

**AMLAK INTERNATIONAL FINANCE COMPANY  
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
(UNAUDITED)  
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED  
30 JUNE 2024  
TOGETHER WITH THE  
INDEPENDENT AUDITOR'S REPORT**



## **Report on review of condensed consolidated interim financial statements**

To the shareholders of Amlak International Finance Company  
(A Saudi Joint Stock Company)

### **Introduction**

We have reviewed the accompanying condensed consolidated interim statement of financial position of Amlak International Finance Company (Saudi Joint Stock Company) and its subsidiary (together the “Group”) as at 30 June 2024 and the related condensed consolidated interim statements of profit or loss and comprehensive income for the three-month and six-month periods then ended, and the related condensed consolidated interim statements of changes in equity and cash flows for the six-month period then ended and other explanatory notes (the “condensed consolidated interim financial statements”).

The Board of Directors is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with International Accounting Standard 34 - “Interim Financial Reporting” (IAS 34), as endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

### **Scope of review**

We conducted our review in accordance with International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”, as endorsed in the Kingdom of Saudi Arabia. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, as endorsed in the Kingdom of Saudi Arabia, and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements are not prepared, in all material respects, in accordance with IAS 34, as endorsed in the Kingdom of Saudi Arabia.

### **PricewaterhouseCoopers**

A handwritten signature in blue ink, appearing to be 'Khalid A. Mahdhar', written over a horizontal line.


Khalid A. Mahdhar  
License Number 368

25 July 2024

**AMLAK INTERNATIONAL FINANCE COMPANY**  
(A SAUDI JOINT STOCK COMPANY)  
**CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2024**  
**(SR '000)**

	Notes	30 June 2024 (Unaudited)	31 December 2023 (Audited)
<b>ASSETS</b>			
Cash and cash equivalents	5	15,274	27,736
Investments		893	893
Positive fair value of derivatives	11	13,516	14,327
Murabaha receivables, net	6	2,500,449	1,868,183
Ijara receivables, net	7	1,406,707	1,768,329
Ijara mawsofa fi athemmah receivables, net	8	93,893	97,169
Prepayments and other assets		60,340	55,531
Property, equipment and right of use assets, net		56,260	53,455
<b>Total assets</b>		<b>4,147,332</b>	<b>3,885,623</b>
<b>LIABILITIES AND EQUITY</b>			
Account payables and other accruals	10	65,086	69,755
Negative fair value of derivatives	11	1,074	4,493
Zakat payable	12	4,434	7,809
Borrowings	13	2,853,144	2,600,070
Employees' end of service benefits		18,525	17,874
<b>Total liabilities</b>		<b>2,942,263</b>	<b>2,700,001</b>
Share capital	14	1,019,250	906,000
Statutory reserve	15	-	101,934
Cash flow hedge reserve		12,442	9,834
Retained earnings		173,377	167,854
<b>Total equity</b>		<b>1,205,069</b>	<b>1,185,622</b>
<b>Total liabilities and equity</b>		<b>4,147,332</b>	<b>3,885,623</b>

The accompanying notes 1 to 23 form an integral part of these condensed consolidated interim financial statements.

  
Murad Alsadq  
Chief Finance Officer

  
Adnan Al Shubaily  
Chief Executive Officer

  
Abdullah Al Sudairy  
Managing Director

**AMLAK INTERNATIONAL FINANCE COMPANY**  
(A SAUDI JOINT STOCK COMPANY)  
**CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS**  
(UNAUDITED)  
**FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2024**  
(SR '000)

	Notes	For the three-month period ended 30 June		For the six-month period ended 30 June	
		2024	2023	2024	2023
<b>INCOME</b>					
Income from Murabaha contracts		73,779	18,957	135,045	34,363
Income from Ijara contracts		26,231	48,576	58,591	97,431
Income from Ijara mawsofa fi athemmah contracts		2,117	2,264	4,379	4,356
(Loss) / gain on sale of portfolio and revaluation of servicing rights asset, net		(1,002)	45	(1,989)	(1,048)
Fees and commission income		4,006	2,991	8,129	6,649
<b>Total income from Murabaha, Ijara and Ijara mawsofa fi athemmah</b>		<b>105,131</b>	<b>72,833</b>	<b>204,155</b>	<b>141,751</b>
<b>EXPENSES</b>					
Finance cost		(48,044)	(30,451)	(95,536)	(56,348)
Fee expense		(949)	(740)	(1,522)	(1,396)
<b>Net income from Murabaha, Ijara and Ijara mawsofa fi athemmah</b>		<b>56,138</b>	<b>41,642</b>	<b>107,097</b>	<b>84,007</b>
<b>Other operating income</b>					
Other income		250	444	541	589
		56,388	42,086	107,638	84,596
<b>Operating expenses</b>					
Depreciation		(2,865)	(2,367)	(5,759)	(4,718)
General and administrative expenses	17	(31,237)	(23,908)	(58,012)	(46,620)
Selling and marketing expenses	18	(4,527)	(4,470)	(9,982)	(7,741)
Impairment charge for expected credit losses, net		(7,386)	(3,450)	(12,388)	(4,632)
<b>Net income for the period before zakat</b>		<b>10,373</b>	<b>7,891</b>	<b>21,497</b>	<b>20,885</b>
Zakat expense	12	(2,140)	(1,578)	(4,658)	(3,533)
<b>Net income for the period</b>		<b>8,233</b>	<b>6,313</b>	<b>16,839</b>	<b>17,352</b>
Basic and diluted earnings per share (SR)					
	16	0.08	0.06	0.17	0.17

The accompanying notes 1 to 23 form an integral part of these condensed consolidated interim financial statements.



