

**AMLAK INTERNATIONAL FINANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(UNAUDITED)
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED
30 SEPTEMBER 2024
TOGETHER WITH THE
INDEPENDENT AUDITOR'S REVIEW 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 September 2024 and the related condensed consolidated interim statements of profit or loss and comprehensive income for the three-month and nine-month periods then ended, and the related condensed consolidated interim statements of changes in equity and cash flows for the nine-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 blue ink signature, appearing to read 'Khalid A. Mahdhar', written over a horizontal line.


Khalid A. Mahdhar
License Number 368


27 October 2024

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

		30 September 2024 (Unaudited)	31 December 2023 (Audited)
	Notes		
ASSETS			
Cash and cash equivalents	5	28,932	27,736
Investments		893	893
Positive fair value of derivatives	11	6,935	14,327
Murabaha receivables, net	6	2,762,932	1,868,183
Ijara receivables, net	7	1,323,004	1,768,329
Ijara mawsofa fi athemmah receivables, net	8	91,661	97,169
Prepayments and other assets		76,142	55,531
Property, equipment and right of use assets, net		58,719	53,455
Total assets		4,349,218	3,885,623
LIABILITIES AND EQUITY			
Account payables and other accruals	10	99,442	69,755
Negative fair value of derivatives	11	9,946	4,493
Zakat payable	12	7,118	7,809
Borrowings	13	3,015,223	2,600,070
Employees' end of service benefits		17,549	17,874
Total liabilities		3,149,278	2,700,001
Share capital	14	1,019,250	906,000
Statutory reserve	15	-	101,934
Cash flow hedge reserve		(3,011)	9,834
Retained earnings		183,701	167,854
Total equity		1,199,940	1,185,622
Total liabilities and equity		4,349,218	3,885,623

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 PROFIT OR LOSS
(UNAUDITED)
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2024
(SR '000)

	Notes	For the three-month period ended 30 September		For the nine-month period ended 30 September	
		2024	2023	2024	2023
INCOME					
Income from Murabaha contracts		84,240	29,454	219,285	63,817
Income from Ijara contracts		25,614	42,165	84,205	139,596
Income from Ijara mawsofa fi athemmah contracts		1,976	2,304	6,355	6,660
Loss on sale of portfolio and revaluation of servicing rights asset, net		(805)	(482)	(2,794)	(1,530)
Fees and commission income		4,473	2,880	12,602	9,529
Total income from Murabaha, Ijara and Ijara mawsofa fi athemmah		115,498	76,321	319,653	218,072
EXPENSES					
Finance cost		(50,666)	(37,193)	(146,202)	(93,541)
Fee expense		(3,067)	(1,150)	(4,589)	(2,546)
Net income from Murabaha, Ijara and Ijara mawsofa fi athemmah		61,765	37,978	168,862	121,985
Other operating income					
Other income		292	250	833	839
		62,057	38,228	169,695	122,824
Operating expenses					
Depreciation		(3,112)	(2,529)	(8,871)	(7,247)
General and administrative expenses	17	(31,123)	(23,816)	(89,135)	(70,436)
Selling and marketing expenses	18	(6,845)	(3,922)	(16,827)	(11,663)
Impairment charge for expected credit losses, net		(7,969)	(999)	(20,357)	(5,631)
Net income for the period before zakat		13,008	6,962	34,505	27,847
Zakat expense	12	(2,684)	(1,392)	(7,342)	(4,925)
Net income for the period		10,324	5,570	27,163	22,922
Basic and diluted earnings per share (SR)	16	0.10	0.05	0.27	0.22

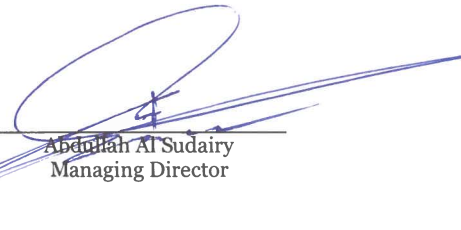
The accompanying notes 1 to 23 form an integral part of these condensed consolidated interim financial statements.



