Related parties of the Company includes shareholders and funds managed by the Company. The Company and its related parties transact with each other in the ordinary course of business.

Significant transactions and balances arising from transactions with related parties, other than those disclosed elsewhere in the financial statements, are as follows:

		For the year ended 31 December	
Name of related party	***Nature of transaction***	**2023**	2022
Derayah REIT Fund	*Receipts*	**11,274,572**	11,513,856
Derayah REIT Fund	*Management fees*	**10,761,656**	8,773,463
Derayah REIT Fund	*Payment on the behalf of the Fund*	**1,789,890**	812,500
Derayah REIT Fund	*Dividend*	**913,989**	1,817,591

(Amounts in Saudi Riyals)

16 RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

		For the year ended 31 December	
Name of related party	***Nature of transaction***	**2023**	2022
Derayah Healthcare Fund	*Receipts*	**437,172**	1,083,002
Derayah Healthcare Fund	*Management fees*	**--**	964,621
Derayah Healthcare Fund	*Payment on the behalf of the Fund*	**--**	6,382
Derayah Real Estate Income Fund II	*Receipts*	**1,551,453**	--
Derayah Real Estate Income Fund III	*Receipts*	**2,462,934**	4,479,825
Derayah Real Estate Income Fund III	*Management fee*	**4,915,524**	4,479,825
Derayah Trade Finance Fund SAR	*Management fees and brokerage commission*	**105,096,511**	51,355,903
Derayah Trade Finance Fund SAR	*Payment on the behalf of the Fund*	**--**	22,312
Derayah Asia Venture Capital Fund	*Receipts*	**--**	1,647,942
Derayah Asia Venture Capital Fund	*Management fees*	**276,063**	2,974,355
Derayah Venture Capital Fund	*Receipts*	**970,471**	3,103,531
Derayah Venture Capital Fund	*Management fees*	**2,062,496**	1,834,302
Derayah Venture Capital Fund	*Payment on the behalf of the Fund*	**20,669**	1,109,129
Derayah Private Fund 10	*Receipts*	**683,536**	704,083
Derayah Private Fund 10	*Management fees*	**638,211**	693,080
Derayah Freestyle Saudi Equity Fund	*Receipts*	**7,551,530**	1,254,741
Derayah Freestyle Saudi Equity Fund	*Management fees*	**7,406,469**	1,283,170
Derayah Freestyle Saudi Equity Fund	*Payment on the behalf of the Fund*	**20,000**	12,500
Derayah Private Fund 20	*Receipts*	**636,634**	823,057
Derayah Private Fund 20	*Management fees*	**568,393**	846,642
Derayah GCC Growth and Income Equity Fund	*Receipts*	**1,215,067**	869,227
Derayah GCC Growth and Income Equity Fund	*Management fees*	**1,139,631**	866,880
Derayah GCC Growth and Income Equity Fund	*Payment made on behalf of the Fund*	**19,977**	12,500
Durat Al Khaleej Real Estate Fund	*Receipts*	**43,195**	--
Durat Al Khaleej Real Estate Fund	*Payment made on behalf of the Fund*	**38,395**	1,300,000
Derayah Global Venture Capital Fund	*Management fees*	**3,328,470**	3,221,137
Derayah Global Venture Capital Fund	*Payment made on behalf of the Fund*	**465,294**	--

(Amounts in Saudi Riyals)

16 RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

		For the year ended 31 December	
Name of related party	***Nature of transaction***	**2023**	2022
Derayah Tilal Al Yasmeen Real Estate Fund	*Receipts*	**--**	4,091,485
Derayah Tilal Al Yasmeen Real Estate Fund	*Management fees*	**--**	1,377,757
Derayah Tilal Al Yasmeen Real Estate Fund	*Transaction fees*	**--**	414,273
Derayah Tilal Al Yasmeen Real Estate Fund	*Payment made on behalf of the Fund*	**--**	114,455
Al Wajiha Al Arabia Fund	*Receipts*	**--**	5,946,570
Al Wajiha Al Arabia Fund	*Management fees*	**--**	990,994
Al Wajiha Al Arabia Fund	*Transaction fees*	**--**	2,651,076
Al Wajiha Al Arabia Fund	*Payment made on behalf of the Fund*	**--**	4,500
Derayah Private Equity Fund	*Receipts*	**3,623,030**	2,970,246
Derayah Private Equity Fund	*Management fees*	**3,623,027**	5,683,401
Derayah Private Equity Fund	*Payment made on behalf of the Fund*	**188,205**	622,149
Derayah Trade Finance Fund USD	*Receipts*	**3,083,801**	3,763,932
Derayah Trade Finance Fund USD	*Management fees*	**2,797,850**	4,057,093
Derayah Retail Fund	*Receipts*	**1,193,756**	279,277
Derayah Retail Fund	*Management fees*	**2,080,346**	1,171,116
Derayah Retail Fund	*Payment made on behalf of the Fund*	**--**	279,277
Derayah Private Fund 25	*Receipts*	**183,595**	--
Derayah Private Fund 25	*Management fees*	**175,873**	7,722
Derayah Private Fund 15	*Receipts*	**170,518**	--
Derayah Private Fund 15	*Management fees*	**161,596**	8,922
Derayah Private Fund 15	*Payment made on behalf of the Fund*	**--**	56,884
Derayah Private Fund 30	*Receipts*	**289,483**	--
Derayah Private Fund 30	*Management fees*	**289,483**	--
Wadi Masharee Real Estate Fund	*Management fees*	**1,926,250**	--
Wadi Masharee Real Estate Fund	*Brokerage and Financing fees*	**3,651,250**	
Derayah Saudi Equity Fund	*Receipts*	**247,261**	--
Derayah Saudi Equity Fund	*Management fees*	**247,261**	--
Derayah Sukuk Fund	*Receipts*	**228,554**	--
Derayah Sukuk Fund	*Management fees*	**228,554**	--