Murad Alsadiq  
Chief Finance Officer



Adnan Al Shubaily  
Chief Executive Officer



Abdullah Al Sudairy  
Managing Director

**AMLAK INTERNATIONAL FINANCE COMPANY**  
**(A SAUDI JOINT STOCK COMPANY)**  
**CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME**  
**(UNAUDITED)**  
**FOR THE THREE MONTHS AND SIX-MONTH PERIODS ENDED 30 JUNE 2024**  
**(SR '000)**

	<b>For the three- month period ended 30 June</b>		<b>For the six- month period ended 30 June</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
<b>Net income for the period</b>	<b>8,233</b>	6,313	<b>16,839</b>	17,352
<b>Other comprehensive (loss) / income</b>				
<i>Items that may be reclassified to consolidated statement of profit or loss in subsequent years:</i>				
Net change in fair value of cash flow hedges	<b>(1,216)</b>	7,362	<b>2,608</b>	2,381
<b>Total other comprehensive (loss) / income</b>	<b>(1,216)</b>	7,362	<b>2,608</b>	2,381
<b>Total comprehensive income for the period</b>	<b>7,017</b>	13,675	<b>19,447</b>	19,733

The accompanying notes 1 to 23 form an integral part of these condensed consolidated interim financial statements.

  
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 Chief Finance Officer

  
 Adnan Al Shubaily  
 Chief Executive Officer

  
 Abdullah Al Sudairy  
 Managing Director

**AMLAK INTERNATIONAL FINANCE COMPANY**  
**(A SAUDI JOINT STOCK COMPANY)**  
**CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY**  
**(UNAUDITED)**  
**FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024**  
**(SR '000)**

	Share capital	Statutory reserve	Cash flow hedge reserve	Retained earnings	Total
<b>For the period ended 30 June 2024</b>					
Balance at 1 January 2024 (Audited)	906,000	101,934	9,834	167,854	1,185,622
Net income for the period	-	-	-	16,839	16,839
Other comprehensive income	-	-	2,608	-	2,608
Total comprehensive income	-	-	2,608	16,839	19,447
Bonus shares issuance	113,250	(101,934)	-	(11,316)	-
<b>Balance at 30 June 2024</b>	<b>1,019,250</b>	<b>-</b>	<b>12,442</b>	<b>173,377</b>	<b>1,205,069</b>
<b>For the period ended 30 June 2023</b>					
Balance at 1 January 2023 (Audited)	906,000	98,753	19,032	211,213	1,234,998
Net income for the period	-	-	-	17,352	17,352
Other comprehensive income	-	-	2,381	-	2,381
Total comprehensive income	-	-	2,381	17,352	19,733
Dividend paid	-	-	-	(72,481)	(72,481)
<b>Balance at 30 June 2023</b>	<b>906,000</b>	<b>98,753</b>	<b>21,413</b>	<b>156,084</b>	<b>1,182,250</b>

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 Chief Executive Officer


  
 Abdullah Al Sudairy  
 Managing Director


**AMLAK INTERNATIONAL FINANCE COMPANY**  
(A SAUDI JOINT STOCK COMPANY)  
**CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS**  
(UNAUDITED)  
**FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024**  
(SR'000)

	Notes	For the six- month period ended 30 June	
		2024	2023
<b>Cash flows from operating activities:</b>			
Net income for the period before zakat		21,497	20,885
<i>Non-cash adjustment to reconcile net income before zakat for the period to net cash used in operating activities</i>			
Depreciation		5,759	4,718
Finance cost		95,536	54,298
Employees' end of service benefits		1,574	1,234
Impairment charge / (impairment reversal) allowance for expected credit losses, net		7,617	(951)
Write-off expense		4,771	5,583
Loss on sale of portfolio and revaluation of servicing rights asset, net		1,989	1,048
Unwinding of gain on SAMA deposit, net		-	2,050
Other income		(541)	(589)
		<b>138,202</b>	<b>88,276</b>
<i>(Increase) / decrease in operating assets</i>			
Murabaha receivables		(644,777)	(540,331)
Ijara receivables		360,867	482,861
Ijara mawsofa fi athemmah receivables		2,166	(4,481)
Prepayments and other assets		(4,166)	43,605
<i>Increase / (decrease) in operating liabilities</i>			
Account payables and other accruals		(1,165)	(40,214)
		<b>(148,873)</b>	<b>29,716</b>
Finance cost paid		(97,295)	(49,104)
Employees' end of service benefits paid		(923)	(646)
Zakat paid	12	(8,033)	(13,547)
<b>Net cash used in operating activities</b>		<b>(255,124)</b>	<b>(33,581)</b>
<b>Cash flows from investing activities</b>			
Purchase of property and equipment		(8,773)	(5,273)
Rental income received from property under possession		500	500
<b>Net cash used in investing activities</b>		<b>(8,273)</b>	<b>(4,773)</b>
<b>Cash flows from financing activities</b>			
Repayment of borrowings	13	(590,385)	(603,379)
Proceeds from borrowings	13	845,000	870,000
Dividend paid		-	(72,481)
Repayment of SAMA deposit		-	(99,032)
Payment of lease liabilities		(3,680)	(3,188)
<b>Net cash generated from financing activities</b>		<b>250,935</b>	<b>91,920</b>
<b>Net change in cash and cash equivalents</b>		<b>(12,462)</b>	<b>53,566</b>
Cash and cash equivalents at the beginning of the period		27,736	38,226
<b>Cash and cash equivalents at the end of the period</b>	5	<b>15,274</b>	<b>91,792</b>
<b>Non-cash supplemental information:</b>			
Net changes in fair value of cash flow hedge		2,608	2,381

The accompanying notes 1 to 23 form an integral part of these condensed consolidated interim financial statements.

  
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Chief Finance Officer

  
Adnan Al Shubaily  
Chief Executive Officer

  
Abdullah Al Sudairy  
Managing Director

**AMLAK INTERNATIONAL FINANCE COMPANY**  
(A SAUDI JOINT STOCK COMPANY)  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**(UNAUDITED)**  
**FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2024**  
**(SAR '000)**

**1 THE GROUP AND THE NATURE OF OPERATIONS**

Amlak International Finance Company (the “Company”) is a Saudi Joint Stock Company established and registered in the Kingdom of Saudi Arabia under commercial registration number 1010234356 in Riyadh dated 27/05/1428H (corresponding to 13/06/2007G) and Ministry of Commerce Resolution No. 132/S dated 25/05/1428H (corresponding to 11/06/2007G) and the Saudi Central Bank (“SAMA”) License No. 2/ PU/201312 dated 21/02/1435H (corresponding to 24/12/2013G). The Company operates through branches in Riyadh, Jeddah and Khobar.