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 MONTH AND NINE-MONTH PERIODS ENDED 30 September 2024
(SR '000)

	For the three- month period ended 30 September		For the nine- month period ended 30 September	
	2024	2023	2024	2023
Net income for the period	10,324	5,570	27,163	22,922
Other comprehensive (loss)/ income				
<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	(15,453)	124	(12,845)	2,505
Total other comprehensive (loss)/ income	(15,453)	124	(12,845)	2,505
Total comprehensive (loss)/ income for the period	(5,129)	5,694	14,318	25,427

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 CHANGES IN EQUITY
(UNAUDITED)
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024
(SR '000)

	Share capital	Statutory reserve	Cash flow hedge reserve	Retained earnings	Total
For the period ended 30 September 2024					
Balance at 1 January 2024 (Audited)	906,000	101,934	9,834	167,854	1,185,622
Net income for the period	-	-	-	27,163	27,163
Other comprehensive loss	-	-	(12,845)	-	(12,845)
Total comprehensive income	-	-	(12,845)	27,163	14,318
Bonus issuance	113,250	(101,934)	-	(11,316)	-
Balance at 30 September 2024	1,019,250	-	(3,011)	183,701	1,199,940
For the period ended 30 September 2023					
Balance at 1 January 2023 (Audited)	906,000	98,753	19,032	211,213	1,234,998
Net income for the period	-	-	-	22,922	22,922
Other comprehensive income	-	-	2,505	-	2,505
Total comprehensive income	-	-	2,505	22,922	25,427
Dividend paid	-	-	-	(72,481)	(72,481)
Balance at 30 September 2023	906,000	98,753	21,537	161,654	1,187,944

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


Abdullatif Al Sudairi
Managing Director

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

	Notes	For the nine- month period ended 30 September	
		2024	2023
Cash flows from operating activities:			
Net income for the period before zakat		34,505	27,847
<u>Non-cash adjustment to reconcile net income before zakat for the period to net cash used in operating activities</u>			
Depreciation		8,871	7,247
Finance cost		146,202	90,797
Employees' end of service benefits		2,362	1,851
Impairment charge allowance for expected credit losses, net		15,221	454
Write-off expense		5,136	5,177
Loss on sale of portfolio and revaluation of servicing rights asset, net		2,794	1,530
Unwinding of gain on SAMA deposit, net		-	2,744
Other income		(833)	(839)
		214,258	136,808
<u>(Increase) / decrease in operating assets</u>			
Murabaha receivables		(914,065)	(917,743)
Ijara receivables		442,610	734,837
Ijara mawsofa fi athemmah receivables		4,388	(6,173)
Prepayments and other assets		(20,611)	43,501
<u>Increase / (decrease) in operating liabilities</u>			
Account payables and other accruals		34,019	(31,696)
		(239,401)	(40,466)
Finance cost paid	13	(145,675)	(83,075)
Employees' end of service benefits paid		(2,687)	(923)
Zakat paid	12	(8,033)	(13,547)
Net cash used in operating activities		(395,796)	(138,011)
Cash flows from investing activities			
Purchase of property and equipment		(14,344)	(9,531)
Rental income received from property under possession		750	750
Net cash used in investing activities		(13,594)	(8,781)
Cash flows from financing activities			
Repayment of borrowings	13	(850,621)	(923,135)
Proceeds from borrowings	13	1,265,000	1,360,000
Dividend paid		-	(72,481)
Repayment of SAMA deposit		-	(216,630)
Payment of lease liabilities		(3,793)	(3,397)
Net cash generated from financing activities		410,586	144,357
Net change in cash and cash equivalents		1,196	(2,435)
Cash and cash equivalents at the beginning of the period	5	27,736	38,226
Cash and cash equivalents at the end of the period		28,932	35,791
Non-cash supplemental information:			
Net changes in fair value of cash flow hedge		(12,845)	2,505

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


Murad Alsalhi
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 NINE-MONTH PERIODS ENDED 30 SEPTEMBER 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 Company 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).