(Amounts in Saudi Riyals)

16 RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

		For the year ended 31 December	
Name of related party	***Nature of transaction***	**2023**	2022
Al Waha Real Estate Fund	*Payment made on behalf of the Fund*	**539,010**	--
Derayah Credit Fund	*Payment made on behalf of the Fund*	**71,806**	--
Derayah Alremal Real Estate Fund	*Payment made on behalf of the Fund*	**11,253**	--
Derayah Gulf Real Estate Fund	*Payment made on behalf of the Fund*	**9,400**	--
Derayah Tawafuq Fund	*Payment made on behalf of the Fund*	**6,563**	--

The summary of compensation to key management personnel for the years are as follows:

	For the year ended 31 December	
	2023	2022
Salaries and employee related benefits	**26,424,101**	21,765,212
Board of Directors remuneration	**1,725,000**	1,600,000

	31 December	
	2023	2022
Due from related parties	**47,357,867**	32,831,575
Allowance for expected credit losses	**(6,539)**	(1,252)
	47,351,328	32,830,323

16.1 Movement of allowance for expected credit losses:

	31 December	
	2023	2022
Balance at the beginning of the year	**1,252**	3,040
Charge / (reversal) for the year	**5,287**	(1,788)
Balance at the end of the year	**6,539**	1,252

(Amounts in Saudi Riyals)

16 RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

Balances resulting from transactions with related parties, other than those disclosed elsewhere in the financial statements, are as follows:

		31 December	
Name of related party	***Nature of Balance***	**2023**	**2022**
Durat Al Khaleej Real Estate Fund	*Management fee receivable*	**11,860,820**	11,865,620
Derayah Global Venture Capital Fund	*Management fee receivable*	**7,014,901**	3,221,137
Derayah REIT Fund	*Management fee receivable*	**6,583,887**	4,392,924
Wadi Masharee Real Estate Fund	*Management and other fee receivable*	**5,577,500**	--
Derayah Real Estate Income Fund III	*Management fee receivable*	**4,710,913**	2,258,323
Derayah Private Equity Fund	*Management fee receivable*	**3,588,925**	3,400,723
Derayah Asia Venture Capital Fund	*Management fee receivable*	**3,250,418**	2,974,355
Derayah Retail Fund	*Management fee receivable*	**2,057,707**	1,171,117
Derayah Venture Capital Fund	*Management fee receivable*	**1,967,420**	854,726
Al Waha Real Estate Fund	*Due from related party*	**539,010**	--
Derayah Credit Fund	*Due from related party*	**71,806**	--
Derayah Private Fund 15	*Due from related party*	**56,884**	65,806
Derayah GCC Fund	*Due from related party*	**23,250**	78,709
Derayah Freestyle Saudi Equity Fund	*Due from related party*	**20,000**	145,061
Alremal Real Estate Fund	*Due from related party*	**11,253**	--
Derayah Gulf Real Estate Fund	*Due from related party*	**9,400**	--
Derayah Trade Finance Fund USD	*Management fee receivable*	**7,210**	293,161
Tawafuq Fund	*Due from related party*	**6,563**	--
Derayah Health Care Fund	*Management fee receivable*	**--**	437,172
Derayah Real Estate Income Fund II	*Management fee receivable*	**--**	1,551,453
Derayah Private Fund 20	*Management fee receivable*	**--**	68,241
Derayah Private Fund 25	*Management fee receivable*	**--**	7,722
Derayah Private Fund 10	*Management fee receivable*	**--**	45,325
		47,357,867	32,831,575

17 EMPLOYEE DEFINED BENEFIT OBLIGATIONS

The movement in provision for end-of-service benefits for the years ended 31 December as follows:

	For the year ended 31 December	
	2023	2022
Balance at beginning of the year	**21,550,028**	18,378,555
Current service cost	**3,622,334**	2,996,414
Interest cost	**915,876**	597,303
Amount recognised in statement of comprehensive income	**4,538,210**	3,593,717
Remeasurement (gain) / loss recognised in OCI		
Experience assumptions	**(186,862)**	211,251
Benefits paid during the year	**(933,276)**	(633,495)
Balance at the end of the year	**24,968,100**	21,550,028

(Amounts in Saudi Riyals)

17 EMPLOYEE DEFINED BENEFIT OBLIGATIONS (CONTINUED)

The Company carried out an employee benefits actuarial valuation, using the projected unit credit method, of its liability as at 31 December 2023 arising from the end of service benefits to qualifying in-service employees.