As per the revised commercial registration certificate of the Company dated 17 Rajab 1444 H (corresponding to 28/02/2023), the objectives of the Group have been updated to provide real estate financing, SMEs financing, and personal financing as per SAMA approval dated 20 Rabea Awwal 1444H (corresponding to 16/10/2022).

The registered office of the Company is located at Thumamah Road, Kingdom of Saudi Arabia. A Corporate Office has been established in Jeddah by the Company in 2019. The Company has the following branches in the Kingdom of Saudi Arabia:

<u>Branch Commercial Registration Number</u>	<u>Date of issuance</u>	<u>Location</u>
2050057816	30/12/1428	Khobar
4030171680	24/07/1428	Jeddah

The Company has the following subsidiary:

Name of the subsidiary	Registration Number	Country of incorporation	Ownership	Principal business activity
Amlak International For Real Estate Development Company	1010317413	Saudi Arabia	100%	Hold titles of real estate properties financed by Amlak International Finance Company

These condensed consolidated interim financial statements comprise the financial statements of the Company and its subsidiary (Amlak International for Real Estate Development Company) together hereinafter referred to as the Group.

**2 BASIS OF PREPARATION**

**(a) Statement of compliance**

The condensed consolidated interim financial statements of the Group as at and for the period ended 30 June 2024, have been prepared in accordance with International Accounting Standard 34 - Interim Financial Reporting (IAS 34) as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA).

These condensed consolidated interim financial statements do not include all the information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group’s annual audited consolidated financial statements for the year ended 31 December 2023.

**(b) Basis of measurement**

These condensed consolidated interim financial statements have been prepared on a going concern basis under the historical cost convention except for the measurement of investments and derivatives, which are carried at fair value. Further, employees’ end of service benefits are measured at present value of future obligations using the Projected Unit Credit Method.

**(c) Functional and presentation currency**

These condensed consolidated interim financial statements are presented in Saudi Arabian Riyals (SR), as it is the functional currency of the Group. All financial information presented has been rounded-off to the SR in thousand unless otherwise stated.

**AMLAK INTERNATIONAL FINANCE COMPANY**  
(A SAUDI JOINT STOCK COMPANY)  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**(UNAUDITED)**  
**FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2024**  
**(SAR '000)**

**3 MATERIAL ACCOUNTING POLICIES**

The accounting policies used in the preparation of these condensed consolidated interim financial statements are consistent with those followed in the preparation of the Group's annual audited consolidated financial statements for the year ended 31 December 2023 unless otherwise stated.

**4 IMPACTS OF CHANGES DUE TO ADOPTION OF NEW STANDARDS**

The accounting policies adopted in the preparation of the condensed consolidated interim financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2023 unless otherwise stated.

*New standards, interpretations and amendments adopted by the Group*

Following standard, interpretation or amendment are effective from the current year and are adopted by the Group, however, these does not have any impact on the condensed consolidated interim financial statements of the Group:

<b>Standard, interpretation, amendments</b>	<b>Description</b>	<b>Effective date</b>
Amendment to IFRS 16 – Leases on sale and leaseback	These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.	1 January 2024
Amendments to IAS 7 and IFRS 7 on Supplier finance arrangements	These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis.	1 January 2024
Amendment to IAS 1 – Non-current liabilities with covenants	These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions.	1 January 2024

**AMLAK INTERNATIONAL FINANCE COMPANY**  
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**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**(UNAUDITED)**  
**FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2024**  
**(SAR '000)**

**4 IMPACTS OF CHANGES DUE TO ADOPTION OF NEW STANDARDS (CONTINUED)**

*Accounting standards issued but not yet effective*

The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

<b>Standard / interpretation</b>	<b>Description</b>	<b>Effective from periods beginning on or after</b>
Amendment to IAS 21 – Lack of exchangeability	IASB amended IAS 21 to add requirements to help in determining whether a currency is exchangeable into another currency, and the spot exchange rate to use when it is not exchangeable. Amendment set out a framework under which the spot exchange rate at the measurement date could be determined using an observable exchange rate without adjustment or another estimation technique.	1 January 2025
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28	(Available for optional adoption / effective date deferred indefinitely)
IFRS 18, 'Presentation and Disclosure in Financial Statements'	The IASB has issued IFRS 18, the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to: <ul style="list-style-type: none"> <li>• the structure of the statement of profit or loss;</li> <li>• required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and</li> <li>• enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.</li> </ul>	Reporting periods beginning on or after 1 January 2027
IFRS 19 - Reducing subsidiaries' disclosures	IFRS 19 allows eligible subsidiaries to apply IFRS Accounting Standards with the reduced disclosure requirements of IFRS 19. A subsidiary may choose to apply the new standard in its consolidated, separate or individual financial statements provided that, at the reporting date it does not have public accountability and its parent produces consolidated financial statements under IFRS Accounting Standards.	1 January 2027
<b>Other standards</b>		
IFRS S1, 'General requirements for disclosure of sustainability-related financial information'	This standard includes the core framework for the disclosure of material information about sustainability-related risks and opportunities across an entity's value chain.	1 January 2024 subject to endorsement from SOCPA
IFRS S2, 'Climate-related disclosures'	This is the first thematic standard issued that sets out requirements for entities to disclose information about climate-related risks and opportunities.	1 January 2024 subject to endorsement from SOCPA

**AMLAK INTERNATIONAL FINANCE COMPANY**  
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**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**(UNAUDITED)**  
**FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2024**  
**(SAR '000)**

**5 CASH AND CASH EQUIVALENTS**

	<b>As at 30 June 2024 (Unaudited)</b>	As at 31 December 2023 (Audited)
Cash at bank – current accounts	<b>15,239</b>	27,701
Cash on hand	<b>35</b>	35
	<b>15,274</b>	27,736

**6 MURABAHA RECEIVABLES, NET**

	<b>As at 30 June 2024 (Unaudited)</b>	As at 31 December 2023 (Audited)
Gross Murabaha receivables	<b>2,524,193</b>	1,879,922
Less: Impairment allowance for credit losses	<b>(23,744)</b>	(11,739)
<b>Murabaha receivables, net</b>	<b>2,500,449</b>	1,868,183

