YAQEEN FINANCIAL (YAQEEN CAPITAL) COMPANY
(A Saudi Joint Stock Company)
FINANCIAL STATEMENTS
together with the
INDEPENDENT AUDITOR'S REPORT
For the year ended 31 December 2024

KPMG Professional Services Company
Roshn Front, Airport Road
P.O. Box 92876
Riyadh 11663
Kingdom of Saudi Arabia
Commercial Registration No 1010425494

Headquarters in Riyadh

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

المركز الرئيسي في الرياض

Independent auditor's report

To the shareholders of Yaqeen Capital Company

Opinion

We have audited the financial statements of **Yaqeen Capital Company** ("the Company"), which comprise the statement of financial position as at 31 December 2024, the statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2024, its financial performance and its cash flows for the year then ended in accordance with the IFRS as issued by the International Accounting Standards Board ("IASB") that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA").

Basis for opinion

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

Key audit matter

Key audit matter is the matter that, in our professional judgement, was of most significance in our audit of the financial statements of the current year. This matter was addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

KPMG

Independent auditor's report

To the shareholders of Yaqeen Capital Company (continued)

Key audit matter (continued)

Valuation of investments in units of private real estate funds – held at fair value through profit of loss ("FVPTL")

See Note 7 and 3.9 to the financial statements

Key audit matter	How the matter was addressed in our audit
The carrying value of the Company's investment held in the units of private real estate funds – held at fair value through profit or loss (FVTPL) amounted to SR 24.5 million as at 31 December 2024. The valuation of investment in private real estate investment funds are based on estimates and judgements that underpin the valuation of real estate investments held by the funds, which make up majority of the fund's underlying assets. We identified assessing the fair value of the Company's investment in the units of private real estate investment funds as the key audit matter due to the magnitude of the investment and application of complex valuation techniques which often involve exercise of judgments made by the management and the use of estimates and assumptions.	Our key audit procedures included the following: • Obtained an understanding of the entity's process for valuation of investments in units of private real estate funds; • Assessed the design and implementation of controls over valuation of private real estate investments funds; • Obtained the investment Net Asset Values ("NAVs") from management and agreed the investment NAVs with management accounts; • Verified the number of units held by Company in the funds by obtaining confirmation from custodian; • Obtained real estate valuation reports from the Company and involved our real estate valuation specialists to review the valuation methodology and assess the reasonableness of assumptions, particularly around the discount rate, growth rate, occupancy rate etc. used to arrive at the fair values of the underlying Fund's real estate assets; • On sample basis, we tested the completeness and accuracy of input data supporting the underlying valuation as at 31 December 2024; • Assessed the adequacy of financial statement disclosure with respect to requirements of IFRS.

Other Information

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

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

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

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

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Independent auditor's report

To the shareholders of Yaqeen Capital Company (continued)

Responsibilities of the management and those charged with governance for the financial statements

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

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists then, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Independent auditor's report

To the shareholders of Yaqeen Capital Company (continued)

Auditor's responsibilities for the audit of the financial statements (continued)

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

KPMG Professional Services

Hani Hamzah A. Bedairi
License number: 460

Riyadh: 25 February 2025
Corresponding to: 26 Shaban 1446H

YAQEEN FINANCIAL (YAQEEN CAPITAL) COMPANY
(A Saudi Joint Stock Company)
STATEMENT OF FINANCIAL POSITION
As at 31 December 2024
(Amount in Saudi Riyals thousands unless otherwise stated)

	Notes	31 December 2024	31 December 2023
ASSETS			
Current assets			
Cash and cash equivalents	4	**51,605**	104,086
Margin deposits with Muqassa	5	**25,054**	22,461
Margin lending and Murabaha financing	6	**100,225**	86,436
Investments held at fair value through profit or loss	7	**68,911**	30,403
Accounts receivable	8	**30,258**	29,182
Due from related parties	10	-	2,011
Other assets	11	**2,080**	2,017
		278,133	276,596
Non-current assets			
Investments held at fair value through profit or loss	7	**40,585**	33,934
Property and equipment		**1,108**	854
Right of use asset	9	**6,731**	8,679
Total assets		**326,557**	320,063
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Accounts payable and accruals	13	**18,029**	17,637
Current portion of lease liability	9	**1,758**	2,062
Zakat and income tax payable	12	**7,404**	16,516
		27,191	36,215
Non-current liability			
Employees' end of service benefits	19	**15,118**	15,843
Lease liability	9	**5,389**	9,203
Total liabilities		**47,698**	61,261
Shareholders' equity			
Share capital	14	**150,000**	150,000
Statutory reserve	14.1	-	20,123
Re-measurements EOSB recognized in OCI		**(6,924)**	(5,509)
Retained earnings		**135,783**	94,188
Total shareholders' equity		**278,859**	258,802
Total liabilities and shareholders' equity		**326,557**	320,063

The accompanying notes 1 through 28 form an integral part of these financial statements.

Abdulmohsen Al Saleh	Ahmed I. AlShabanah	Abdulaziz AlMohareb
Chairman	*Chief Executive Officer*	*Chief Financial Officer*

YAQEEN FINANCIAL (YAQEEN CAPITAL) COMPANY
(A Saudi Joint Stock Company)
STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2024
(Amount in Saudi Riyals thousands unless otherwise stated)

	Notes	**31 December 2024**	31 December 2023
Revenue			
Commission on brokerage services		**11,557**	9,044
Management and subscription fee from mutual funds		**18,384**	13,369
Advisory services income		**41,558**	30,853
Gain on investment at fair value through profit and loss, net	7	**4,119**	18,537
Income from Murabaha investments		**8,578**	2,695
Income from Murabaha financing		**3,952**	2,710
Dividends		**1,331**	599
Total revenue		**89,479**	77,807
Other income	15	**-**	31,815
Total income		**89,479**	109,622
Expenses			
Salaries and employee related expenses		**(47,064)**	(42,545)
Other general and administrative expenses	18	**(14,043)**	(18,319)
Finance cost		**(730)**	(2,168)
Reversal of allowance for expected credit losses	6	**425**	575
Reversal of loss on customers' accounts	16	**729**	343
Other expenses	17	**-**	845
Total expenses		**(60,683)**	(61,269)
Profit before zakat		**28,796**	48,353
Zakat expense	12	**(7,324)**	(10,128)
Profit for the year		**21,472**	38,225
Other Comprehensive Income			
Items that will not be reclassified into profit or loss account			
Remeasurement of employee end of service benefit		**(1,415)**	(1,715)
Total comprehensive income for the year		**20,057**	36,510
Earnings per share			
Basic and diluted earnings per share	25	**1.43**	2.55

The accompanying notes 1 through 28 form an integral part of these financial statements.

Abdulmohsen Al Saleh	Ahmed I. AlShabanah	Abdulaziz AlMohareb
Chairman	*Chief Executive Officer*	*Chief Financial Officer*

YAQEEN FINANCIAL (YAQEEN CAPITAL) COMPANY
(A Saudi Joint Stock Company)
STATEMENT OF CHANGES IN EQUITY
As at 31 December 2024
(Amount in Saudi Riyals thousands unless otherwise stated)

	Share capital	Statutory reserve	Other reserves	Retained earnings	Total Shareholder 's equity
Balance as at 1 January 2024	**150,000**	**20,123**	**(5,509)**	**94,188**	**258,802**
Profit for the year	-	-	-	**21,472**	**21,472**
Other comprehensive loss	-	-	**(1,415)**	-	**(1,415)**
Total comprehensive income / (loss) for the year	-	-	**(1,415)**	**21,472**	**20,057**
Transfer from statutory reserve	-	**(20,123)**	-	**20,123**	-
Balance as at 31 December 2024	**150,000**	-	**(6,924)**	**135,783**	**278,859**
Balance as at 1 January 2023	150,000	16,300	(3,794)	59,786	222,292
Profit for the year	-	-	-	38,225	38,225
Other comprehensive loss	-	-	(1,715)	-	(1,715)
Total comprehensive income / (loss) for the year	-	-	(1,715)	38,225	36,510
Transfer to statutory reserve	-	3,823	-	(3,823)	-
Balance as at 31 December 2023	150,000	20,123	(5,509)	94,188	258,802

The accompanying notes 1 through 28 form an integral part of these financial statements.