As at 30 September 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.

The registered office of the Company is located at Thumamah Road, Riyadh, 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 interim financial information 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 September 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 NINE-MONTH PERIODS ENDED 30 SEPTEMBER 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:

Standard, interpretation, amendments	Description	Effective date
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 NINE-MONTH PERIODS ENDED 30 SEPTEMBER 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.

Standard / Interpretation	Description	Effective from periods beginning on or after
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
Amendment to IFRS 9 and IFRS 7 -Classification and Measurement of Financial Instruments	These amendments include: <ul style="list-style-type: none"> clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system; clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion; add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI). 	Reporting periods beginning on or after 1 January 2026
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"> the structure of the statement of profit or loss; 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 enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general. 	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
<u>Other standards</u>		
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
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(UNAUDITED)
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2024
(SAR '000)

5 CASH AND CASH EQUIVALENTS

	As at 30 September 2024 (Unaudited)	As at 31 December 2023 (Audited)
Cash at bank – current accounts	28,847	27,701
Cash on hand	85	35
	28,932	27,736

6 MURABAHA RECEIVABLES, NET

	As at 30 September 2024 (Unaudited)	As at 31 December 2023 (Audited)
Gross Murabaha receivables	2,794,244	1,879,922
Less: Impairment allowance for credit losses	(31,312)	(11,739)
Murabaha receivables, net	2,762,932	1,868,183

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

	As at 30 September 2024 (Unaudited)			
	Not later than one year	Later than one year but not later than five years	Later than five years	Total
Gross Murabaha receivables	613,553	2,002,912	177,779	2,794,244
Less: Impairment allowance for credit losses				(31,312)
Murabaha receivables, net				2,762,932
	As at 31 December 2023 (Audited)			
	Not later than one year	Later than one year but not later than five years	Later than five years	Total
Gross Murabaha receivables	307,300	1,370,224	202,398	1,879,922
Less: Impairment allowance for credit losses				(11,739)
Murabaha receivables, net				1,868,183

6.2 Stage wise analysis of Murabaha receivables is as follows:

	Performing (Stage 1)	Under- performing (Stage 2)	Non- performing (Stage 3)	Total
30 September 2024 (Unaudited)				
Gross Murabaha receivables	2,616,537	136,729	40,978	2,794,244
Allowance for expected credit losses	(16,189)	(1,361)	(13,762)	(31,312)
Murabaha receivables, net	2,600,348	135,368	27,216	2,762,932
31 December 2023 (Audited)				
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)
Murabaha receivables, net	1,732,088	131,097	4,998	1,868,183

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

6 MURABAHA RECEIVABLES, NET (CONTINUED)

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

For the period ended 30 September 2024

	Stage 1	Stage 2	Stage 3	Total
Opening balance	9,116	1,265	1,358	11,739
Charge during the period	7,073	96	12,404	19,573
Closing balance	16,189	1,361	13,762	31,312

For the year ended 31 December 2023

	Stage 1	Stage 2	Stage 3	Total
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:

	30 September 2024 (Unaudited)	30 September 2023 (Unaudited)
Charge for the period	19,573	2,509
Recovery of written off financing	(257)	-
Net	19,316	2,509

6.5 The movement in gross Murabaha receivables is as follows:

	30 September 2024 (Unaudited)	31 December 2023 (Audited)
Opening balance	1,879,922	480,708
Financial assets originated during the period / year (all stage 1)	1,372,214	1,164,771
Net other movements	(457,892)	234,443
Closing balance	2,794,244	1,879,922

7 IJARA RECEIVABLES, NET

	As at 30 September 2024 (Unaudited)	As at 31 December 2023 (Audited)
Gross investment in Ijara receivables	1,822,047	2,417,574
Less: Unearned income	(476,096)	(621,487)
Net investment in Ijara receivables	1,345,951	1,796,087
Less: Impairment allowance for credit losses	(22,947)	(27,758)
Ijara receivables, net	1,323,004	1,768,329