6.1 The maturity profile of murabaha receivables as at 30 June 2024 and 31 December 2023 was as follows:

	<b>As at 30 June 2024 (Unaudited)</b>			<b>Total</b>
	<b>Not later than one year</b>	<b>Later than one year but not later than five years</b>	<b>Later than five years</b>	
Gross Murabaha receivables	<b>487,473</b>	<b>1,841,235</b>	<b>195,485</b>	<b>2,524,193</b>
Less: Impairment allowance for credit losses				<b>(23,744)</b>
<b>Murabaha receivables, net</b>				<b>2,500,449</b>
	<b>As at 31 December 2023 (Audited)</b>			<b>Total</b>
	<b>Not later than one year</b>	<b>Later than one year but not later than five years</b>	<b>Later than five years</b>	
Gross Murabaha receivables	307,300	1,370,224	202,398	1,879,922
Less: Impairment allowance for credit losses				(11,739)
<b>Murabaha receivables, net</b>				<b>1,868,183</b>

6.2 Stage wise analysis of Murabaha receivables is as follows:

	<b>Performing (Stage 1)</b>	<b>Under- performing (Stage 2)</b>	<b>Non- performing (Stage 3)</b>	<b>Total</b>
<b>30 June 2024 (Unaudited)</b>				
Gross Murabaha receivables	<b>2,365,773</b>	<b>130,495</b>	<b>27,925</b>	<b>2,524,193</b>
Allowance for expected credit losses	<b>(13,484)</b>	<b>(1,790)</b>	<b>(8,470)</b>	<b>(23,744)</b>
<b>Murabaha receivables, net</b>	<b>2,352,289</b>	<b>128,705</b>	<b>19,455</b>	<b>2,500,449</b>
<b>31 December 2023 (Audited)</b>				
Gross Murabaha receivables	1,741,204	132,362	6,356	1,879,922
Allowance for expected credit losses	(9,116)	(1,265)	(1,358)	(11,739)
<b>Murabaha receivables, net</b>	<b>1,732,088</b>	<b>131,097</b>	<b>4,998</b>	<b>1,868,183</b>

**AMLAK INTERNATIONAL FINANCE COMPANY**  
(A SAUDI JOINT STOCK COMPANY)  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**(UNAUDITED)**  
**FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2024**  
**(SAR '000)**

**6 MURABAHA RECEIVABLES, NET (CONTINUED)**

6.3 The movement in allowance for expected credit losses is as follows:

<b>For the period ended 30 June 2024</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
Opening balance	9,116	1,265	1,358	11,739
Charge during the period	4,368	525	7,112	12,005
Closing balance	13,484	1,790	8,470	23,744
<b>For the year ended 31 December 2023</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
Opening balance	-	102	413	515
Charge during the year	9,116	1,163	945	11,224
Closing balance	9,116	1,265	1,358	11,739

6.4 Impairment charge for expected credit losses movement:

	<b>30 June 2024 (Unaudited)</b>	<b>30 June 2023 (Unaudited)</b>
Charge for the period	12,005	148
Net	12,005	148

6.5 The movement in gross Murabaha receivables is as follows:

	<b>30 June 2024 (Unaudited)</b>	<b>31 December 2023 (Audited)</b>
Opening balance	1,879,922	480,708
Financial assets originated during the year (all stage 1)	872,066	1,164,771
Net other movements	(227,795)	234,443
Closing balance	2,524,193	1,879,922

**7 IJARA RECEIVABLES, NET**

	<b>As at 30 June 2024 (Unaudited)</b>	<b>As at 31 December 2023 (Audited)</b>
Gross investment in Ijara receivables	1,938,059	2,417,574
Less: Unearned income	(508,305)	(621,487)
Net investment in Ijara receivables	1,429,754	1,796,087
Less: Impairment allowance for credit losses	(23,047)	(27,758)
Ijara receivables, net	1,406,707	1,768,329

**AMLAK INTERNATIONAL FINANCE COMPANY**  
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**7 IJARA RECEIVABLES, NET (CONTINUED)**

7.1 The maturity profile of Ijara receivables as at 30 June 2024 and 31 December 2023 was as follows:

	<b>As at 30 June 2024 (Unaudited)</b>			<b>Total</b>
	<b>Not later than one year</b>	<b>Later than one year but not later than five years</b>	<b>Later than five years</b>	
Gross investment in Ijara receivables	427,972	810,145	699,942	1,938,059
Less: Unearned income	(96,543)	(218,170)	(193,592)	(508,305)
Net investment in Ijara receivables	<u>331,429</u>	<u>591,975</u>	<u>506,350</u>	<u>1,429,754</u>
Less: Impairment allowance for credit losses Ijara receivables, net			(23,047)	<u>(23,047)</u>
				<u>1,406,707</u>
	<b>As at 31 December 2023 (Audited)</b>			
	<b>Not later than one year</b>	<b>Later than one year but not later than five years</b>	<b>Later than five years</b>	<b>Total</b>
Gross investment in Ijara receivables	530,800	1,099,977	786,797	2,417,574
Less: Unearned income	(124,240)	(280,690)	(216,557)	(621,487)
Net investment in Ijara receivables	<u>406,560</u>	<u>819,287</u>	<u>570,240</u>	<u>1,796,087</u>
Less: Impairment allowance for credit losses Ijara receivables, net				(27,758)
				<u>1,768,329</u>

7.2 Stage wise analysis of Ijara receivables is as follows:

	<b>Performing (Stage 1)</b>	<b>Under-performing (Stage 2)</b>	<b>Non-performing (Stage 3)</b>	<b>Total</b>
<b>30 June 2024 (Unaudited)</b>				
Gross Ijara receivables	1,101,316	159,732	168,706	1,429,754
Allowance for expected credit losses Ijara receivables, net	(1,247)	(845)	(20,955)	(23,047)
	<u>1,100,069</u>	<u>158,887</u>	<u>147,751</u>	<u>1,406,707</u>
<b>31 December 2023 (Audited)</b>				
Gross Ijara receivables	1,251,298	365,490	179,299	1,796,087
Allowance for expected credit losses Ijara receivables, net	(1,785)	(2,527)	(23,446)	(27,758)
	<u>1,249,513</u>	<u>362,963</u>	<u>155,853</u>	<u>1,768,329</u>