Abdulmohsen Al Saleh
Chairman

Ahmed I. AlShabanah
Chief Executive Officer

Abdulaziz AlMohareb
Chief Financial Officer

YAQEEN FINANCIAL (YAQEEN CAPITAL) COMPANY
(A Saudi Joint Stock Company)
STATEMENT OF CASH FLOWS
As at 31 December 2024
(Amount in Saudi Riyals thousands unless otherwise stated)

	Notes	**31 December 2024**	31 December 2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before zakat		**28,796**	48,353
Adjustments for non-cash and other items:			
Depreciation of property and equipment		**506**	1,140
Depreciation of investment property		-	157
Depreciation on right of use assets	9	**1,948**	1,060
Gain on disposal of property and equipment		-	(24,704)
Income from murabaha investments		**(8,578)**	(2,695)
Income from murabaha financing		**(3,952)**	(2,710)
Gain on disposal of investment property		-	(5,044)
Fair value gain from investments at FVTPL, net	7	**(4,119)**	(18,537)
Dividend income		**(1,331)**	(599)
Provision for employee end of service benefits	19	**2,255**	2,138
Finance costs	9	-	1,705
Interest expense on lease liability		**730**	462
Reversal of allowance for expected credit losses	6	**(425)**	(575)
Reversal of absorption of impairment on fund's financial assets		-	(845)
Reversal of provision of loss on customers' accounts		**(729)**	(343)
Changes in operating assets and liabilities:			
Increase in margin lending and Murabaha financing		**(13,788)**	(8,383)
Decrease / (increase) in due from related parties		**2,011**	(1,876)
(Increase) / decrease in other assets		**(63)**	1,523
Decrease in accounts receivables		**78**	3,785
Increase / (decrease) in accounts payable and accruals		**393**	(1,184)
Purchase of investments held at FVTPL	7	**(142,663)**	(334,537)
Proceeds from disposal of investments held at FVTPL	7	**101,625**	309,148
(Increase) / decrease in margin deposit with Muqassa		**(2,592)**	22,801
Cash flows used in operations		**(39,898)**	(9,760)
Employees end of service benefits paid		**(4,395)**	(3,472)
Zakat paid		**(16,436)**	(6,199)
Interest paid on lease liability		**(1,192)**	-
Income received from Murabaha investment		**8,665**	3,321
Income received from Murabaha financing		**3,918**	3,301
Dividend income received		**1,264**	-
Net cash flows used in operating activities		**(48,074)**	(12,809)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property and equipment		**(751)**	(254)
Proceeds from disposal of investments held for sale		-	54,682
Proceeds from disposal of property and equipment	9	-	76,961
Net cash flows (used in) / generated from investing activities		**(751)**	131,389
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of short-term financing		-	(50,000)
Repayment of lease liability		**(3,656)**	-
Finance costs paid		-	(1,705)
Net cash flows used in from financing activities		**(3,656)**	(51,705)
Net changes in cash and cash equivalents		**(52,481)**	66,875
Cash and cash equivalents at the beginning of the year		**104,086**	37,211
Cash and cash equivalents at the end of the year	4	**51,605**	104,086
SUPPLEMENTAL NON-CASH INFORMATION			
Investment in units of Yaqeen Income Generating Fund		-	16,634

The accompanying notes 1 through 28 form an integral part of these financial statements.

Abdulmohsen Al Saleh	Ahmed I. AlShabanah	Abdulaziz AlMohareb
Chairman	*Chief Executive Officer*	*Chief Financial Officer*

(Amount in Saudi Riyals thousands unless otherwise stated)

1. GENERAL

Yaqeen Financial (Yaqeen Capital) Company (the "Company"), (Single Person Saudi Joint Stock Company), was incorporated in the Kingdom of Saudi Arabia and was formed pursuant to the Ministerial Resolution number 2631 dated 10 Ramadan 1427H (corresponding to 3 October 2006). The Company operates under Commercial Registration number 1010226584, dated 4 Dhu Al Hijjah 1427H (corresponding to 25 December 2006) in Riyadh, through its two branches in the Kingdom of Saudi Arabia.

On 1 September, 2021 (G) corresponding to 24 Muharram, 1443 (H), the general assembly of the Company decided to offer 20% of the Company's shares in Saudi Stock Exchange' Nomu – Parallel market through an Initial Public Offering (IPO). Capital Market Authority ('CMA') through its resolution dated 18 March 2024 corresponding to 08 Ramadan, 1445 (H), approved the Company's application to offer its shares in the Nomu – Parallel market. Subsequent to the said approval on 24 June 2024 corresponding to 18 Dhul Hajjah, 1445 (H) the Company's shares were made available to Qualified Investors of Nomu – Parallel market for the purpose of trading. Accordingly, the Company amended the By-laws to change its status from Closed Joint Stock Company to Joint Stock Company. The amended By-laws were presented to the shareholders in the extra ordinary general meeting held on 19 September 2024 for their ratification, subsequent to which the commercial registration certificate of the Company was amended to reflect the said change.

On 18 December 2024, the Company's Board of Directors recommended to the General Assembly a proposed increase in the share capital from SAR 150 million to SAR 255 million by increasing the number of shares from 15 million shares to 25.5 million shares. The proposed increase of SAR 105 million in the share capital will be through a transfer from the retained earnings. This increase is subject to approval of upcoming General Assembly meeting for the year ended 31 December 2024.

The Company has the following branches in the Kingdom of Saudi Arabia and the results, assets, and liabilities of these branches are included in this financial information.

S. No	Commercial Registration Number	Date (Hijri)	City
1	2051062669	24 Ramadan 1437	Khobar
2	4030290109	24 Ramadan 1437	Jeddah

The address of the Company's principal place of business is as follows:

Yaqeen Capital Company
P.O. Box 884
Riyadh 11421
Kingdom of Saudi Arabia

The Company obtained license (number 37-06020) from the Capital Market Authority ("CMA") on 19 February 2006 to perform the following securities related activities:

1. Act as principal, agent, and underwriter,
2. Manage and establish mutual funds and portfolios,
3. Provide arranging services,
4. Provide advisory services,
5. Provide custodial services for the purposes attributable to mutual funds and management of portfolios and brokerage for international equity.

2. BASIS OF PREPARATION

(i) Statement of compliance

The accompanying financial statements presenting the operations conducted by the Company for the year ended 31 December 2024 have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board that are endorsed in the Kingdom of Saudi Arabia, and other standards and pronouncements issued by Saudi Organization for Chartered and Professional Accountants ("SOCPA").

(ii) Basis of measurement

These financial statements have been prepared under the historical cost convention except for fair value of investments held at fair value through profit or loss and the employees' end-of-service benefits, which have been valued by an independent actuary using the Projected Unit Credit Method. The statement of financial position has been presented in current and non-current classification.

(iii) Going concern

The Company's management has assessed its ability to continue as a going concern and it is satisfied that it has sufficient financial resources and that it will be able to continue as a going concern in the foreseeable future. Furthermore, the Company and the management are not aware of any other material uncertainties that may cast significant doubt on the Company's ability to continue as a going concern. Therefore, the financial statements are prepared on a going concern basis.

(iv) Functional and presentation currency

These financial statements are presented in Saudi Arabian Riyals (SAR), which is also the functional currency of the Company.

(v) New Standards, Amendments to Standards and Interpretations:

The Company has applied the following standards and amendments, where applicable, for the first time for their annual reporting period commencing 1 January 2024.

Amendments 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.

Amendments to IAS 1 – Non-current liabilities with covenants and classification of liabilities as current or non-current amendments:

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.

The adoption of above amendments does not have any material impact on the financial statements during the year.

2. BASIS OF PREPARATION (CONTINUED)

(vi) Standard issued but not yet effective

Following are the new standards and amendments to standards which are effective for annual periods beginning on or after 1 January 2025 and earlier application is permitted for certain new standards and amendments; however, the Company has not early adopted them in preparing these Financial Statements. The Company is currently evaluating the impact of the adoption of these standards on the Financial Statements.

Amendments to IAS 21 – Lack of exchangeability:

An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose.

Amendments to IFRS 9 and IFRS 7 – classification and measurement of financial instruments:

These amendments:

- 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).

IFRS 18 – Presentation and disclosure in financial statements:

This is 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:

- 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.

3. MATERIAL ACCOUNTING POLICIES

3.1 Impairment of financial assets

The Company assesses on a forward-looking basis the expected credit losses ("ECL") associated with its financial assets carried at amortized cost and FVOCI (if any).

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant change in credit risk on an ongoing basis throughout each reporting period. The impairment model was developed considering probability of default and loss given default which were derived from historical data of the Company and are adjusted to reflect the expected future outcome which includes macroeconomic factors such as inflation and gross domestic product growth rate.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.1 Impairment of financial assets (continued)

For financial assets, a credit loss is calculated as the present value (at effective profit rate) of the difference between:

(a) the contractual cash flows that are due to an entity under the contract; and

(b) the cash flows that the entity expects to receive.

The financial assets of the Company are categorized as follows:

3.1 (a) Performing financial assets:

These represent the financial assets where counterparties do not have significant increase in credit risk and have a strong capacity to meet contractual cash flows.

As per the management past due information is the most appropriate basis for assessing the increase in credit risk in the Company and based on their experience and analysis, the balances which are less than 30 days past due does not result in significant increase in credit risk and therefore, considered as performing.