Significant actuarial assumptions
The following were the principal actuarial assumptions:

Key actuarial assumptions	**31 December**	
	2023	2022
Financial assumptions		
Discount rate used	**4.75%**	4.25%
Salary growth rate	**4.75%**	4.25%
Demographic assumptions		
Retirement age	**60**	60

Sensitivity analysis
Reasonably possible changes as to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation. The following is a sensitivity analysis for the salary increase and discount rate assumptions that were performed at the previous and current valuation date:

	31 December	
	2023	2022
Discount rate +1%	**(2,056,925)**	(1,833,383)
Discount rate -1%	**2,370,742**	2,117,830
Long term salary increases +1%	**2,093,694**	1,871,664
Long term salary increases -1%	**(1,860,360)**	(1,659,241)

18 EMPLOYEES' EQUITY AWARD PLAN ('EEAP')

The Company has an employees' equity award plan, whereby, the eligible individuals (currently employed with the Bank D360) that supported the establishment of the Bank D360 are entitled to shares of the Bank D360. These shares will be granted from the Company's own shareholding of the Bank D360, which may reduce the shareholding of the Company on equity settlement of the award plan liability (Note 9). These shares, if opted, will be settled after completion of the Saudi Central Bank lock up period on Bank D360 shares in August 2027. Number of eligible employees are 17.

The movement in provision for employees' equity award plan for the year ended as follows:

	For the year ended 31 December	
	2023	2022
Balance at beginning of the year	**52,708,021**	--
Current service cost	**--**	51,970,109
Interest cost	**907,746**	737,912
Amount recognized in statement of comprehensive income	**907,746**	52,708,021
Remeasurement loss recognised in OCI		
Financial assumptions	**4,337,780**	--
Balance at the end of the year	**57,953,547**	52,708,021

Key actuarial assumptions	**31 December**	
	2023	2022
Discount rate used	**5.78%**	5.00%

(Amounts in Saudi Riyals)

18 EMPLOYEES' EQUITY AWARD PLAN ('EEAP') (CONTINUED)

Sensitivity analysis
The following is a sensitivity analysis for the fair value change and discount rate assumptions that were performed at current valuation date:

	31 December	
	2023	2022
Discount rate +1%	**(29,394)**	(115,787)
Discount rate -1%	**29,678**	117,550
SR 1 increase in fair value of benefit	**5,603,024**	5,555,614
SR 1 decrease in fair value of benefit	**(5,603,024)**	(5,555,614)

19 UNEARNED REVENUE

During the period ended 31 December 2022, the Company earned a compensation of SR 193 million received on account of successful establishment of the Bank D360. The Company recorded SR 164 million gain out of SR 193 million as the performance obligation was met in the year ended 31 December 2022. Remaining SR 29 million was recorded as unearned revenue as the performance obligation is yet to be met.

20 ACCRUED EXPENSES AND OTHER PAYABLES

	31 December	
	2023	2022
Bonus payable	**39,000,001**	27,579,192
Accounts and other payables	**27,339,666**	16,191,332
Commission payable	**8,475,738**	8,420,808
Accrued salaries and employee benefits	**3,056,896**	6,274,624
VAT payable	**9,836,327**	7,135,323
Current portion of lease liability	**1,938,771**	2,004,296
GOSI Payable	**640,297**	959,732
	90,287,696	68,565,307

21 ZAKAT PAYABLE

Movement in provision for zakat during the years ended 31 December 2023 and 2022, is as follows:

	31 December	
	2023	2022
At the beginning of the year	**21,295,229**	21,345,385
Zakat charge for the year (note 21.1 & 21.2)	**18,242,210**	15,334,082
Paid during the year	**(15,394,117)**	(15,384,238)
At the end of the year	**24,143,322**	21,295,229

(Amounts in Saudi Riyals)

21 ZAKAT PAYABLE (CONTINUED)

21.1 Components of zakat base and provision

The significant components of the zakat base under zakat and income tax regulations are principally comprised of equity, provisions at the beginning of year and estimated zakat income, less deductions for the net book value of property, plant and equipment, investments and certain other items.

	31 December	
	2023	2022
Equity	**722,310,708**	601,509,906
Provisions and other additions	**116,517,597**	6,394,782
Book value of long-term assets	**(375,832,383)**	(327,499,987)
Dividends	**(227,206,182)**	(186,708,651)
	235,789,740	93,696,050
Impact of conversion of Hijri to Gregorian year	**7,992,873**	2,911,459
	243,782,613	96,607,509
Adjusted net income for the year	**353,002,081**	394,965,585
Zakat base	**596,784,694**	491,573,094
Zakat charge for the year @ 2.5%	**14,919,617**	12,289,327

21.2 Status of assessments

The Company has filed its zakat and tax returns for the years since inception and has settled the zakat and tax liability as per the returns. During the current year, the Company has paid SR 4.25 million for the years 2015-2018 and has settled all zakat liabilities till the year 2018.

During the current year, ZATCA has initiated the assessment for the years 2019-2021, however, no liability yet has been communicated by ZATCA.

22 SHARE CAPITAL

	31 December	
	2023	2022
Ordinary share capital (SR 10 per share)	**162,290,130**	162,290,130

Share capital of SR 162 million (2022: SR 162 million) is divided into 16,229,013 shares (2022: 16,229,013 shares) of SR 10 each, which is wholly paid.

23 STATUTORY RESERVES

In accordance with the Company's By-laws and the Saudi Arabian Regulations for Companies, 10% of annual net income is transferred to statutory reserve until such reserve reaches 30% of its share capital. The reserve is not available for distribution to the shareholders of the Company. Since the statutory reserve of the Company has already reached to 30% of its share capital, therefore, no transfer has been made to the statutory reserve during the year (2022: SR 360,000).