7.3 The movement in allowance for expected credit losses is as follows:

<b>For the period ended 30 June 2024</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
Opening balance	1,785	2,527	23,446	27,758
Reversal during the period	(538)	(1,682)	(2,167)	(4,387)
Written-off receivables	-	-	(324)	(324)
Closing balance	<u>1,247</u>	<u>845</u>	<u>20,955</u>	<u>23,047</u>
<b>For the year ended 31 December 2023</b>				
Opening balance	288	4,970	69,822	75,080
Charge during the year	1,497	(2,443)	(15)	(961)
Written-off receivables	-	-	(46,361)	(46,361)
Closing balance	<u>1,785</u>	<u>2,527</u>	<u>23,446</u>	<u>27,758</u>

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**7 IJARA RECEIVABLES, NET (CONTINUED)**

7.4 Impairment charge for expected credit losses movement:

	<b>30 June 2024 (Unaudited)</b>	30 June 2023 (Unaudited)
Reversal for the period	<b>(4,387)</b>	(1,186)
Write-off expense	<b>3,660</b>	5,583
Net	<b>(727)</b>	4,397

7.5 The movement in gross Ijara receivables is as follows:

	<b>30 June 2024 (Unaudited)</b>	31 December 2023 (Audited)
Opening balance	<b>1,796,087</b>	2,788,579
Financial assets originated during the year (all stage 1)	<b>4,527</b>	43,987
Net other movements	<b>(366,876)</b>	(986,130)
Write-offs (From stage 3)	<b>(3,984)</b>	(50,349)
Closing balance	<b>1,429,754</b>	1,796,087

**8 IJARA MAWSOFA FI ATHEMMAH RECEIVABLES, NET**

	<b>As at 30 June 2024 (Unaudited)</b>	As at 31 December 2023 (Audited)
Gross investment in Ijara mawsofa fi atthemmah receivables	<b>159,767</b>	169,311
Less: Unearned income	<b>(65,805)</b>	(71,902)
Net investment in Ijara mawsofa fi atthemmah receivables	<b>93,962</b>	97,409
Less: Impairment allowance for credit losses	<b>(69)</b>	(240)
Ijara mawsofa fi atthemmah receivables, net	<b>93,893</b>	97,169

8.1 The maturity profile of Ijara mawsofa fi atthemmah receivables as at 30 June 2024 and 31 December 2023 was as follows:

	<b>As at 30 June 2024 (Unaudited)</b>			<b>Total</b>
	<b>Not later than one year</b>	<b>Later than one year but not later than five years</b>	<b>Later than five years</b>	
Gross investment in Ijara mawsofa fi atthemmah receivables	<b>11,908</b>	<b>46,058</b>	<b>101,801</b>	<b>159,767</b>
Less: Unearned income	<b>(7,285)</b>	<b>(25,140)</b>	<b>(33,380)</b>	<b>(65,805)</b>
Net investment in Ijara mawsofa fi atthemmah receivables	<b>4,623</b>	<b>20,918</b>	<b>68,421</b>	<b>93,962</b>
Less: Impairment allowance for credit losses				<b>(69)</b>
Ijara mawsofa fi atthemmah receivables, net				<b>93,893</b>

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**8 IJARA MAWSOFA FI ATHEMMAH RECEIVABLES, NET (CONTINUED)**

8.1 The maturity profile of Ijara mawsofa fi atthemmah receivables as at 30 June 2024 and 31 December 2023 was as follows: (CONTINUED)

	As at 31 December 2023 (Audited)			Total
	Not later than one year	Later than one year but not later than five years	Later than five years	
Gross investment in Ijara mawsofa fi atthemmah receivables	12,611	47,061	109,639	169,311
Less: Unearned income	(7,670)	(26,691)	(37,541)	(71,902)
Net investment in Ijara mawsofa fi atthemmah receivables	4,941	20,370	72,098	97,409
Less: Impairment allowance for credit losses				(240)
Ijara mawsofa fi atthemmah receivables, net				97,169

8.2 Stage wise analysis of Ijara mawsofa fi atthemmah receivables is as follows:

	Performing (Stage 1)	Under- performing (Stage 2)	Non- performing (Stage 3)	Total
<b>30 June 2024 (Unaudited)</b>				
Gross Ijara mawsofa fi atthemmah receivables	92,456	1,150	356	93,962
Allowance for expected credit losses	(14)	-	(55)	(69)
Ijara mawsofa fi atthemmah receivables, net	92,442	1,150	301	93,893
<b>31 December 2023 (Audited)</b>				
Gross Ijara mawsofa fi atthemmah receivables	93,014	998	3,397	97,409
Allowance for expected credit losses	(17)	-	(223)	(240)
Ijara mawsofa fi atthemmah receivables, net	92,997	998	3,174	97,169

8.3 The movement in allowance for expected credit losses is as follows:

<b>For the period ended 30 June 2024</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
Opening balance	17	-	223	240
Charge during the period / year	(3)	-	2	(1)
Written-off receivables	-	-	(170)	(170)
Closing balance	14	-	55	69
<b>For the year ended 31 December 2023</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
Opening balance	22	3	-	25
Charge during the period / year	(5)	(3)	223	215
Written-off receivables	-	-	-	-
Closing balance	17	-	223	240

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**8 IJARA MAWSOFA FI ATHEMMAH RECEIVABLES, NET (CONTINUED)**

8.4 Allowance for expected credit losses charge movement:

	<b>30 June 2024 (Unaudited)</b>	30 June 2023 (Unaudited)
(Reversal) / charge for the period	(1)	87
Write-off expense	1,111	-
Net	<b>1,110</b>	<b>87</b>

8.5 The movement in gross Ijara mawsofa fi atthemmah receivables is as follows:

	<b>30 June 2024 (Unaudited)</b>	31 December 2023 (Audited)
Opening balance	97,409	89,583
Financial assets originated during the year (all stage 1)	-	-
Net other movements	(2,167)	7,826
Write-offs (From stage 3)	(1,280)	-
Closing balance	<b>93,962</b>	<b>97,409</b>

**9 FINANCIAL RISK MANAGEMENT**

The following table shows reconciliations from the opening to the closing balance of the gross receivables and loss allowance for the period ended 30 June 2024.