The Company measures the loss allowance for performing financial assets at an amount equal to 12-month expected credit losses. Where the expected lifetime of an asset is less than 12 months, expected losses are measured at its expected lifetime. 12-month expected credit losses are the portion of expected credit losses that results from default events on the financial assets that are possible within 12 months after the reporting date.

3.1 (b) Underperforming financial assets:

These represent the financial assets where there is a significant increase in credit risk and that is presumed if a debtor is more than 30 days past due in making a contractual payment/ installment.

The Company measures the loss allowance for underperforming financial assets at an amount equal to life-time expected credit losses.

3.1(c) Non-performing financial assets:

These represent defaulted financial assets. A default on a financial asset is considered when the debtor fails to make a contractual payment/ installment within 180 days after they fall due.

The Company measures the loss allowance for non-performing financial assets at an amount equal to life-time expected credit losses.

3.1(d) Write offs:

Financial assets are written off (either partially or in full) when there is no realistic prospect of recovery. Where financial assets are written off, the Company continues to engage in enforcement activities to attempt to recover the receivable due. Where recoveries are made, after write-off, they are credited against the (charge) / reversal of allowance for expected credit losses “ECL”.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.2 Margin lending and murabaha financing

Margin lending and murabaha financing are recognized when cash is advanced to the borrowers. They are derecognized when either the borrower repays their obligations, when the contractual rights from the cashflows are expired or the balance is sold or written-off, or substantially all the risks and rewards of ownership are transferred to another party. These facilities are advanced to customers for the purpose of investments and trading in shares. The Company classified all margin lending and murabaha financing facilities at amortized cost model.

If the terms of the contracts are modified, then the Company evaluates whether the cashflows from the modified assets are substantially different. If the cashflows are substantially different then the contractual rights to cashflows from the original contracts are deemed to be expired.

Margin lending and murabaha financing are carried at the amount advanced to the customers, including related transaction cost less allowance for credit losses, if any. An allowance against expected credit losses incorporates forward-looking information. The Company has performed historical analysis and identified the key economic variables impacting credit risk and expected credit losses for each portfolio. A macroeconomic adjustment is applied in order to incorporate forward looking outcome.

3.3 Investment management services

The Company offers investment services to its customers which include management of certain investment funds. The Company's share of these funds is included in investment in mutual funds. Assets held in trust or in a fiduciary capacity, if any, are not treated as assets of the Company and, accordingly, are not included in the financial statements.

3.4 Zakat

The Company is subject to zakat in accordance with the regulations of Zakat, Tax and Customs Authority ("ZATCA"). Provision for zakat is charged to the profit or loss section of the statement of comprehensive income. Additional amounts payable, if any, at the finalization of final assessments are accounted for when such amounts are determined.

The Company withholds taxes, if any, on certain transactions with non-resident parties in the Kingdom of Saudi Arabia as required under the Tax Law.

3.5 Property and equipment

Property and equipment are stated at cost less accumulated depreciation. Depreciation on assets is charged to the statement of comprehensive income, using the straight-line method, to allocate the costs of the related assets to their residual values over the following estimated useful lives:

Leasehold improvements	useful life or lease term whichever is shorter
Furniture and fixtures	4-5 years
Motor vehicles	5 years
Computers	4 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in statement of comprehensive income.

Maintenance and normal repairs, which do not materially extend the estimated useful life of an asset, are charged to the statement of comprehensive income as and when incurred. Major renewals and improvements, if any, are capitalized and the assets so replaced are retired.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.6 Revenue

The revenue of the Company is broadly categorised as:

(a) Contract with customers (including brokerage income, advisory income and management and subscription fees)
(b) Dividend income
(c) Net trading income
(d) Special commission on murabaha financing

The related accounting policies are as follows:

Contracts with customers (including brokerage income, advisory income and asset management fees)

The Company recognises revenue under IFRS 15 using the following five steps model:

Step 1:	Identify the contract with customer	A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.
Step 2:	Identify the performance obligations	A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.
Step 3:	Determine the transaction price	The transaction price is the amount of consideration to which the Company expects to be entitled to in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.
Step 4:	Allocate the transaction price	For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled to in exchange for satisfying each performance obligation.
Step 5:	Recognise revenue	The Company recognises revenue (or as) it satisfies a performance obligation by transferring a promised good or service to the customer under a contract.

Based on the above five steps the revenue recognition policy for each revenue stream is as follow:

3.6 (a) Brokerage income

Brokerage income is recognised when the related transactions are executed on behalf of the customers at the price agreed in the contract with the customers, net of discounts and rebates. The performance obligation of the Company is satisfied when the Company carries out the transaction, which triggers immediate recognition of the revenue, as the Company will have no further commitments. The Company recognizes the revenue at a point in time against the brokerage income. The primary geographical market for brokerage income services is Kingdom of Saudi Arabia.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.6 (b) Management fees from mutual funds

Management fees from the mutual funds are recognised based on a fixed percentage of net assets under management ("asset-based"), or a percentage of returns from net assets ("returns-based") subject to applicable terms and conditions and service contracts with customers and funds. The Company attributes the revenue from management fees to the services provided during the year, because the fee relates specifically to the Company's efforts to transfer the services for that period. As asset management fees are not subject to clawbacks, the management does not expect any significant reversal of revenue previously recognised. The Company recognizes the revenue over a period of time against the asset management fees. The primary geographical market for asset management service is Kingdom of Saudi Arabia.

3.6 (c) Advisory income

This relates to income generated by providing financial advisory services to financial institutions, individual and institutional investors. The Company charges financial advisory service fee upon delivery of services or once performance obligation is fulfilled based on the agreement between the Company and the counterparty and satisfied over or a point in time depending upon nature of each contract. The primary geographical market for advisory income services is Kingdom of Saudi Arabia.

3.6 (d) Dividend income

The dividend income is recognised in profit or loss account on the date on which Company's right to receive the payment is established.

3.6 (e) Net trading income

Net trading income compromises gain less losses related to investments and includes the fair value changes and realized gained earned on disposal of investments.

3.6 (f) Special commission income on murabaha financing

Special commission income for all special commission bearing financial instruments (murabaha financing) is recognised in the statement of comprehensive income using the effective commission rate basis. The effective commission rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset (or, where appropriate, a shorter period) to the carrying amount of the financial asset. When calculating the effective commission rate, Company estimates future cash flows considering all contractual terms of the financial instrument but not future credit losses.

The carrying amount of the financial asset is adjusted if Company revises its estimates of payments or receipts. The adjusted carrying amount is calculated based on the original effective commission rate and the change in carrying amount is recorded as impairment losses.

If a financial asset subsequently becomes credit-impaired and is, therefore, regarded as 'Stage 3', the Company calculates interest income by applying the effective interest rate to the net amortised cost of the financial asset. If the financial asset cures and is no longer credit-impaired, the Company reverts to calculating interest income on a gross basis.

The calculation of the effective yield considers all contractual terms of the financial instruments (Murabaha contract receivables) and includes all fees and points paid or received transaction costs, and discounts or premiums that are an integral part of the effective special commission rate. Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.7 Leases

Right of use assets / lease liabilities

On initial recognition at the inception of the contract, the Company shall assess whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for a consideration. Control is identified if most of the benefits are flowing to the Company and the Company can direct the usage of such assets.

Right of use assets

The Company applies cost model and measures the right of use assets at cost.

(a) Less any accumulated depreciation and any accumulated impairment losses; and
(b) Adjusted for any re-measurement of the lease liability for lease modifications

Generally, the right of use asset would equate to the lease liability. However, if there are additional costs such as site preparation, non-refundable deposits, application money, other expenses related to transaction etc. need to be added to the right of use asset value.

The right of use assets is subsequently depreciated under the straight-line method from the commencement date to end of the lease term.

Lease liability

On initial recognition, the lease liability is the present value of all remaining payments to the lessor.

After the commencement date, the Company measures the lease liability by:

1 Increasing the carrying amount to reflect the interest on the lease liability;

2 Reducing the carrying amount to reflect the lease payments made; and

3 Re-measuring the carrying amount to reflect any reassessment or any lease modification.

3.8 Transaction cost related to initial public offering (IPO)

As per the Company's agreement with the Falcom Holding Company, the Company records IPO related costs as an amount due from the Parent Company which would be settled through a deduction from proceeds of the IPO.

3.9 Critical accounting estimates and adjustments

The preparation of the financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimates are revised and in any future years affected.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.9 Critical accounting estimates and adjustments (continued)

The areas where various assumptions and estimates are significant to the Company's financial statements or where judgment was exercised in application of accounting policies are as follows:

Employees' terminal benefits liabilities

The cost of employees' defined benefit obligation and other post-employment benefits are determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include the determination of the discount rate, employee turnover rate, future salary increases and mortality rates. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. For details of the assumptions please refer (note 19).