(Amounts in Saudi Riyals)

24 DIVIDENDS

The Board of Directors, through the power vested by the shareholders, in their meetings held or resolutions passed approved the interim cash dividend as follows:

	31 December 2023	
Date of announcement	**Percentage**	**Amount**
31 May 2023	**30%**	**48,687,039**
06 July 2023	**30%**	**48,687,039**
28 September 2023	**30%**	**48,687,039**
13 November 2023	**50%**	**81,145,065**
		227,206,182

	31 December 2022	
Date of announcement	Percentage	Amount
18 April 2022	15%	24,343,520
03 July 2022	15%	24,343,520
06 October 2022	15%	24,343,520
15 December 2022	70%	113,678,091
		186,708,651

25 REVENUE FROM CONTRACTS WITH CUSTOMERS

	For the year ended 31 December 2023			
	Brokerage Fees	**Asset Management**	**Advisory Fees**	**Total**
Timing of revenue recognition				
Services rendered at a point in time	**388,565,878**	**--**	**--**	**388,565,878**
Services rendered over the time	**--**	**81,467,613**	**--**	**81,467,613**
Total revenue from contracts with customers	**388,565,878**	**81,467,613**	**--**	**470,033,491**

	For the year ended 31 December 2022			
	Brokerage Fees	Asset Management	Advisory Fees	Total
Timing of revenue recognition				
Services rendered at a point in time	379,740,773	--	163,806,472	543,547,245
Services rendered over the time	--	70,189,671	--	70,189,671
Total revenue from contracts with customers	379,740,773	70,189,671	163,806,472	613,736,916

Performance obligations

Information about the Company's performance obligations are summarised below:

Brokerage services:

This consist of a separate and distinct performance obligation i.e. to act as a broker (agent) in providing trading facility on stock exchange or capital markets to client against the commission. The performance obligation is complete for buy orders when a buy order is executed; and similarly, for a sell order when it is executed on behalf of its principals (clients). Clients can directly place buy / sell order using internet-based trading platform or use Company's phone call or email service for placing orders.

The income is recognised upon execution of related deals / transactions and presented in statement of comprehensive income net of discounts.

(Amounts in Saudi Riyals)

25 REVENUE FROM CONTRACTS WITH CUSTOMERS (CONTINUED)

Asset management services:
This consist of a separate and distinct performance obligation i.e. to provide asset management services to the mutual funds under the Company's management and discretionary portfolios. As per the terms and condition of the funds, the management fees is computed on daily / weekly / monthly / semi-annually (annual % pro-rated for periodic accrual) with reference to periodic net asset value of the fund. The Company's practice for recognition of management fee is aligned with IFRS 15 since management fee is recognised on an accrual basis against rendering of asset management services that the Company is providing on an on-going basis. Performance fees are earned from some arrangements when contractually agreed performance levels are exceeded within specified performance measurement periods, typically over one year. The fees are recognised when they can be reliably estimated and / or crystallised, and there is deemed to be a low probability of a significant reversal in future periods. This is usually at the end of the performance period or upon early redemption by a fund investor. Once crystallised, performance fees typically cannot be clawed-back.

Geographical distribution
The Company generates all its revenue from the Kingdom of Saudi Arabia.

26 SPECIAL COMMISSION INCOME

	For the year ended 31 December	
	2023	2022
Special commission income earned from:		
- Financial institutions (note 26.1)	**134,108,571**	34,296,018
- Investments	**1,506,407**	924,537
	135,614,978	35,220,555

26.1 This represents SR 121.46 million (2022: SR 33.47 million) earned on client money accounts managed by the Company (note 39.2).

27 GAIN / (LOSS) ON INVESMENTS, NET

	For the year ended 31 December	
	2023	2022
Unrealised gain / (loss) on investments at fair value through profit or loss, net	**11,163,732**	(7,854,604)
Realised gain on investments at fair value through profit or loss, net	**5,802,294**	2,539,660
	16,966,026	(5,314,944)

28 SALARIES AND EMPLOYEE RELATED EXPENSES

	For the year ended 31 December	
	2023	2022
Salaries and employee related expenses	**119,617,242**	97,163,680
GOSI expense	**4,297,001**	4,250,231
End of service benefit	**3,622,334**	2,996,414
Employees' Equity Award Plan	**--**	52,708,021
	127,536,577	157,118,346

(Amounts in Saudi Riyals)

29 OTHER GENERAL AND ADMINISTRATIVE EXPENSES

		For the year ended 31 December	
	Note	**2023**	2022
Professional expenses (note 29.1)		**31,089,947**	28,501,504
IT expenses		**19,468,784**	14,758,808
Commission expenses		**19,195,092**	13,678,681
Legal expenses		**16,524,584**	3,956,731
Depreciation	*6,7*	**10,079,804**	8,001,793
Utilities		**7,747,519**	6,741,446
Value Added Tax		**4,803,276**	31,393,502
Amortisation	*8*	**3,637,532**	4,498,768
Office expenses		**3,025,810**	2,343,866
Office maintenance		**2,871,748**	1,502,717
Finance charges		**2,647,314**	2,097,728
Other expenses		**1,975,813**	--
		123,067,223	117,475,544

29.1 This includes expense pertaining to Company's external auditor amounting to SR 816,523 (2022: 1,075,400) against services rendered for annual audit, interim reviews and other regulatory certifications.