<b><u>GROSS EXPOSURE</u></b>	<b>12 Month ECL</b>	<b>Lifetime ECL (not credit impaired)</b>	<b>Lifetime ECL (credit impaired)</b>	<b>Total</b>
<b>Balance at 1 January 2024</b>	<b>3,085,516</b>	<b>498,850</b>	<b>189,052</b>	<b>3,773,418</b>
Transfer from 12 Month ECL	(78,780)	65,913	12,867	-
Transfer from Lifetime ECL (not credit impaired)	24,430	(40,645)	16,215	-
Transfer from Lifetime ECL (credit impaired)	-	4,465	(4,465)	-
Net repayments and other movements during the period	(348,214)	(237,206)	(11,418)	(596,838)
New Murabaha, Ijara, Ijara mawsofa fi athemmah receivables originated during the period	876,593	-	-	876,593
Write-offs	-	-	(5,264)	(5,264)
<b>Balance at 30 June 2024</b>	<b>3,559,545</b>	<b>291,377</b>	<b>196,987</b>	<b>4,047,909</b>
<b><u>LOSS ALLOWANCE</u></b>	<b>12 Month ECL</b>	<b>Lifetime ECL (not credit impaired)</b>	<b>Lifetime ECL (credit impaired)</b>	<b>Total</b>
<b>Balance at 1 January 2024</b>	<b>10,918</b>	<b>3,792</b>	<b>25,027</b>	<b>39,737</b>
Transfer from 12 Month ECL	(2,246)	879	1,367	-
Transfer from Lifetime ECL (not credit impaired)	68	(314)	246	-
Transfer from Lifetime ECL (credit impaired)	-	381	(381)	-
Net re-measurement of loss allowance Murabaha, Ijara, Ijara mawsofa fi athemmah receivables that have been derecognized during the year	(1,872)	(548)	5,753	3,333
New Murabaha, Ijara, Ijara mawsofa fi athemmah receivables originated during the period	(893)	(1,555)	(2,038)	(4,486)
Write-offs	8,770	-	-	8,770
Write-offs	-	-	(494)	(494)
<b>Balance at 30 June 2024</b>	<b>14,745</b>	<b>2,635</b>	<b>29,480</b>	<b>46,860</b>

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**9 FINANCIAL RISK MANAGEMENT (CONTINUED)**

The following table shows reconciliations from the opening to the closing balance of the gross receivables and loss allowance for the year ended 31 December 2023.

<u>GROSS EXPOSURE</u>	12 Month ECL	Lifetime ECL (not credit impaired)	Lifetime ECL (credit impaired)	Total
Balance at 1 January 2023	2,418,402	717,345	223,123	3,358,870
Transfer from 12 Month ECL	(39,664)	28,094	11,570	-
Transfer from Lifetime ECL (not credit impaired)	65,466	(75,484)	10,018	-
Transfer from Lifetime ECL (credit impaired)	3,692	640	(4,332)	-
Net repayments and other movements during the year	(571,138)	(171,745)	(978)	(743,861)
New Murabaha, Ijara, Ijara mawsofa fi athemmah receivables originated during the year	1,208,758	-	-	1,208,758
Write-offs	-	-	(50,349)	(50,349)
Balance at 31 December 2023	<u>3,085,516</u>	<u>498,850</u>	<u>189,052</u>	<u>3,773,418</u>

<u>LOSS ALLOWANCE</u>	12 Month ECL	Lifetime ECL (not credit impaired)	Lifetime ECL (credit impaired)	Total
Balance at 1 January 2023	308	5,076	70,236	75,620
Transfer from 12 Month ECL	(1,272)	311	961	-
Transfer from Lifetime ECL (not credit impaired)	266	(563)	297	-
Transfer from Lifetime ECL (credit impaired)	267	32	(299)	-
Net re-measurement of loss allowance Murabaha, Ijara, Ijara mawsofa fi athemmah receivables that have been derecognized during the year	2,744	(512)	1,083	3,315
New Murabaha, Ijara, Ijara mawsofa fi athemmah receivables originated during the year	(18)	(552)	(890)	(1,460)
Write-offs	8,623	-	-	8,623
Balance at 31 December 2023	<u>10,918</u>	<u>3,792</u>	<u>25,027</u>	<u>39,737</u>

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**10 ACCOUNT PAYABLES AND OTHER ACCRUALS**

	<b>As at 30 June 2024 (Unaudited)</b>	<b>As at 31 December 2023 (Audited)</b>
Lease liabilities	<b>16,338</b>	19,842
Accrued expenses	<b>17,139</b>	14,791
Salaries and employee related expenses	<b>5,866</b>	12,719
Advance from customers	<b>12,018</b>	9,059
Servicing contract payables	<b>1,319</b>	2,842
Amount received from customers	<b>356</b>	214
Others	<b>12,050</b>	10,288
	<b>65,086</b>	69,755

**11 DERIVATIVES**

As at 30 June 2024, the Group held profit rate swaps ("PRS") of a notional value of SR 1,050 million (31 December 2023: SR 750 million) in order to hedge its exposure to commission rate risks related to its borrowings.

	<b>As at 30 June 2024 (Unaudited)</b>	<b>As at 31 December 2023 (Audited)</b>
Positive fair value of PRSs	<b>13,516</b>	14,327
Negative fair value of PRSs	<b>(1,074)</b>	(4,493)

**12 ZAKAT**

**The movement in zakat is as follow:**

	<b>For the six-month period ended 30 June (Unaudited)</b>	
	<b>2024</b>	<b>2023</b>
Balance at the beginning of the period	<b>7,809</b>	19,599
Charge for the period	<b>4,435</b>	3,533
Charge for the prior period	<b>223</b>	-
Payments made during the period	<b>(8,033)</b>	(13,547)
Balance as at end of the period	<b>4,434</b>	9,585

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**13 BORROWINGS**

These represent amounts borrowed from local banks and Saudi Real Estate Re-finance Company ("SRC") under Islamic borrowings facilities approved by the Sharia Committee. These facilities carry borrowing costs at profit rates ranging from 1 month to 1 year Saudi Inter Bank Offer rates ("SIBOR") plus spread with maturity periods ranging from 1 month to 5 years and are secured by the assignment of proceeds from the Group's receivables. The agreements contain certain covenants, which among other things, requires certain financial ratios to be maintained. The Group was in compliance with all loan covenants at 30 June 2024.