Determination of control over the investee

The Company performs an assessment and annually re-assesses its control over the Funds under IFRS 10 in its capacity as a fund manager. In making this assessment the Company focuses on the assessment of aggregate economic interest of the Company in the Funds and the unit holders right to remove the fund manager. On the basis of the assessment, the Company concludes as to whether it is acting as an agent for all the unit holders based on which it concludes whether or not to consolidate the financial results of the funds in its financial statements.

Assets under management and custody

The Company perform the assessment on asset held in trust in a fiduciary capacity and client money arising from the brokerage business held in designated account of Company. In performing this assessment, Company considers whether the Company can use the above assets freely for its own benefits, associated credit risk and client's rights and obligations in case of insolvency of the Bank in which those assets are held and the Company. Based on the assessment, Company concludes that all assets under management and custody should be classified as off balance.

Impairment losses on accounts receivable

The Company measures the loss allowance for trade and other receivables at an amount equal to lifetime expected credit loss (ECL). The allowance for ECL on trade and other receivables is estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

Margin lending and murabaha financing is normally assessed collectively unless there is a need to assess a particular debtor on an individual basis.

Fair value measurement

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.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.9 Critical accounting estimates and adjustments (continued)

If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of IFRS 13, including the level in the fair value hierarchy in which the valuations should be classified. The fair value of an asset or a liability is measured using assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

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

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Financial instruments for which fair value is measured or disclosed in financial statements are categorized within the fair value hierarchy. For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Valuation of level 3 investments funds
The Company uses the NAV reports published by the fund manager for determination of fair value of the investment funds. The valuation of Company's investments in private investments funds held at fair value through profit or loss are subject to estimates and judgements that underpin the valuation of underlying assets of the funds. The significant assumptions impacting the fair value of the underlying assets include, amongst others, expected cashflows and discount rate etc. These assumptions are subject to variation primarily based on the expected cashflows, location of the underlying real estate assets and market rates of interest.

(Amount in Saudi Riyals thousands unless otherwise stated)

4. CASH AND CASH EQUIVALENTS

	Notes	**As at 31 December 2024**	As at 31 December 2023
Cash on hand		**43**	43
Current accounts in banks		**14,166**	25,420
Short term murabaha deposits	4.1	**37,396**	78,623
		51,605	104,086

4.1 Murabaha deposits are placed with a commercial bank operating in the Kingdom of Saudi Arabia. These Murabaha deposits have an original maturity period of 3 months and profit rates ranging from 5.40% to 6.20% per annum (31 December 2023: 5.85% to 6.15% per annum).

5. MARGIN DEPOSITS WITH MUQASSA

As at 31 December, 2024, the Company had a restricted cash balance of SAR 25.05 million (31 December 2023: SAR 22.4 million) deposited with Securities Center Company (Muqassa) who acts as an intermediary between two parties to a securities trade. Muqassa is responsible for the settlement of the transaction and the trading parties eliminating counterparty risk. Muqassa requires the Company to have margin and default fund contributions that are calculated based on trading activities as an exchange member for the past one year.

6. MARGIN LENDING AND MURABAHA FINANCING

	Notes	**As at 31 December 2024**	As at 31 December 2023
Margin lending	6.1	**59,993**	48,430
Murabaha financing	6.2	**40,937**	39,174
Allowance for expected credit losses		**(705)**	(1,168)
		100,225	86,436

6.1 The Company provides margin lending facilities to certain clients for dealing in the local stock market through the Company. The Company has the option to liquidate the client's investment portfolio to ensure repayment of the lending amount in case of default. These facilities have tenure up to a maximum period of three months. Such lending does not bear any commission or charges.

6.2 The Company provides Murabaha financing to acquire shares for a tenure from three to twelve months through the Company. The Company has the option to liquidate the client’s investments portfolio to ensure repayment of the Murabaha amount in case of default. Such financing bears a pre-agreed profit margin.

All the balances of margin lending and murabaha financing at the year-end were classified as performing. The Company has the option to liquidate the client’s investment portfolio to ensure repayment of the lending amount in case of default. These facilities are fully collateralized and includes the cash and listed equities in Saudi Stock exchange. The Company is continuously monitoring the market value of the collateral of each customer and the Company has stop loss measure in case if its value falls by 25% of the original value of the lending portfolio, then the Company liquidate the investment up to the amount lent. If the proceeds from the disposal of the investment are below the carrying value, the borrower is followed up to recover the difference. During the year ended 31 December 2024, the Company has performed an impairment assessment for the outstanding balances and after considering the nature of these receivables, collateral available and history of default the Company has concluded that no material ECL allowance is required against these receivables. The gross value of non-performing portfolio of SAR is 0.7 million while the fair value of the collateral held by the Company as the security for the credit impaired Murabaha financing as at 31 December 2024 is nil. The rest of the portfolio is stage 1.

(Amount in Saudi Riyals thousands unless otherwise stated)

7. INVESTMENTS HELD AT FAIR VALUE THROUGH PROFIT OR LOSS ("FVTPL")

As at 31 December 2024, investment securities classified as FVTPL comprises of investments in units of Yaqeen SAR Murabaha Fund, Yaqeen Saudi Equity ETF Fund, Yaqeen Petrochemical ETF fund, Yaqeen S&P ESG MENA ETF Fund, Yaqeen Gold Fund, Yaqeen Income Generating Fund, Yaqeen Arar Hills Fund, Yaqeen Murabaha Financing Fund and Yaqeen Opportunistic Fund.

	As at 31 December 2024	As at 31 December 2023
Opening fair value	**64,337**	16,232
Units / shares purchased during the year	**142,663**	361,171
Units redeemed during the year	**(101,494)**	(317,999)
Change in fair value	**3,990**	4,933
Closing fair value	**109,496**	64,337

As at 31 December 2024, investment securities classified as FVTPL comprises of following investments:

	As at 31 December 2024	As at 31 December 2023
Current assets		
Yaqeen Saudi Equity ETF Fund (level 1)	**13,319**	9,254
Yaqeen Petrochemical ETF Fund (level 1)	**1,920**	1,845
Yaqeen S&P ESG MENA ETF Fund (level 1)	**10,000**	-
Yaqeen Gold Fund (level 2)	**5,044**	-
Yaqeen SAR Murabaha Fund (level 2)	**38,628**	19,304
Total	**68,911**	30,403
Non-current assets		
Yaqeen Opportunistic Fund (level 2)	**704**	-
Equity shares (level 1)	**4,627**	-
Yaqeen Gold Fund (level 2)	**-**	4,033
Yaqeen Income Generating Fund (level 3) *	**22,768**	20,214
Yaqeen Arar Hills Funds (level 3) *	**1,762**	1,285
Yaqeen Murabaha Financing Fund (level 3)	**10,724**	8,402
Total	**40,585**	33,934
Total investments at FVTPL	**109,496**	64,337

*These include the investment of the Company in real estate private funds.

Following is the breakdown of gain from investment at FVTPL:

	For the year ended	
	31 December 2024	31 December 2023
Unrealized gain on investments at fair value through profit or loss, net	**3,990**	4,933
Realized gain on investments at fair value through profit or loss, net	**129**	13,604
	4,119	18,537

(Amount in Saudi Riyals thousands unless otherwise stated)

8. ACCOUNTS RECEIVABLE

	31 December 2024	31 December 2023
Accrued management fees	**19,499**	16,801
Advisory receivables	**7,317**	8,388
Other receivables	**3,442**	3,993
	30,258	29,182

9. LEASES

Right of use asset

The right of use asset pertains to the head office space which the Company has taken on lease from the Income Generating Fund for a period of five years. Amounts recognized in the statement of financial position and the statement of comprehensive income in relation to right of use asset are as follows:

	Building	
	As at 31 December 2024	As at 31 December 2023
Balance at the beginning of the year	**8,679**	-
Additions during the year	**-**	9,739
Depreciation charge for year	**(1,948)**	(1,060)
Balance at the end of the year	**6,731**	8,679

Lease liability

The lease liability pertains to the head office space which the Company has taken on lease from the Income Generating Fund for a period of five years. Amounts recognized in the statement of financial position and the statement of comprehensive income in relation to lease liability are as follows:

	Building	
	As at 31 December 2024	As at 31 December 2023
Balance at the beginning of the year	**11,265**	-
Additions during the year	**-**	12,419
Interest expense for the year	**730**	462
Payment for lease liability	**(4,848)**	(1,616)
Balance at the end of the year	**7,147**	11,265
Lease liability – current	**1,758**	2,062
Lease liability – non-current	**5,389**	9,203

10. RELATED PARTY

In the ordinary course of business, the Company transacts with its related parties which is based on the agreed terms. The principal related parties of the Company are Falcom Holding Company ("Major shareholder") and associates of the major shareholder (the entities over which major shareholder has a significant influence).