30 ALLOWANCE FOR EXPECTED CREDIT LOSSES

Following is the breakup of allowance for expected credit losses as at 31 December:

		31 December	
	Note	**2023**	2022
Margin client receivables	*13*	**2,021,925**	4,415,807
Other current financial asset	*14*	**42,772**	231,434
Investments at amortised cost	*10*	**9,625**	1,067
Due from related parties	*16*	**6,539**	1,252
Cash and cash equivalents	*15*	**2,778**	1,215
		2,083,639	4,650,775

30.1 Movement in allowance for expected credit losses during the year is as follows:

	For the year ended 31 December	
	2023	2022
At the beginning of the year	**4,650,775**	4,460,127
Charge for the year, net	**432,864**	190,648
Written off during the year	**(3,000,000)**	--
At the end of the year	**2,083,639**	4,650,775

31 OTHER INCOME / (EXPENSES)

	For the year ended 31 December	
	2023	2022
Foreign exchange gains / (loss), net	**8,595,470**	(1,143,430)
Price Streamer Fees & Advisory	**830,901**	815,337
	9,426,371	(328,093)

(Amounts in Saudi Riyals)

32 EARNINGS PER SHARE

The calculation of basic earnings per share has been based on the following profit attributable to ordinary shareholders and weighted-average number of ordinary shares outstanding. The diluted earnings per share is the same as the basic earnings per share.

	31 December	
	2023	2022
Income for the year	**329,704,033**	307,509,453
Weighted average number of ordinary shares	**16,229,013**	16,229,013
Basic and diluted, earnings per share	**20.32**	18.95

33 FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Set out below is an overview of financial assets held by the Company:

	31 December	
	2023	2022
Financial assets at amortised cost		
Cash and cash equivalents, net	**20,888,231**	30,363,108
Investment at amortised cost, net	**30,234,685**	22,212,067
Due from related parties, net	**47,351,328**	32,830,323
Margin client receivables, net	**75,317,730**	85,854,127
Other current financial assets, net	**324,551,231**	203,336,883
Financial assets at fair value through OCI		
Investment in a public managed fund – REIT	**21,421,612**	26,277,177
Financial assets at fair value through profit or loss		
Real estate funds	**26,967,499**	13,923,492
Venture capital and private equity funds	**13,712,303**	12,248,993
Equity securities	**27,122,564**	2,626,400
Equity funds	**46,506,214**	15,124,934
Corporate sukuks	**42,186,490**	7,000,000
Money market funds	**35,012,205**	112,794,209
Investment in an associate	**263,852,000**	291,795,800
Total financial assets	**975,124,092**	856,387,513
Total current assets	**499,035,123**	372,267,594
Total non-current assets	**476,088,969**	484,119,919

(Amounts in Saudi Riyals)

33 FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

Set out below is an overview of financial liabilities held by the Company:

	31 December	
	2023	2022
Financial liabilities at amortised cost		
Lease liability	**5,159,705**	7,092,884
Accrued expenses and other payables	**77,872,301**	58,465,956
Total financial liabilities	**83,032,006**	65,558,840
Total current liabilities	**79,811,072**	60,470,252
Total non-current liabilities	**3,220,934**	5,088,588

34 FAIR VALUE HIERARCHY

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement, as follows:

Level 1 Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
Level 2 Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
Level 3 Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The following table provides the fair value measurement hierarchy of the Company's financial assets as at 31 December 2023 and 31 December 2022. There are no financial liabilities measured at fair value.

	31 December			
	Total	**Level 1**	**Level 2**	**Level 3**
At 31 December 2023				
Financial assets measured at fair value				
Investments at FVTPL	**191,507,275**	**51,162,663**	**113,343,212**	**27,001,400**
Investments at FVOCI	**21,421,612**	**21,421,612**	**--**	**--**
As at 31 December 2022				
Financial assets measured at fair value				
Investment at FVTPL	163,718,028	15,159,231	145,932,397	2,626,400
Investment at FVOCI	26,277,177	26,277,177	--	--

There were no transfers between levels during the year ended 31 December 2023 and 31 December 2022.

As at the reporting date, the carrying values of the financial assets not measured at fair value including investment at amortised cost, due from related parties and receivable against margin lending and other current financial assets approximate their fair values, since the market commission rates for similar instruments are not significantly different from contracted rates, and / or due to short duration of financial instruments.

34 FAIR VALUE HIERARCHY (CONTINUED)

An active market for these instruments is not available and the Company intends to realize the carrying value of these financial instruments through settlement with the counter party at the time of their respective maturities.

Investment in listed companies and mutual funds are classified under Level 1, investment in public and private mutual funds and corporate bonds are classified under Level 2 and investment in private securities are classified at Level 3. The valuations of mutual funds are derived from the net asset values of the Funds whereas fair value for the private equity securities is derived from the latest valuation rounds or bids received. For certain private equity securities purchased during the year, transaction price has been considered as a reasonable approximation of the fair value.

The following table shows a reconciliation from the opening balance to the closing balance for Level 3 fair values.

	Equity securities (amounts in SR)
Purchases during the year ended and as at 31 December 2022	2,626,400
Purchases during the year	24,375,000
Balance as at 31 December 2023	**27,001,400**

35 FINANCIAL RISK AND MANAGEMENT OBJECTIVES AND POLICIES

Introduction
The Company’s objective in managing risk is the creation and protection of shareholder value. Risk is inherent in the Company’s activities, but it is managed through a process of ongoing identification, measurement, and monitoring, subject to risk limits and controls. The process of risk management is critical to the Company’s continuing profitability. The Company is exposed to various risks such as market risk (which includes interest rate risk, currency risk and, price risk), liquidity risk, credit risk and investment holding period risk arising from the financial instruments it holds.