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

7 IJARA RECEIVABLES, NET (CONTINUED)

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

As at 30 September 2024 (Unaudited)				
	Not later than one year	Later than one year but not later than five years	Later than five years	Total
Gross investment in Ijara receivables	435,989	715,313	670,745	1,822,047
Less: Unearned income	(89,592)	(203,111)	(183,393)	(476,096)
Net investment in Ijara receivables	346,397	512,202	487,352	1,345,951
Less: Impairment allowance for credit losses				(22,947)
Ijara receivables, net				1,323,004

As at 31 December 2023 (Audited)				
	Not later than one year	Later than one year but not later than five years	Later than five years	Total
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	406,560	819,287	570,240	1,796,087
Less: Impairment allowance for credit losses				(27,758)
Ijara receivables, net				1,768,329

7.2 Stage wise analysis of Ijara receivables is as follows:

	Performing (Stage 1)	Under- performing (Stage 2)	Non- performing (Stage 3)	Total
<u>30 September 2024 (Unaudited)</u>				
Gross Ijara receivables	978,542	209,961	157,448	1,345,951
Allowance for expected credit losses	(1,092)	(1,261)	(20,594)	(22,947)
Ijara receivables, net	977,450	208,700	136,854	1,323,004
<u>31 December 2023 (Audited)</u>				
Gross Ijara receivables	1,251,298	365,490	179,299	1,796,087
Allowance for expected credit losses	(1,785)	(2,527)	(23,446)	(27,758)
Ijara receivables, net	1,249,513	362,963	155,853	1,768,329

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

For the period ended 30 September 2024	Stage 1	Stage 2	Stage 3	Total
Opening balance	1,785	2,527	23,446	27,758
Reversal during the period	(693)	(1,266)	(2,403)	(4,362)
Written-off receivables	-	-	(449)	(449)
Closing balance	1,092	1,261	20,594	22,947
For the year ended 31 December 2023				
Opening balance	288	4,970	69,822	75,080
Charge/reversal during the year	1,497	(2,443)	(15)	(961)
Written-off receivables	-	-	(46,361)	(46,361)
Closing balance	1,785	2,527	23,446	27,758

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

7 IJARA RECEIVABLES, NET (CONTINUED)

7.4 Impairment charge for expected credit losses movement:

	30 September 2024 (Unaudited)	30 September 2023 (Unaudited)
Reversal for the period	(4,362)	(2,233)
Write-offs expense	4,283	5,177
Net	(79)	2,944

7.5 The movement in gross Ijara receivables is as follows:

	30 September 2024 (Unaudited)	31 December 2023 (Audited)
Opening balance	1,796,087	2,788,579
Financial assets originated during the period / year (all stage 1)	6,028	43,987
Net other movements	(451,432)	(986,130)
Written-off receivables (From stage 3)	(4,732)	(50,349)
Closing balance	1,345,951	1,796,087

8 IJARA MAWSOFA FI ATHEMMAH RECEIVABLES, NET

	As at 30 September 2024 (Unaudited)	As at 31 December 2023 (Audited)
Gross investment in Ijara mawsofa fi atthemmah receivables	154,160	169,311
Less: Unearned income	(62,419)	(71,902)
Net investment in Ijara mawsofa fi atthemmah receivables	91,741	97,409
Less: Impairment allowance for credit losses	(80)	(240)
Ijara mawsofa fi atthemmah receivables, net	91,661	97,169

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

	As at 30 September 2024 (Unaudited)			
	Not later than one year	Later than one year but not later than five years	Later than five years	Total
Gross investment in Ijara mawsofa fi atthemmah receivables	12,072	44,993	97,095	154,160
Less: Unearned income	(7,037)	(24,181)	(31,201)	(62,419)
Net investment in Ijara mawsofa fi atthemmah receivables	5,035	20,812	65,894	91,741
Less: Impairment allowance for credit losses				(80)
Ijara mawsofa fi atthemmah receivables, net				91,661