The movement in borrowings is as follows:

	<b>As at 30 June 2024 (Unaudited)</b>	As at 31 December 2023 (Audited)
Balance at the beginning of the period / year	<b>2,600,070</b>	1,759,216
Borrowings obtained during the period / year	<b>845,000</b>	1,870,000
Principal repayments during the period / year	<b>(590,385)</b>	(1,040,057)
Profit accrued during the period / year	<b>95,754</b>	132,411
Profit repayments during the period / year	<b>(97,295)</b>	(121,500)
Balance at the end of the period / year	<b>2,853,144</b>	2,600,070

**14 SHARE CAPITAL**

As at 30 June 2024, the Group's authorised, issued and paid-up share capital was SR 1019.25 million (31 December 2023: SR 906 million) divided into 101.925 million shares (31 December 2023: 90.6 million shares) with a nominal value of SR 10 each.

**15 INCREASE IN SHARE CAPITAL**

During the period, the share capital of the Company has increased by way of issuance of bonus shares. The increase in share capital was funded by the statutory reserve and a portion of retained earnings by granting 1 bonus share for every 8 shares. The authorized, issued and paid up share capital of the Company has increased from SR 906 million to SR 1,019.25 million. The number of issued shares has increased from 90.6 million shares to 101.925 million shares. The Company received all required approvals from the authorities and the shareholders approved this capital increase, as well as the related changes in the By-laws of the Group, in the Extraordinary General Assembly meeting held on 20 May 2024.

**16 EARNINGS PER SHARE**

The basic and diluted earnings per share have been computed by dividing net income after zakat for the period by the weighted average numbers of shares outstanding during the period.

	<b>For the three-month period ended 30 June (Unaudited)</b>		<b>For the six-month period ended 30 June (Unaudited)</b>	
	<b>2024</b>	2023	<b>2024</b>	2023
Profit for the period (SR '000)	<b>8,233</b>	6,313	<b>16,839</b>	17,352
Weighted average number of ordinary shares (in thousands)	<b>101,925</b>	101,925	<b>101,925</b>	101,925
Basic and diluted earnings per share (SR)*	<b>0.08</b>	0.06	<b>0.17</b>	0.17

There are no potential dilutive instruments as at 30 June 2024 (30 June 2023: nil).

\* The weighted average number of shares has been retrospectively adjusted for the prior period to reflect the effect of the changes in number of shares due to issue of bonus shares subsequent to period end. Please refer to Note 15 for further information.

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**17 GENERAL AND ADMINISTRATIVE EXPENSES**

	<b>For the three-month period ended 30 June</b>		<b>For the six-month period ended 30 June</b>	
	<b>2024</b>	2023	<b>2024</b>	2023
Salaries and employee related cost	<b>21,146</b>	16,235	<b>39,033</b>	31,621
VAT expenses	<b>2,668</b>	1,344	<b>3,956</b>	2,295
Information technology expenses	<b>2,271</b>	1,723	<b>4,685</b>	3,308
Board fees	<b>1,224</b>	1,200	<b>2,511</b>	2,550
Professional fee	<b>2,402</b>	1,441	<b>4,368</b>	2,723
Bank charges	<b>204</b>	237	<b>566</b>	492
Communication	<b>398</b>	341	<b>846</b>	683
Maintenance expenses	<b>343</b>	192	<b>361</b>	502
Rent and other expenses	<b>191</b>	146	<b>282</b>	286
Traveling expenses	<b>53</b>	256	<b>117</b>	318
Others	<b>337</b>	793	<b>1,287</b>	1,842
	<b>31,237</b>	23,908	<b>58,012</b>	46,620

**18 SELLING AND MARKETING EXPENSES**

	<b>For the three-month period ended 30 June</b>		<b>For the six-month period ended 30 June</b>	
	<b>2024</b>	2023	<b>2024</b>	2023
Salaries and outsourcing cost	<b>2,519</b>	1,562	<b>5,824</b>	2,482
Insurance	<b>853</b>	1,403	<b>1,503</b>	2,344
Marketing expenses	<b>1,155</b>	1,505	<b>2,655</b>	2,915
	<b>4,527</b>	4,470	<b>9,982</b>	7,741

**19 RELATED PARTY TRANSACTIONS AND BALANCES**

The related parties of the Group include its shareholders and their affiliated entities, the Subsidiary, members of the Board of Directors and its committees and key management personnel. Affiliate represents entities under common control and entities controlled by key management personnel of the Group. In the ordinary course of its activities, the Group transacts business with its related parties on mutually agreed terms. Key management personnel represent the Managing Director, Chief Executive Officer and his direct reportees.

Significant transactions and balances arising from transactions with related parties are as follows:

<b>Nature of transactions</b>	<b>Name of related party</b>	<b>Relationship</b>	<b>For the three-month period ended 30 June</b>		<b>For the six-month period ended 30 June (Income / (Expense))</b>	
			<b>2024</b>	2023	<b>2024</b>	2023
Finance cost	The Saudi Investment Bank	Significant shareholder	<b>(13,242)</b>	(9,035)	<b>(25,177)</b>	(17,828)
Salaries and benefits	Key management personnel	Key management	<b>(3,910)</b>	(3,727)	<b>(14,134)</b>	(12,549)
Financing income	Key management personnel	Key management	<b>5</b>	28	<b>10</b>	57
Board fees	Board members	Board members	<b>(1,224)</b>	(1,200)	<b>(2,511)</b>	(2,550)

<b>Nature of balances and names of related parties</b>	<b>Relationship</b>	<b>Balances</b>	
		<b>30 June 2024</b>	31 December 2023
<b>Bank balances:</b>			
The Saudi Investment Bank	Shareholder	<b>13,257</b>	7,291
<b>Borrowings:</b>			
The Saudi Investment Bank	Shareholder	<b>760,681</b>	623,887
<b>Negative fair value of derivatives:</b>			
The Saudi Investment Bank	Shareholder	<b>(279)</b>	(4,493)
<b>Financing and advances:</b>			
Key management personnel	Key management	<b>666</b>	703
<b>Board fees</b>			
Board members	Board members	<b>2,514</b>	455

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**20 FAIR VALUE OF FINANCIAL INSTRUMENTS**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability, or
- in the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to the Company. Financial instruments comprise financial assets and financial liabilities.