Risk management structure
The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. These risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company’s activities.

The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Board of Directors has established an appropriate Risk Management structure by creating a Risk and Compliance Committee which meets quarterly and receive reports from a dedicated Risk Management function. Day-to-day risk management activities are managed within each respective business unit. The Risk and Compliance Committee meets quarterly and is updated on all relevant aspects of the business, including risk management matters.

The Company has exposure to the following risks arising from financial instruments:
- Market risk
- Credit risk
- Liquidity risk

35 FINANCIAL RISK AND MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Risk measurement and reporting system

The Company's risks are measured using a method that reflects both the expected loss likely to arise in normal circumstances and unexpected losses that are an estimate of the ultimate actual loss based on statistical models. The models make use of the probabilities derived from historical experience, adjusted to reflect the economic environment.

Monitoring and controlling risks is primarily set up to be performed based on limits established by the Board of Directors. These limits reflect the business strategy, including the risk that the Company is willing to accept and the market environment of the Company. In addition, the Company monitors and measures the overall risk in relation to the aggregate risk exposure across all risks type and activities.

Risk mitigation

The Company has investment guidelines that set out its overall business strategies, its tolerance for risk and its general risk management philosophy.

The Company adopts diversification strategy with predefined investment guidelines for investment instruments this mitigates risks and stabilizes the return on investments.

Excessive risk concentration

Concentration indicates the relative sensitivity of the Company's performance to developments affecting a industry or geographical location. Concentrations of risk arise when a number of financial instruments or contracts are entered into with the same counterparty, or where a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations of liquidity risk may arise from the repayment terms of financial liabilities, sources of borrowing facilities or reliance on a particular market in which to realise liquid assets. Concentrations of foreign exchange risk may arise if the Company has a significant net open position in a single foreign currency, or aggregate net open positions in several currencies that tend to move together.

In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on maintaining a diversified portfolio. The investment manager is instructed to reduce exposure or to use alternative investment instruments to manage excessive risk concentrations when they arise

Credit risk

Credit risk refers to the risk that a party to a financial instrument will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties, for whom the credit risk is assessed to be satisfactory. The Company attempts to control credit risk by monitoring credit exposures, limiting transactions with specific non-related counterparties, and continually assessing the creditworthiness of such non-related counterparties. The Company maintains bank accounts with Arab National Bank and Saudi National Bank, rated as BBB+ and A-, respectively. The Company also continuously revise's certain inputs and assumptions used for the determination of ECL. These primarily revolve around adjusting macroeconomic factors used by the Company in the estimation of ECL.

(Amounts in Saudi Riyals)

35 FINANCIAL RISK AND MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Credit risk (continued)

The table below shows the Company's maximum exposure to credit risk for components of the statement of financial position.

	31 December	
	2023	2022
Cash and cash equivalents, net	**20,888,231**	30,363,108
Investment in sukuks	**30,234,685**	22,212,067
Margin client receivables, net	**75,317,730**	85,854,127
Due from related parties, net	**47,351,328**	32,967,267
Other current financial assets, net	**324,551,231**	203,199,939
	498,343,205	374,596,508

Analysis of credit quality
The Company has debt securities with counterparties having the following credit quality:

		31 December	
Issuer	**Credit rating (Fitch / Moody's)**	**2023**	2022
KSA Sukuk 05-10-2019	A+ / A1	**5,036,859**	5,070,801
SAB Tier II Sukuk	A+ / A2	**4,998,409**	4,999,759
KSA Sukuk 08-08-2023	A+ / A1	**3,735,729**	--
KSA Sukuk 10-08-2023	A+ / A1	**3,735,216**	--
KSA Sukuk 30-04-2019	A+ / A1	**3,728,810**	--
KSA Sukuk 06-10-2018	A+ / A1	**2,502,558**	2,535,401
KSA Sukuk 05-07-2018	A+ / A1	**2,502,422**	2,535,401
BSF Tier 1 Capital Sukuk	A- / A2	**1,999,364**	1,999,903
KSA Sukuk 09-08-2023	A+ / A1	**1,995,318**	--
KSA Sukuk 05-01-2019	A+ / A1	**--**	2,535,401
KSA Sukuk 04-07-2020	A+ / A1	**--**	2,535,401
		30,234,685	22,212,067

As at the reporting date, the Company's debt securities exposures were concentrated in the following economic sectors:

	31 December	
	2023	2022
Government	**23,236,912**	15,212,405
Bank	**6,997,773**	6,999,662
	30,234,685	22,212,067

Amounts arising from ECL
Impairment on money market securities, investments at amortised cost, marginal client receivables and other assets has been measured on a life-time expected loss basis. The Company considers that these exposures have low credit risk based on the external credit ratings of the counterparties.

35 FINANCIAL RISK AND MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Amounts arising from ECL (continued)

12-month and lifetime probabilities of default are based on the approved ECL Methodology and impairment policy of the Company. Loss given default parameters generally reflect an assumed recovery rate which are linked to the composite credit ratings of the counterparties. However, if the asset were credit-impaired, then the estimate of loss would be based on a specific assessment of expected cash shortfalls and on the original effective interest rate.