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

8 IJARA MAWSOFA FI ATHEMMAH RECEIVABLES, NET (CONTINUED)

8.1 The maturity profile of Ijara mawsofa fi athemmah receivables as at 30 September 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 athemmah 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 athemmah receivables	4,941	20,370	72,098	97,409
Less: Impairment allowance for credit losses				(240)
Ijara mawsofa fi athemmah receivables, net				97,169

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

	Performing (Stage 1)	Under- performing (Stage 2)	Non- performing (Stage 3)	Total
30 September 2024 (Unaudited)				
Gross Ijara mawsofa fi athemmah receivables	89,490	1,340	911	91,741
Allowance for expected credit losses	(23)	(1)	(56)	(80)
Ijara mawsofa fi athemmah receivables, net	89,467	1,339	855	91,661
31 December 2023 (Audited)				
Gross Ijara mawsofa fi athemmah receivables	93,014	998	3,397	97,409
Allowance for expected credit losses	(17)	-	(223)	(240)
Ijara mawsofa fi athemmah receivables, net	92,997	998	3,174	97,169

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

For the period ended 30 September 2024	Stage 1	Stage 2	Stage 3	Total
Opening balance	17	-	223	240
Charge during the period	6	1	3	10
Written-off receivables	-	-	(170)	(170)
Closing balance	23	1	56	80
For the year ended 31 December 2023	Stage 1	Stage 2	Stage 3	Total
Opening balance	22	3	-	25
(Reversal)/charge during the year	(5)	(3)	223	215
Closing balance	17	-	223	240

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

8 IJARA MAWSOFA FI ATHEMMAH RECEIVABLES, NET (CONTINUED)

8.4 Allowance for expected credit losses charge movement:

	30 September 2024 (Unaudited)	30 September 2023 (Unaudited)
Charge for the period	10	178
Write-offs expense	1,110	-
Net	1,120	178

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

	30 September 2024 (Unaudited)	31 December 2023 (Audited)
Opening balance	97,409	89,583
Net other movements	(4,388)	7,826
Write-offs expense (From stage 3)	(1,280)	-
Closing balance	91,741	97,409

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 September 2024.

<u>GROSS EXPOSURE</u>	12 Month ECL	Lifetime ECL (not credit impaired)	Lifetime ECL (credit impaired)	Total
Balance at 1 January 2024	3,085,516	498,850	189,052	3,773,418
Transfer from 12 Month ECL	(143,223)	125,236	17,987	-
Transfer from Lifetime ECL (not credit impaired)	25,073	(41,771)	16,698	-
Transfer from Lifetime ECL (credit impaired)	6,621	4,030	(10,651)	-
Net repayments and other movements during the period	(667,660)	(238,315)	(7,994)	(913,969)
New Murabaha, Ijara, Ijara mawsofa fi athemmah receivables originated during the period	1,378,242	-	-	1,378,242
Write-offs	-	-	(5,755)	(5,755)
Balance at 30 September 2024	3,684,569	348,030	199,337	4,231,936
<u>LOSS ALLOWANCE</u>	12 Month ECL	Lifetime ECL (not credit impaired)	Lifetime ECL (credit impaired)	Total
Balance at 1 January 2024	10,918	3,792	25,027	39,737
Transfer from 12 Month ECL	(869)	566	303	-
Transfer from Lifetime ECL (not credit impaired)	77	(335)	258	-
Transfer from Lifetime ECL (credit impaired)	595	354	(949)	-
Net re-measurement of loss allowance Murabaha, Ijara, Ijara mawsofa fi athemmah receivables that have been derecognized during the year	(6,389)	(112)	12,940	6,439
New Murabaha, Ijara, Ijara mawsofa fi athemmah receivables originated during the period	(1,170)	(1,642)	(2,548)	(5,360)
Write-offs	14,142	-	-	14,142
Write-offs	-	-	(619)	(619)
Balance at 30 September 2024	17,304	2,623	34,412	54,339

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

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	3,085,516	498,850	189,052	3,773,418