Financial assets consist of cash and cash equivalents, investments, derivatives, Murabaha, Ijara and Ijara mawsofa fi athemmah receivables and other receivables. Financial liabilities consist of borrowings, payables and derivatives.

*Fair value hierarchy*

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

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

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

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

The following table shows the carrying amount and fair values of financial assets and financial liabilities where fair value is different from carrying value or where the financial assets and liabilities are recorded at fair value, including their levels in the fair value hierarchy.

30 June 2024 (Unaudited)	Carrying value	Fair value			
		Level 1	Level 2	Level 3	Total
<b><u>Financial assets at amortised cost:</u></b>					
Murabaha receivables, net	2,500,449	-	-	2,529,751	2,529,751
Ijara receivables, net	1,406,707	-	-	1,189,787	1,189,787
Ijara mawsofa fi athemmah receivables, net	93,893	-	-	77,639	77,639
Cash and cash equivalents	15,274	-	-	15,274	15,274
Other receivables	9,403	-	-	9,403	9,403
<b><u>Financial assets at fair value:</u></b>					
Investments	893	-	893	-	893
Positive fair value of derivatives	13,516	-	13,516	-	13,516
<b><u>Financial liabilities fair value</u></b>					
Negative fair value of derivatives	1,074	-	1,074	-	1,074
31 December 2023 (Audited)	Carrying value	Fair value			
		Level 1	Level 2	Level 3	Total
<b><u>Financial assets at amortised cost:</u></b>					
Murabaha receivables, net	1,868,183	-	-	1,881,765	1,881,765
Ijara receivables, net	1,768,329	-	-	1,526,726	1,526,726
Ijara mawsofa fi athemmah receivables, net	97,169	-	-	81,726	81,726
Cash and cash equivalents	27,736	-	-	27,736	27,736
Other receivables	11,861	-	-	11,861	11,861
<b><u>Financial assets at fair value:</u></b>					
Investments	893	-	893	-	893
Positive fair value of derivatives	14,327	-	14,327	-	14,327
<b><u>Financial liabilities:</u></b>					
Negative fair value of derivatives	4,493	-	4,493	-	4,493

**AMLAK INTERNATIONAL FINANCE COMPANY**  
(A SAUDI JOINT STOCK COMPANY)  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
(UNAUDITED)  
**FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2024**  
(SAR '000)

**20 FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)**

*Fair value hierarchy (CONTINUED)*

The valuation of fixed rate Murabaha receivables, Ijara receivables and Ijara mowsofa fi athemmah receivables are estimated using contractual cash flows discounted at latest yield, which is the contracted profit rate for recent transactions. Input into the discounted cash flow technique includes recent yields and contractual cash flows. Management assessed that the carrying amount of other financial instruments largely approximate fair value due to either short-term maturities or re-pricing of the special commission on those instruments and these financial instruments are classified as level 3. There have been no transfers to and from any levels during the period.

**21 COMMITMENTS AND CONTINGENCIES**

*Financing facilities approved but not utilised:*

The Group has facilities approved but not utilised, indicative offers issued which are under consideration of the customers as of the reporting date which have the potential to convert into financing amounting to SR 52 million (31 December 2023: SR 100 million).

**22 SEGMENT INFORMATION**

The Group's objective is to provide real estate financing, SMEs financing and personal financing in the Kingdom of Saudi Arabia. All assets, liabilities and operations as reflected in the condensed consolidated interim statement of financial position, condensed consolidated interim statement of profit or loss and condensed consolidated interim statement of comprehensive income belong to all financing segments.

For management purposes, the group is organised into the following primary business segments:

**Retail**

These represent finance products granted to small and medium sized businesses under self- employed category and individuals.

**Corporate**

These represent financing products granted to corporate, SMEs, high net worth individuals and institutional customers.

**Head office**

Head office is responsible for managing the surplus liquidity of the Group through short term market placements. It also provides support services to the business functions.

The total assets and liabilities as at 30 June 2024 and 31 December 2023 and its total operating income, expenses and net profit for the six-month period ended 30 June 2024 and 30 June 2023 are as follows:

	<b>Retail</b>	<b>Corporate</b>	<b>Head office</b>	<b>Total</b>
<b>2024</b>				
Income	68,760	135,936	-	204,696
Expenses	(65,442)	(117,757)	-	(183,199)
Segment results	3,318	18,179	-	21,497
Total assets	1,343,770	2,718,512	85,050	4,147,332
Total liabilities	965,441	1,952,506	24,316	2,942,263
<b>2023</b>				
Income	37,816	104,524	-	142,340
Expenses	(35,578)	(85,877)	-	(121,455)
Segment results	2,238	18,647	-	20,885
Total assets	1,126,774	2,677,658	81,191	3,885,623
Total liabilities	791,785	1,880,981	27,235	2,700,001

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**(SAR '000)**

**22 SEGMENT INFORMATION (CONTINUED)**

**Head office (CONTINUED)**

Below is the reconciliation of revenue and expenses from the condensed consolidated interim financial statements to operating segment note:

	<b>For the six-month period ended 30 June</b>	
	<b>2024</b>	<b>2023</b>
<b><u>Income</u></b>		
Total income from Murabaha, Ijara and Ijara mawsofa fi athemmah	<b>204,155</b>	141,751
Other income	<b>541</b>	589
<b>Total income – as per operating segment note.</b>	<b>204,696</b>	142,340
<b><u>Expenses</u></b>		
Fee expense	<b>(1,522)</b>	(1,396)
Finance cost	<b>(95,536)</b>	(56,348)
Depreciation	<b>(5,759)</b>	(4,718)
General and administrative expenses	<b>(58,012)</b>	(46,620)
Selling and marketing expenses	<b>(9,982)</b>	(7,741)
Impairment charge for credit losses, net	<b>(12,388)</b>	(4,632)
<b>Total expense – as per operating segment note</b>	<b>(183,199)</b>	(121,455)

**23 APPROVAL OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

These condensed consolidated interim financial statements have been approved by the Board of Directors on 24 July 2024 (18 Muharram 1446H).