The Company has expected credit loss on margin receivables, investments at amortised cost, other current financial assets, due from related parties and cash and cash equivalents amounting to SR 2,083,639 as at 31 December 2023 (2022: SR 4,650,775)

Cash and cash equivalents
Credit risk on cash and cash equivalents is limited as these are held with banks rated as A- and BBB+.

Other current financial assets
Other financial assets include dividend, Muqassa, accrued brokerage fees and other contractual receivables of the Company. Credit risk attached to other financial assets is not significant and the Company expects to recover these fully at their stated carrying amounts.

Due from related parties
Due from related parties consists of the management fee and other receivable from the Company's own managed funds. Credit risk attached to due from related parties is not significant and the Company expects to recover these fully at their stated carrying amounts.

Margin client receivables
Margin client receivables with counter-parties are evaluated to be credit worthy based on risk assessment procedures, Know Your Customer (KYC) and compliance procedures conducted prior to accepting a customer. Margin client receivables are secured against the collateral which includes cash and listed equities in Saudi Stock Exchange and credit risk is monitored on a daily basis for adequacy of collateral coverage.

Credit concentration
Concentration of credit risk arises when a number of counter-parties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic political or other conditions.

No significant concentrations of credit risk were identified by the management as at the reporting date.

The management has conducted an assessment as required under IFRS 9 and based on such assessment, the management has recorded the allowance for expected credit losses against the carrying value of bank balances, margin client receivables, due from related parties and other current financial assets.

Liquidity risk
Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at an amount close to its fair value. Liquidity risk is managed by ensuring that enough funds are always available from operations to meet any future commitments, and financing facilities are available.

35 FINANCIAL RISK AND MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Liquidity risk (continued)

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and include contractual interest payments:

	On Demand	**Within 3 months**	**3 months to 1 year**	**Above 1 year**	**No fixed maturity**	**Total**
31 December 2023						
Financial Liabilities						
Lease liability	**--**	**--**	**2,249,981**	**3,266,296**	**--**	**5,516,277**
Accrued expenses and other payables	**--**	**69,396,563**	**8,475,738**	**--**	**--**	**77,872,301**
Total financial liabilities	**--**	**69,396,563**	**10,725,719**	**3,266,296**	**--**	**83,388,578**

	On Demand	Within 3 months	3 months to 1 year	Above 1 year	No fixed maturity	Total
31 December 2022						
Financial Liabilities						
Lease liability	--	--	2,177,531	6,532,592	--	8,710,123
Accrued expenses and other payables	--	54,195,628	4,270,328	--	--	58,465,956
Total financial liabilities	--	54,195,628	6,447,859	6,532,592	--	67,176,079

Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and equity prices. The maximum risk resulting from financial instruments equals their fair value. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimising the return.

Foreign exchange risk

Foreign exchange risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company's transactions are principally in Saudi Riyals. Transactions in other foreign currencies are not material.

Interest risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. The Board of Directors has established limits on the special commission gaps for stipulated periods. Company's exposure in interest rate risk is not material.

Equity price risk

Equity price risk is the risk of unfavourable changes in the fair values of equity instruments as the result of changes in the value of individual shares. The equity price risk exposure arises from the Company's investments in equity securities. The Company's investments are susceptible to market price risk arising from uncertainties about future prices. The investment manager manages this risk through diversification of its investment portfolio in terms of geographical distribution and/or industry concentration.

35 FINANCIAL RISK AND MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Market risk (continued)

Equity price risk (continued)

Sensitivity analysis
The table below sets out the effect on profit or loss and other comprehensive income of a reasonably possible weakening / strengthening in the individual equity market prices by 5% at reporting date. The estimates are made on an individual investment basis. The analysis assumes that all other variables, commission and foreign currency rates, remain constant.

	31 December			
Effect on profit and loss		**2023**		2022
		SR		**SR**
Net gain / loss on investments held at FVTPL	**+ 5%**	**558,187**	+ 5%	392,730
	- 5%	**(558,187)**	- 5%	(392,730)

	31 December			
Effect on other comprehensive income		**2023**		2022
		SR		**SR**
Net gain / loss on investments held at FVOCI	**+ 5%**	**241,629**	+ 5%	**1,149**
	- 5%	**(241,629)**	- 5%	**(1,149)**

Concentration of equity price risk
Fund's equity portfolio, measured at FVTPL and FVOCI, by geographical distribution (based on counterparties' place of primary listing or, if not listed, place of domicile) is held 100% in the Kingdom of Saudi Arabia.

Company's concentration of equity price risk in the portfolio:

% of equity securities, debt instruments and units in managed funds

	31 December	
	2023	2022
Real estate fund	**23%**	21%
Equity funds	**22%**	8%
Corporate sukuks	**20%**	4%
Money market funds	**16%**	59%
Equity securities	**13%**	1%
Venture capital and private equity funds	**6%**	6%

Currency risk
Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. The Company does not have any significant exposure to currency risk as all its significant monetary assets and monetary liabilities are denominated in Saudi Riyals. The Company did not undertake significant transactions in currencies other than Saudi Riyals and US dollars during the year.

(Amounts in Saudi Riyals)

36 SEGMENTAL REPORTING

The Company is organized into the following major business segments:

Brokerage
The brokerage division provides brokerage services and facilitates in trading in local and international, and regional equities, options, indices and Islamic certificates.