(Amount in Saudi Riyals thousands unless otherwise stated)

10. RELATED PARTY (CONTINUED)

The transactions with related parties are carried out on mutually agreed terms approved by the management of the Company. The balances with related parties are payable on demand, unsecured and commission free.

Related party balances as of 31 December 2024 were as follows:

Related party name and nature of balance outstanding	Relationship	As at 31 December 2024	As at 31 December 2023
Due from related parties*			
Falcom Holding Company	**Major shareholder**		
Professional charges		**-**	2,011

10.1 Significant related party transactions during the year were as follows:

	31 December 2024	31 December 2023
a) Falcom Holding Company – Major shareholder:		
Rental income	**-**	834
Professional fees	**368**	1,291
b) Associate of major shareholders		
Rental income	**-**	1,014
Management fees	**-**	2,000
c) Directors and key management:		
Short term employee benefits	**9,912**	10,807
Directors' remunerations and related committees	**1,809**	3,340
End of service benefit obligations	**6,602**	6,532

11. OTHER ASSETS

	As at 31 December 2024	As at 31 December 2023
Prepaid expenses	**1,973**	1,698
Loans to employees	**107**	319
	2,080	2,017

(Amount in Saudi Riyals thousands unless otherwise stated)

12. ZAKAT AND INCOME TAX PAYABLE

a) Charge for the year

	31 December 2024	31 December 2023
Zakat charge for the year	**7,324**	10,128

b) Movement in provision for zakat is set out below:

	31 December 2024	31 December 2023
At the beginning of the year	**16,516**	12,587
Charge for the year	**7,324**	10,128
Payments made during the year	**(16,436)**	(6,199)
At the end of the year	**7,404**	16,516

c) Status of zakat assessments:

The Company has submitted its zakat declarations with the Zakat, Tax and Customs Authority ("ZATCA") up to the year ended 31 December 2023 and prior year assessments are summarized as follows:

I. For the year 2019

The Zakat declaration for the year ended 31 December 2019 has been assessed by ZATCA resulting in an additional zakat liability of SAR 1.86 million.

II. For the years from 2020 to 2023

Zakat declarations have been submitted to ZATCA and the Zakat assessments for these years have not been finalized yet.

13. ACCOUNTS PAYABLE AND ACCRUALS

	31 December 2024	31 December 2023
Accounts payable	**5,384**	5,777
Accrued employee salaries and bonus	**9,587**	7,275
Accrued expense to Board of directors	**1,576**	2,944
VAT payable	**1,118**	1,453
Others	**364**	188
	18,029	17,637

(Amount in Saudi Riyals thousands unless otherwise stated)

14. SHARE CAPITAL

The authorized and paid-in capital of the Company as of 31 December 2024 is SAR 150 million (December 31, 2023: SAR 150 million) divided into 15 million shares of SAR 10 each. Till the year ended 31 December 2022, 100% of the shares of the Company were owned by the Falcom Holding Company, however during the prior year Falcom Holding Company established a limited liability Company "Falcom Yaqeen Investment Company" on 27 December 2023 and transferred 40% stake in the Company to Falcom Yaqeen Investment Company. On 21 September, 2021, the Company's general assembly approved offering 20% of its shares on the Saudi Stock Exchange's (Tadawul) Nomu – Parallel Market through an Initial Public Offering (IPO). Subsequently, the Capital Market Authority (CMA), via its resolution dated 18 March, 2024, approved the listing application. Following this approval, Yaqeen's shares became available to qualified investors in the Nomu market on 26 June, 2024. As a result of the IPO, Falcom Holding Company's ownership in Yaqeen was reduced to 40%. The shareholding structure of the Company is as follows:

	As at 31 December 2024		As at 31 December 2023	
	Ownership %	**Share Capital**	Ownership %	Share Capital
Falcom Holding Company	**40%**	**6,000,000**	60%	9,000,000
Falcom Yaqeen Investment Company	**40%**	**6,000,000**	40%	6,000,000
Listed on Tadawul – Nomu Parallel Market	**20%**	**3,000,000**	-	-
	100%	**15,000,000**	100%	15,000,000

During the year, the board of directors recommended to the extraordinary General Assembly to increase Company's share capital by 70% by granting bonus shares. Such increase will be through capitalizing SAR 105 million from retained earnings. Each shareholder will be granted 7 bonus shares for every 10 existing shares owned by the shareholders at the eligibility date. The allocation is subject to completion of shareholders' and regulatory approvals.

14.1 The statutory reserve included in the statement of changes in equity was required under the Company's By- laws. However, following amendments to New Companies Law and Implementing Regulations effective January 2023, the requirement to set aside a statutory reserve has been removed therefore the entire balance has been transferred to retained earnings.

15. OTHER INCOME

	Notes	**31 December 2024**	31 December 2023
Gain on disposal of property and equipment	15.1	**-**	24,704
Gain on disposal of investment property	15.1	**-**	5,044
Rental income		**-**	2,067
		-	31,815

15.1 During the year 2023, the Company, in its capacity as a Fund Manager, established a real estate fund Yaqeen Income Generating Fund ("the Fund"), on 15 June 2023, following approval of CMA. The Company then had sold its land & building and investment property having a carrying value of SAR 93.6 million and a fair value of SAR 96.6 million to the Fund on 15 June, 2023 at a consideration of SAR 93.6 million, of which SAR 76.67 million has been received in cash and the remaining in return of units in the Yaqeen Income Generating Fund which had been accounted for as an investment at FVTPL (note 7). A gain of SAR 29.7 million had been recognized in the statement of comprehensive income related to this transaction.

(Amount in Saudi Riyals thousands unless otherwise stated)

16. REVERSAL OF LOSS ON CUSTOMER'S ACCOUNTS

In April 2022, the Company implemented a new system based on Saudi Tadawul Group's introduction of new post trade infrastructure enhancements called Post-Trade Technology Program ("PTTP"). Being a newly implemented system, certain configuration issues were faced by the management which were detected during the reconciliation process on the client money accounts. A difference amounting to SAR 4.25 million was noted in reconciliation, which indicated a need to have a greater amount of money in the relevant client accounts.

In compliance with Article (80) (e) of "Capital Market Institutions" the Company paid the difference from its own money into the client money accounts. The paid amount was recognized as a receivable from clients and was provided in full for the year ended 31 December 2022. During the prior year, the Company had been able to recover an amount of SAR 0.34 million from certain clients while during the current year, the Company has been able to recover an amount of SAR 0.73 million. The Company will continue to pursue collection of the remaining amount where possible.

17. OTHER EXPENSES

This represents a reversal of losses on the fund's financial assets held by Murabaha Financing Fund managed by the Company. The Company passed a resolution on 29 June 2022 for the absorption of losses amounting to SAR 7.34 million and amount paid to Murabaha financing fund was initially recognized as a receivable and provided in full for the year ended 31 December 2022. During the financial year ended on 31 December 2022, SAR 4.1 million was recovered by the Company from the customers of the Murabaha Financing Fund and SAR 0.8 million were recovered during the year ended 31 December 2023. However, no such recovery has happened during the current year.

18. OTHER GENERAL AND ADMINISTRATIVE EXPENSES

	31 December 2024	31 December 2023
Utilities and communication expenses	**7,500**	9,508
Legal and professional charges	**311**	1,047
Audit fees	**325**	170
Depreciation of property and equipment	**2,454**	2,200
Electricity and other utilities	**703**	1,194
Rental and premises related expenses	**409**	987
Marketing expenses	**1,152**	731
Depreciation of investment property	**-**	157
Insurance	**345**	610
Other	**844**	1,715
Total	**14,043**	18,319

19. EMPLOYEES' END OF SERVICE BENEFITS

	31 December 2024	31 December 2023
Balance as at the beginning of the year	**15,843**	15,462
Provision for the year	**2,255**	2,138
Payments during the year	**(4,395)**	(3,472)
Remeasurement loss	**1,415**	1,715
Balance as at the end of the year	**15,118**	15,843

(Amount in Saudi Riyals thousands unless otherwise stated)

19. EMPLOYEES' END OF SERVICE BENEFITS (CONTINUED)

19.1 Key actuarial assumptions

	31 December 2024	31 December 2023
Discount rate	**5.30%**	4.60%
Salary growth rate	**8.0%**	5 %
Rate of employee turnover	**Moderate**	High

19.2 Sensitivity analysis for actuarial assumptions

	Increase / (decrease) in assumption	**Impact on employee benefit obligations**	
		31 December 2024	31 December 2023
End of service benefits:			
Discount rate	**+ 0.5%**	**565**	499
	-0.5%	**(603)**	(504)
Salary growth rate	**+ 0.5%**	**485**	386
	-0.5%	**(460)**	(393)

The sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of defined benefit obligation calculated with projected unit credit method at the end of the reporting period) has been applied when calculating the employee end of service benefits.