<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	2,744	(512)	1,083	3,315
Murabaha, Ijara, Ijara mawsofa fi athemmah receivables that have been derecognized during the year	(18)	(552)	(890)	(1,460)
New Murabaha, Ijara, Ijara mawsofa fi athemmah receivables originated during the year	8,623	-	-	8,623
Write-offs	-	-	(46,361)	(46,361)
Balance at 31 December 2023	10,918	3,792	25,027	39,737

10 ACCOUNT PAYABLES AND OTHER ACCRUALS

	As at 30 September 2024 (Unaudited)	As at 31 December 2023 (Audited)
Lease liabilities	16,400	19,842
Accrued expenses	16,485	14,791
Salaries and employee related expenses	7,762	12,719
Advance from customers	36,525	9,059
Servicing contract payables	3,218	2,842
Amount received from customers	214	214
Others	18,838	10,288
	99,442	69,755

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

11 DERIVATIVES

As at 30 September 2024, the Group held profit rate swaps ("PRS") of a notional value of SR 1,250 million (31 December 2023: SR 750 million) in order to hedge its exposure to commission rate risks related to its borrowings.

	As at 30 September 2024 (Unaudited)	As at 31 December 2023 (Audited)
Positive fair value of PRSs	6,935	14,327
Negative fair value of PRSs	(9,946)	(4,493)

12 ZAKAT

The movement in zakat is as follow:

	For the nine-month period ended 30 September (Unaudited)	
	2024	2023
Balance at the beginning of the period	7,809	19,599
Charge for the period	7,119	5,569
Charge/(reversal) for the prior period	223	(644)
Payments made during the period	(8,033)	(13,547)
Balance as at end of the period	7,118	10,977

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 September 2024.

The movement in borrowings is as follows:

	As at 30 September 2024 (Unaudited)	As at 31 December 2023 (Audited)
Balance at the beginning of the period / year	2,600,070	1,759,216
Borrowings obtained during the period / year	1,265,000	1,870,000
Principal repayments during the period / year	(850,621)	(1,040,057)
Profit accrued during the period / year	146,449	132,411
Profit repayments during the period / year	(145,675)	(121,500)
Balance at the end of the period / year	3,015,223	2,600,070

14 SHARE CAPITAL

As at 30 September 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.

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

16 EARNINGS PER SHARE

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

	For the three-month period ended 30 September (Unaudited)		For the nine-month period ended 30 September (Unaudited)	
	2024	2023	2024	2023
Net income for the period (SR '000)	10,324	5,570	27,163	22,922
Weighted average number of ordinary shares (in thousands)	101,925	101,925	101,925	101,925
Basic and diluted earnings per share (SR)*	0.10	0.05	0.27	0.22

There are no potential dilutive instruments as at 30 September 2024 (30 September 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.

17 GENERAL AND ADMINISTRATIVE EXPENSES

	For the three-month period ended 30 September (Unaudited)		For the nine-month period ended 30 September (Unaudited)	
	2024	2023	2024	2023
Salaries and employee related cost	22,532	16,706	61,565	48,327
VAT expenses	1,860	1,599	5,816	3,894
Information technology expenses	1,699	1,469	6,384	4,777
Board fees	1,287	1,200	3,798	3,750
Professional fee	937	791	5,305	3,514
Bank charges	333	312	899	804
Communication	449	341	1,295	1,024
Maintenance expenses	195	310	556	812
Rent and other expenses	460	235	742	521
Traveling expenses	56	43	173	361
Others	1,315	810	2,602	2,652
	31,123	23,816	89,135	70,436

18 SELLING AND MARKETING EXPENSES

	For the three-month period ended 30 September (Unaudited)		For the nine-month period ended 30 September (Unaudited)	
	2024	2023	2024	2023
Salaries and outsourcing cost	3,757	2,473	9,581	4,955
Insurance	588	1,099	2,091	3,443
Marketing expenses	2,500	350	5,155	3,265
	6,845	3,922	16,827	11,663