Asset Management
Fees from asset management of discretionary portfolio, funds, real estate management, and alternative investments.

Murabaha
Special commission income from Murabaha.

Investment
The investment division is engaged in managing the proprietary investments of the Company, mainly represents investment in funds managed by the Company.

Advisory
Advisory relates to the services offered for establishment of Bank D360.

The Company's total assets and liabilities, operating income and expenses, and net income, by business segments, are as follows:

31 December 2023	**Brokerage**	**Asset management**	**Murabaha**	**Investment**	**Advisory**	**Total**
Total assets	**424,796,450**	**89,063,798**	**51,122,916**	**476,780,887**	**--**	**1,041,764,051**
Total liabilities	**58,155,675**	**12,193,052**	**6,998,853**	**65,272,472**	**87,335,891**	**229,955,943**
Total operating income	**388,565,878**	**81,467,613**	**135,614,978**	**17,880,015**	**--**	**623,528,484**
Operating expenses	**(104,495,528)**	**(21,908,772)**	**(12,575,708)**	**(117,283,161)**	**(801,643)**	**(257,064,812)**
Other income / (expense)	**8,723,307**	**703,064**	**--**	**--**	**--**	**9,426,371**
Share of loss in an associate	**--**	**--**	**--**	**(27,943,800)**	**--**	**(27,943,800)**
Net income / (loss) before zakat	**292,793,657**	**60,261,905**	**123,039,270**	**(127,346,946)**	**(801,643)**	**347,946,243**

31 December 2022	Brokerage	Asset management	Murabaha	Investment	Advisory	Total
Total assets	331,407,241	61,255,906	52,575,175	471,667,935	-	916,906,257
Total liabilities	42,107,535	7,782,978	6,680,032	59,928,607	82,090,365	198,589,517
Total operating income	379,740,773	70,189,671	35,220,555	(3,497,353)	163,806,472	645,460,118
Operating expenses	(83,628,802)	(15,457,592)	(13,267,057)	(119,022,818)	(52,708,021)	(284,084,290)
Other (expense) / income	(904,105)	576,012	-	-	-	(328,093)
Share of loss in an associate	-	-	-	(38,204,200)	-	(38,204,200)
Net income / (loss) before zakat	295,207,866	55,308,091	21,953,498	(160,724,371)	111,098,451	322,843,535

The Company's assets, liabilities, and operations are entirely in Saudi Arabia.

36 SEGMENTAL REPORTING (CONTINUED)

36.1 Reconciliation of total operating income to revenue from contract with customers:

	31 December	
	2023	**2022**
Total operating income	**623,528,484**	**645,460,118**
Adjustment for:		
- *Special commission income*	**(135,614,978)**	**(35,220,555)**
- *Net (gain) / loss on financial assets at fair value through profit or loss*	**(16,966,026)**	**5,314,944**
- *Dividend income*	**(913,989)**	**(1,817,591)**
Revenue from contract with customers	**470,033,491**	**613,736,916**

37 CAPITAL REGULATORY REQUIREMENTS AND CAPITAL ADEQUACY MODEL

The CMA has issued Prudential Rules (the “Rules”) dated 17 Safar 1434H (corresponding to 30 December 2012), thereafter, amended on 04 Jumada Alkhirah 1444H (corresponding to 28 December 2022). According to the Rules, the CMA has prescribed the framework and guidance regarding the minimum regulatory capital requirement and its calculation methodology as prescribed under these Rules. In accordance with this methodology, the Company has calculated its risk weighted asset and surplus in the capital as follows:

	31 December	
	2023	2022
Capital base:	**SR (000)**	SR (000)
Tier 1 Capital	**793,763**	705,151
Tier 2 Capital	**--**	23
Total Capital base	**793,763**	705,174
Risk Weighted Asset:		
Credit risk	**1,718,710**	2,922,758
Market risk	**14,101**	49,661
Operational risk	**1,161,167**	503,880
Concentration risk	**654,111**	247,171
Total risk weighted asset	**3,548,089**	3,723,470
Surplus in the Capital	**509,916**	407,296

38 CAPITAL COMMITMENTS AND CONTINGENCIES

The contingent liabilities against letter of guarantees as at 31 December 2023 amounts to SR 29.38 million (2022: SR 29.38 million).

39 ASSETS HELD UNDER FIDUCIARY CAPACITY

39.1 Assets under management

The Company manages investment portfolios and mutual funds on behalf of its customers, which amounts to SR 10,341 million as at 31 December 2023 (2022: SR 6,945 million). Such balances are not included in the Company’s financial statements as these are held by the Company in fiduciary capacity.

39 ASSETS HELD UNDER FIDUCIARY CAPACITY (CONTINUED)

39.2 Clients' cash account

The Company was holding clients' cash accounts amounting to SR 1,854 million as at 31 December 2023 (2022: SR 2,356 million), to be used for investments on clients' instructions. Such balances are not included in the Company's financial statements as these are held by the Company in fiduciary capacity.

40 SUBSEQUENT EVENT

There were no subsequent events after the statement of financial position date which require adjustments to / or disclosure in the financial statements.

41 COMPARATIVE FIGURES

Certain comparative numbers has been re-classified, re-arranged or additionally incorporated in these financial statements wherever necessary to facilitate comparison and better presentation.

42 APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements have been approved by the Board on 12 March 2024 (corresponding to 2 Ramadan 1445).