19.3 Maturity profile of employee end of service benefits

The weighted average duration of the employees' end of service benefits is 6.33 years. The expected maturity analysis of undiscounted employees' end of service benefits is as follows:

	31 December 2024	31 December 2023
2024	**1,223**	2,050
2025	**1,830**	2,406
2026	**1,411**	2,008
2027	**1,486**	2,020
2028	**1,434**	2,012
2029 thereafter	**11,886**	10,805
	19,270	21,301

(Amount in Saudi Riyals thousands unless otherwise stated)

20. FINANCIAL INSTRUMENT FAIR VALUE

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 are accessible by the Company.

Fair value hierarchy

The Company 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 value including level in fair value hierarchy for financial assets measured at fair value. It does not include the fair value information of financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

		Fair values			
Financial assets measured at fair value	**Carrying value**	**Level 1**	**Level 2**	**Level 3**	**Total**
31 December 2024					
Financial assets					
Investments measured at FVTPL					
Financial assets at fair value through profit or loss – current and non-current	**109,496**	**29,866**	**44,376**	**35,254**	**109,496**

		Fair values			
Financial assets measured at fair value	Carrying value	Level 1	Level 2	Level 3	Total
31 December 2023					
Financial assets					
Investments measured as FVTPL					
Financial assets at fair value through profit or loss – current and non-current	64,337	11,099	23,337	29,901	64,337

(Amount in Saudi Riyals thousands unless otherwise stated)

20. FINANCIAL INSTRUMENT FAIR VALUE (CONTINUED)

Fair value hierarchy (continued)

The fair values of receivable against margin lending and Murabaha financing, cash and cash equivalents, margin deposits with Muqassa and accounts receivable and other assets which are carried at amortized cost, are not significantly different from the carrying values included in the financial statements, since the current market commission rates for similar financial instruments are not significantly different from the contracted rates and maturities of these financial instruments are less than twelve months. An active market for these instruments is not available and the Company intends to realize the carrying value of these financial instruments through settlement with the counter party at the time of their respective maturities.

Valuation techniques and significant unobservable inputs

The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values.

Type	Fair Value	Valuation Technique	Significant unobservable inputs	Sensitivity to changes in significant unobservable input
Real estate investment funds (private funds)	24,531	Discounted cashflows	-Expected Cashflows (31 Dec 2024: 480 – 1651 / sq. meter 31 Dec 2023: 600 – 1540 / sq. meter) - Discount rate (31 Dec 2024: 10% 31 Dec 2023: 10%)	The estimated fair value would increase or (decrease): -by approx. SAR 0.11 million if the expected cashflows are higher (lower) by 10% -by approx. SAR 1.6 million if the /discount rates are lower (higher) by 1%
Yaqeen Murabaha financing fund	10,724	Discounted cashflows	-Discount rate at market terms (31 Dec 2024:8.16% 31 Dec 2023:5.49%)	The estimated fair value would increase (decrease) by approx. SAR 1.4 million if the discount rates are lower (higher) by 1%.
Yaqeen Gold fund	5,044	NAV published in Tadawul	-	-
Yaqeen SAR Murabaha Fund	38,628	NAV published in Tadawul	-	-
Yaqeen Opportunistic Fund	704	NAV published in Tadawul	-	-

20.1 There have been no transfers between Level 1, Level 2 and Level 3 during the reporting periods.

(Amount in Saudi Riyals thousands unless otherwise stated)

20. FINANCIAL INSTRUMENT FAIR VALUE (CONTINUED)

20.2 The following table shows the reconciliation from opening balance to closing balance for the fair value for level 3 fair value.

	31 December 2024	31 December 2023
Balance at the beginning of the year	**49,205**	2,257
Purchases during the year	**98,300**	61,135
Redeemed during the year	**(78,805)**	(18,500)
Net changes in investments at FVTPL		
Unrealized fair value gain for the year	**5,182**	4,313
Balance at the end of the year	**73,882**	49,205

21. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Effective risk management is of primary importance to the Company. Risks include market risk (primarily foreign exchange risk, price risk and commission rate risk), credit risk, liquidity risk, and operational risk. The Company ensures that it is conservatively capitalized relative to its risk levels, as well as external requirements and benchmarks.

Financial instruments carried on the balance sheet include cash and bank balances, margin lending and Murabaha financing, other assets, investments at FVTPL – current, investments at FVTPL non-current, accounts payable and accruals, due to a related party (Short-term Murabaha financing) and short-term financing. The particular recognition methods adopted are disclosed in the individual accounting policy statements associated with each item.

Financial assets and financial liabilities are offset, and net amounts are reported in the financial statements, when the Company has a legally enforceable right to set off the recognized amounts and intends either to settle on a net basis, or to realize the asset and liability simultaneously.

21.1 Market risk

Market risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices.

(Amount in Saudi Riyals thousands unless otherwise stated)

21. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

21.1 Market risk (continued)

a) Commission rate risk

Commission rate risk is the impact on future earnings of the Company resulting from increase in the market interest/ commission rates. The risk arises when there is a mismatch in the assets and liabilities which are subject to interest rate adjustment within a specified period. The Company short term deposits, margin lending and Murabaha financing, margin deposits with Muqassa and other financial liabilities are at fixed rates and are carried in the financial statements at amortized cost, hence there is no commission rate risk as at reporting date: -

Commission rate risk	**Within 3 Months**	**3-12 Months**	**Over 1 year**	**Non-commission bearing**	**Total**
31 December 2024					
Cash and bank balances	**-**	**-**	**-**	**14,209**	**14,209**
Short term deposits	**37,396**	**-**	**-**	**-**	**37,396**
Margin lending and murabaha financing	**40,937**	**-**	**-**	**59,288**	**100,225**
Margin deposits with Muqassa	**25,054**	**-**	**-**	**-**	**25,054**
Accounts receivables	**-**	**-**	**-**	**30,258**	**30,258**
Other assets	**-**	**-**	**-**	**2,080**	**2,080**
Investments at FVTPL – current	**-**	**-**	**-**	**68,911**	**68,911**
Investments at FVTPL – non-current	**-**	**-**	**-**	**40,585**	**40,585**
Total financial assets	**103,387**	**-**	**-**	**215,331**	**318,718**
Accounts payable and accruals	**-**	**-**	**-**	**18,029**	**18,029**
Total financial liabilities	**-**	**-**	**-**	**18,029**	**18,029**

Commission rate risk	Within 3 Months	3-12 Months	Over 1 Year	Non-commission bearing	Total
31 December 2023					
Cash and bank balances	-	-	-	25,463	25,463
Short term deposits	78,623	-	-	-	78,623
Margin lending and murabaha financing	39,174	-	-	47,262	86,436
Margin deposits with Muqassa	22,461	-	-	-	22,461
Accounts receivables	-	-	-	29,182	29,182
Other assets	-	-	-	2,017	2,017
Investments at FVTPL – current	-	-	-	30,403	30,403
Investments at FVTPL – non-current	-	-	-	33,934	33,934
Total financial assets	140,258	-	-	168,261	308,519
Accounts payable and accruals	-	-	-	17,637	17,637
Total financial liabilities	-	-	-	17,637	17,637

b) Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company's transactions are principally in Saudi Riyals and US Dollars. Management monitors the fluctuations in currency exchange rates and believes that the currency risk is not material. Since the SAR is pegged to US Dollar, therefore, there is no foreign exchange risk.

(Amount in Saudi Riyals thousands unless otherwise stated)

21. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

21.2 Credit risk

The Company is exposed to credit risk as a result of the counterparty's failure to meet its contractual obligations when due, in respect of:

- Margin lending and Murabaha financing
- Accounts receivables
- Due from related parties
- Cash at bank
- Other assets (Loans to employees)
- Margin deposit with Muqassa

Credit risk is the risk that the Company will incur a financial loss as a result of the failure of the customer or counterparty to a financial instrument to fulfil its contractual obligations. Credit risk arises from cash and cash equivalents as well as credit exposures to other assets, balances due from related parties, Margin lending, murabaha financing and Margin deposit with Muqassa.

Exposure

Cash and cash equivalents are deposited with the commercial bank, which has sound credit ratings. Margin deposit with Muqassa is deposited with Muqassa which is a regulatory related entity. The receivables relate to Margin lending and murabaha financing portfolios and have adequate coverage ratios. The portfolios are closely monitored, and any margin calls or liquidations are performed at predefined thresholds as and when needed to ensure that the Company's exposure is sufficiently collateralized. Other assets mainly comprise of fees receivables and receivables relate to investment banking group of the Company. The fees receivables mainly relate to amounts due from the counterparties on quarterly basis and are settled within a short period of time. The receivables related to the investment banking group are closely monitored by the Company and specific controls are being applied in accordance with the Company policies and procedures. The carrying amount of financial assets represents their maximum credit exposure. Allowance for expected credit losses on financial assets recognized in the statement of financial position for 31 December 2024 amounted to SAR 0.7 million.