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

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:

Nature of transactions	Name of related party	Relationship	For the three-month period ended 30 September (Unaudited)		For the nine-month period ended 30 September (Unaudited)	
			2024	2023	2024	2023
Finance cost	The Saudi Investment Bank	Significant shareholder	(14,839)	(10,367)	(40,016)	(28,195)
Salaries and benefits	Key management personnel	Key management	(4,240)	(3,933)	(18,374)	(16,482)
Financing income	Key management personnel	Key management	4	6	14	63
Board fees	Board members	Board members	(1,287)	(1,200)	(3,798)	(3,750)

Nature of balances and names of related parties	Relationship	Balances	
		30 September 2024 (Unaudited)	31 December 2023 (Audited)
Bank balances:			
The Saudi Investment Bank	Shareholder	18,542	7,291
Borrowings:			
The Saudi Investment Bank	Shareholder	818,479	623,887
Negative fair value of derivatives:			
The Saudi Investment Bank	Shareholder	4,417	4,493
Financing and advances:			
Key management personnel	Key management	527	703
Board fees			
Board members	Board members	3,688	455

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 group. 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.

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

20 FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

Fair value hierarchy (CONTINUED)

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.

		Fair value			
30 September 2024 (Unaudited)	Carrying value	Level 1	Level 2	Level 3	Total
<u>Financial assets at amortised cost:</u>					
Murabaha receivables, net	2,762,932	-	-	2,807,406	2,807,406
Ijara receivables, net	1,323,004	-	-	1,112,452	1,112,452
Ijara mawsofa fi athemmah receivables, net	91,661	-	-	75,418	75,418
Cash and cash equivalents	28,932	-	-	28,932	28,932
Other receivables	9,088	-	-	9,088	9,088
<u>Financial assets at fair value:</u>					
Investments	893	-	-	893	893
Positive fair value of derivatives	6,935	-	6,935	-	6,935
<u>Financial liabilities at fair value:</u>					
Negative fair value of derivatives	9,946	-	9,946	-	9,946

		Fair value			
31 December 2023 (Audited)	Carrying value	Level 1	Level 2	Level 3	Total
<u>Financial assets at amortised cost:</u>					
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
<u>Financial assets at fair value:</u>					
Investments	893	-	-	893	893
Positive fair value of derivatives	14,327	-	14,327	-	14,327
<u>Financial liabilities at fair value:</u>					
Negative fair value of derivatives	4,493	-	4,493	-	4,493

The valuation of fixed rate Murabaha receivables, Ijara receivables and Ijara mawsofa 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 83 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:

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

22 SEGMENT INFORMATION (CONTINUED)

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 September 2024 and 31 December 2023 and its total operating income, expenses and net profit for the nine-month period ended 30 September 2024 and 30 September 2023 are as follows:

	Retail	Corporate	Head office	Total
2024				
Income	124,380	196,106	-	320,486
Expenses	(120,380)	(165,601)	-	(285,981)
Segment results	4,000	30,505	-	34,505
Total assets	1,522,817	2,731,815	94,586	4,349,218
Total liabilities	1,117,736	2,004,496	27,046	3,149,278
2023				
Income	64,824	154,087	-	218,911
Expenses	(61,868)	(129,196)	-	(191,064)
Segment results	2,956	24,891	-	27,847
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

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

	For the nine-month period ended 30 September	
	2024	2023
	(Unaudited)	
Income		
Total income from Murabaha, Ijara and Ijara mawsofa fi athemmah	319,653	218,072
Other income	833	839
Total income – as per operating segment note.	320,486	218,911
Expenses		
Fee expense	(4,589)	(2,546)
Finance cost	(146,202)	(93,541)
Depreciation	(8,871)	(7,247)
General and administrative expenses	(89,135)	(70,436)
Selling and marketing expenses	(16,827)	(11,663)
Impairment charge for credit losses, net	(20,357)	(5,631)
Total expense – as per operating segment note	(285,981)	(191,064)

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 October 2024.