Revenues are settled mainly in cash for commission income therefore the related credit risk is minimal. For other receivables, the Company assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are then assigned.

For banks and financial institutions, only independently rated parties with a minimum rating of A2 are accepted. Therefore, the ECL on cash and cash equivalents is immaterial.

The Company has kept cash and cash equivalents in reputable commercial banks, so the expected credit losses of cash and cash equivalents as at 31 December 2024 amounted to nil (31 December 2023: nil). The cash at banks as at 31 December 2024 is SAR 51.6 million (31 December 2023: SAR 104 million).

The credit ratings of banks in which the Company holds cash as at 31 December are as follows:

	31 December 2024	31 December 2023
Moody’s Credit rating		
A2	**51,562**	104,043

(Amount in Saudi Riyals thousands unless otherwise stated)

21. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

21.2 Credit risk (continued)

Accounts receivables are shown net of allowance for expected credit losses. The Company applies the IFRS 9 simplified approach for measuring expected credit losses on accounts receivables. To measure the expected credit losses, accounts receivables are segmented based on shared credit risk characteristics and the days past due. The ECL on accounts receivable are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, days past due, expected recovery, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate, and an assessment of both the current as well as the forecast direction of conditions at the reporting date. A significant increase in credit risk is presumed if a debtor is more than 30 days past due in making a contractual payment.

ECL for receivables against margin lending and murabaha financing is SAR 0.7 million (2023: SAR 1.16 million), the Company holds equity instruments of customers as collateral against margin lending and murabaha receivables which are carried at amortized cost. The Company uses those collaterals as part of the loss given default "LGD" calculation. The value of collateral is regularly monitored by the Company to ensure that it is sufficient to cover the exposure of margin lending and murabaha financing receivables. As part of the ongoing monitoring of margin lending and murabaha financing receivables, the Company has stop loss measure in case if its value falls by 25% of the original value of the receivable, then the Company liquidate the investment up to the amount lent. Even though there might be a small probability of default, the ECL results in zero impairment provision as the pledged collateral (in the form of cash or liquid securities) adequately covers the exposure. The over-collateralized nature of the exposure, coupled with the Company's monitoring process, results in a loss given default (LGD) of zero. The collateral includes the cash and listed equity securities in Saudi stock exchange. The fair value of collateral held by the Company as at 31 December 2024 is amounted is SAR 126 million (31 December 2023: SAR 166 million).

There are no significant concentrations of credit risk, whether through exposure to individual customers and specific industry sectors. The nature of businesses of the Company does not expose it to credit concentration risk.

Management analyses credit risk in the following categories:

Credit quality analysis

The following table sets out the credit analysis for financial assets:

31 December 2024	Investment grade	Non-investment grade	Unrated	Total
Financial assets				
Cash and bank balances	**51,605**	**-**	**-**	**51,605**
Margin deposits with Muqassa	**25,054**	**-**	**-**	**25,054**
Margin lending and murabaha financing	**-**	**-**	**100,225**	**100,225**
Other assets (loans to employees)	**-**	**-**	**107**	**107**
Accounts receivables	**-**	**10,372**	**19,886**	**30,258**
Total	**76,659**	**10,372**	**120,218**	**207,249**

(Amount in Saudi Riyals thousands unless otherwise stated)

21. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

21.2 Credit risk (continued)

Credit quality analysis (continued)

31 December 2023	Investment grade	Non-investment grade	Unrated	Total
Financial assets				
Cash and bank balances	104,086	-	-	104,086
Margin deposit with Muqassa	22,461	-	-	22,461
Margin lending and murabaha financing	-	-	86,436	86,436
Other assets (loans to employees)	-	-	319	319
Accounts receivables	-	11,509	17,673	29,182
Total	126,547	11,509	104,428	242,484

The credit quality of the above financial assets is based on external credit rating agencies. For unrated financial assets the credit quality of financial assets is determined by the customers' history of meeting commitments, market intelligence related information and management's trade experience.

The credit risk exposure for receivable against margin lending and murabaha financing by geographic region is as follows:

	31 December 2024	31 December 2023
Saudi Arabia	**100,930**	87,604

The credit risk exposure for receivables against margin lending and murabaha financing by type of customer representing only retail clients as at 31 December 2024 and 2023.

The ageing of financial assets are as follows:-

31 December 2024	**Carrying Value**	**Neither Past Due not impaired**	**1-30 Days**	**31 -60 Days**	**61-90 Days**	**More than 90 days**
Financial assets						
Margin Lending	**59,288**	**58,583**	**-**	**-**	**-**	**705**
Murabaha financing	**40,937**	**40,937**	**-**	**-**	**-**	**-**
Accounts receivables	**30,258**	**20,427**	**3,220**	**1,093**	**375**	**5,144**
Total	**130,483**	**119,947**	**3,220**	**1,093**	**375**	**5,849**

31 December 2023	Carrying Value	Neither Past Due not impaired	1-30 Days	31 -60 Days	61-90 Days	More than 90 days
Financial assets						
Margin Lending	47,262	46,094	-	-	-	1,168
Murabaha financing	39,174	39,174	-	-	-	-
Accounts receivables	29,182	18,653	4,882	460	115	5,072
Total	115,618	103,921	4,882	460	115	6,240

(Amount in Saudi Riyals thousands unless otherwise stated)

21. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

21.3 Liquidity risk

Liquidity risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial obligation. Liquidity risk may result from the inability to sell a financial asset quickly at an amount close to its fair value.

The following table set outs the remaining contractual maturities of financial assets and liabilities:-

31 December 2024	**Carrying Amount**	**Gross Nominal Inflow / (outflow)**	**Less than one month**	**1 to 3 months**	**3 months to 1 year**	**More than 1 year**
ASSETS						
Cash and bank balances	**51,605**	51,842	14,166	37,676	-	-
Margin deposit with Muqassa	**25,054**	25,054	-	25,054	-	-
Margin lending and murabaha financing	**100,225**	101,739	-	59,993	41,746	-
Investments at fair value through profit or loss (FVTPL)	**109,496**	109,496	-	-	68,911	40,585
Accounts receivables	**30,258**	33,248	-	3,429	29,819	-
Due from related parties	**-**	-	-	-	-	-
Other assets	**2,080**	2,080	-	-	2,080	-
	318,718	323,459	14,166	126,152	142,556	40,585
LIABILITIES						
Accounts payable and accruals	**18,029**	18,029	-	-	18,029	-
Current portion of lease liability	**1,758**	2,938	1,469	-	1,469	-
Zakat and income tax payable	**7,404**	7,404	-	-	7,404	-
Employees' end of service benefits	**15,118**	15,118	-	-	-	15,118
Lease liability	**5,389**	7,347	-	-	-	7,347
	47,698	50,836	1,469	-	26,902	22,465

31 December 2023	Carrying Amount	Gross Nominal Inflow / (outflow)	Less than one month	1 to 3 months	3 months to 1 year	More than 1 year
ASSETS						
Cash and bank balances	104,086	104,622	25,420	79,202	-	-
Margin deposit with Muqassa	22,461	22,461	-	22,461	-	-
Margin lending and murabaha financing	86,436	89,030	-	48,430	40,600	-
Investments at fair value through profit or loss (FVTPL)	64,337	64,337	-	-	30,403	33,934
Accounts receivables	29,182	31,568	-	3,723	27,845	-
Due from related parties	2,011	2,011	-	-	2,011	-
Other assets	2,017	2,017	-	-	2,017	-
	310,530	316,046	25,420	153,816	102,876	33,934

(Amount in Saudi Riyals thousands unless otherwise stated)

21. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

21.3 Liquidity risk (continued)

	Carrying Amount	Gross Nominal Inflow / (outflow)	Less than one month	1 to 3 months	3 months to 1 year	More than 1 year
LIABILITIES						
Accounts payable and accruals	17,637	17,637	-	-	17,637	-
Current portion of lease liability	2,062	2,938	1,469	-	1,469	-
Zakat and income tax payable	16,516	16,516	-	-	16,516	-
Employees' end of service benefits	15,843	15,843	-	-	-	15,843
Lease liability	9,203	10,285	-	-	-	10,285
	61,261	63,219	1,469	-	35,622	26,128

Liquidity risk is managed by monitoring on a regular basis that sufficient funds are available to meet the Company's future commitments. The amounts disclosed in the table are the contractual undiscounted cash flows which are equivalent to their respective carrying amount, as the impact of discounting is immaterial. Investments classified at fair value through profit and loss have been categorize into the time period based on expected duration to sale.

21.4 Operational Risk

Operational risk is the risk of direct or indirect loss arising from a variety of causes associated with the processes, technology and infrastructure supporting the Company's activities either internally or externally at the Company's service provider and from external factors other than credit, liquidity, currency and market risks such as those arising from the legal and regulatory requirements.

Operational risk is a distinct risk category which the Company manages within acceptable levels through sound operational risk management practices that are part of the day-to-day responsibilities of management at all levels. The objective in managing operational risk is to ensure control of the Company's resources by protecting its assets and minimizing the potential for financial loss.

The Company's risk management approach involves identifying, assessing, managing, mitigating, monitoring, and measuring the risks associated with operations. The management of operational risk has a key objective of minimizing the impact of losses suffered in the normal course of business (expected losses) and to avoid or reduce the likelihood of suffering a large extreme (unexpected) loss.

21.5 Equity share price risk

The Company's listed equity investments are susceptible to price risk, arising from uncertainties about fair values of investments. The Company manages equity price risk through diversification, setting limits on investments and monitoring continuously the developments in the stock and international funds markets. In addition, the key factors that affect the stock and bond market movements are monitored including analysis of the operational and financial performance of investees. The exposure to investment and its impact on equity is detailed in the table below with a % change in equity prices.

	31 December	Sensitivity	
Markets	**2024**	**Profit**	**Percentage**
Investments at FVTPL			
Saudi Arabia	**30,568**	**+/-610**	**+/- 2%**

(Amount in Saudi Riyals thousands unless otherwise stated)

21. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

21.5 Equity share price risk (continued)

Markets	31 December 2023	Sensitivity Profit	Percentage
Investments at FVTPL			
Saudi Arabia	11,099	+/-222	+/- 2%

22. COMMITMENT AND CONTINGENCIES

The Company has no commitment and contingencies as at 31 December 2024 (31 December 2023: Nil).

23. CAPITAL RISK MANAGEMENT

The CMA has issued Prudential Rules (the "Rules") dated 17 Safar 1434H (corresponding to 30 December 2012) amended by resolution of the Board of the Capital Market Authority Number 1-129-2022 Dated 04 Jumada II 1444H (Corresponding to 28 December 2022). According to the Rules, the CMA has prescribed the framework and guidance regarding the minimum regulatory capital requirement and its calculation methodology as prescribed under these Rules. In accordance with this methodology, the Company has calculated its minimum capital required. Current year figures are presented based on amended regulations issued by CMA effective from April 1, 2023, and applied prospectively. The prior year's figures are not restated but are presented based on previous Rules and guidance. Capital adequacy ratio are as follows:

	31 December 2024	31 December 2023
Capital base:		
Tier 1 Capital	**278,859**	258,801
Tier 2 Capital	**-**	-
Total capital base	**278,859**	258,801
Risk Weighted Asset:		
Credit risk	**370,063**	308,709
Operational risk	**285,818**	335,428
Market risk	**137,837**	60,815
Total Risk Weighted Asset	**793,717**	704,952
Total capital ratio	**35.13%**	36.71%
Surplus in capital	**215,361**	202,405

Capital Base of the Company comprises of:

- Tier-1 capital consists of paid-up share capital, retained earnings, reserves excluding revaluation reserves as per Article 5 of amended Rules / Article 4 of the Rules.
- Tier-2 capital consists of capital instruments as per Article 6 of amended Rules / Article 4 of the Rules.

(Amount in Saudi Riyals thousands unless otherwise stated)

23. CAPITAL RISK MANAGEMENT (CONTINUED)

The Minimum Capital Requirements for Market, Credit & Operational Risk are calculated as per the requirements specified in Part 3 of the Rules.

The Company is required to maintain adequate capital as specified in the Rules. The capital adequacy ratio shall not be less than 8% of the minimum capital required in amended Rules and shall not be less than 1 time in previous Rules.

The Company's business objectives when managing capital adequacy is to comply with the capital requirements set forth by the CMA to safeguard the Company's ability to continue as a going concern, and to maintain a strong capital base.

24. SEGMENT INFORMATION

For management purposes, the Company is organized into business units based on their products and services and has four reportable segments, as follows:

- **Brokerage:** Providing services through trading channels and margin trading to customers.
- **Investment Banking Group (IBG)**: Providing advisory and initial public offering ("IPO") services to the customers.
- **Asset management:** Manage and establish mutual funds and portfolios.
- **Investments:** Investing activities of the Company in financial and non-financial assets

The Board of directors is the Chief Operating Decision Maker and monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial information.

The segment wise breakup is as follows:

	Brokerage	IBG	Asset management	Investments	Total
For the year ended 31 December 2024					
Revenues from contracts with customer*					
Commission on brokerage services	**11,557**	**-**	**-**	**-**	**11,557**
Management and subscription fee from mutual funds	**-**	**-**	**18,384**	**-**	**18,384**
Advisory services income	**-**	**41,558**	**-**	**-**	**41,558**
Other income streams					
Gain on investments at fair value through profit or loss, net	**-**	**-**	**-**	**4,119**	**4,119**
Dividend income	**-**	**-**	**-**	**1,331**	**1,331**
Income on murabaha investment	**-**	**-**	**-**	**8,578**	**8,578**
Income on murabaha financing	**3,952**	**-**	**-**	**-**	**3,952**
Total revenues	**15,509**	**41,558**	**18,384**	**14,028**	**89,479**
Total expenses	**(7,977)**	**(12,582)**	**(6,873)**	**(730)**	**(28,162)**
Segment net income	**7,532**	**28,976**	**11,511**	**13,298**	**61,317**

*In relation to revenue from contract with customers the revenue from commission on brokerage services is recognized at point in time while the revenue from management and subscription fees and advisory service income are recognized over the period or point in time depending upon contractual arrangement against each customer.
** The primary geographical market for the Company's product and services is Kingdom of Saudi Arabia.

(Amount in Saudi Riyals thousands unless otherwise stated)

24. SEGMENT INFORMATION (CONTINUED)

As at 31 December 2024

	Brokerage	**IBG**	**Asset management**	**Investments**	**Total**
Assets	**125,279**	**7,382**	**19,471**	**146,892**	**299,024**
Liabilities	**3,281**	**907**	**680**	**35,426**	**40,294**

For the year ended 31 December 2023

	Brokerage	IBG	Asset management	Investments	Total
Revenues from contracts with customer*					
Commission on brokerage services	9,044	-	-	-	9,044
Management and subscription fee from mutual funds	-	-	13,369	-	13,369
Advisory services income	-	30,853	-	-	30,853
Other income streams					
Gain / (loss) on investments at fair value through profit or loss, net	-	-	-	18,537	18,537
Dividend income	-	-	-	32,414	32,414
Income on murabaha investment	-	-	-	2,695	2,695
Income on murabaha financing	2,710	-	-	-	2,710
Total revenues	11,754	30,853	13,369	53,646	109,622
Total expenses	(5,188)	(16,194)	(6,105)	(43,910)	(71,397)
Segment Net Income / (loss) after zakat	6,566	14,659	7,264	9,736	38,225

As at 31 December 2023

	Brokerage	IBG	Asset management	Investments	Total
Assets	108,897	8,504	16,202	142,960	276,563
Liabilities	2,712	1,034	867	40,133	44,746

Reconciliation of reportable segment profit & loss and assets & liabilities

	2024
Profit and Loss	
Total profits for reportable segments	61,317
Unallocated amounts	(39,845)
Profit after tax	21,472
Assets	
Total assets for reportable segments	299,024
Unallocated amounts	27,533
Total Assets	326,557
Liabilities	
Total liabilities for reportable segments	40,294
Unallocated amounts	7,404
Total liabilities	47,698

(Amount in Saudi Riyals thousands unless otherwise stated)

25. EARNINGS PER SHARE

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

	As at 31 December 2024	As at 31 December 2023
Profit for the year	**21,472**	38,225
Weighted average number of ordinary shares	**15,000**	15,000
Basic and diluted	**1.43**	2.55

25.1 Assets under management

These represent the public and private funds' assets, discretionary portfolio and non-discretionary portfolios' assets managed by the Company on behalf of its customers amounted to SAR 2.47 billion as at 31 December 2024 (31 December 2023: SAR 1.4 billion).

25.2 Client cash money accounts

The Company manages clients' cash accounts for brokerage activities, which amounted to SAR 208 million as at 31 December 2024 (31 December 2023: SAR 172 million).

26. SUBSEQUENT EVENTS

Except of events mentioned in paragraph (iii) of note 1, no events have occurred subsequent to reporting date and before the issuance of these financial statement which requires adjustment to, or disclosure, in the financial statements.

27. COMPARATIVE FIGURES

The management has made some presentation changes in the financial statements, as certain line items have been added, certain segregated and certain reclassified, to conform with the requirements of IAS 1. Furthermore, the purchase and disposal of investments held at FVTPL has been classified from investing activities to the operating activities in the cashflow statement. The following table summarizes the impact of the presentation made in comparative year for the statements of financial position and the cashflows:

Financial Statement Caption	**As previously stated**	**Adjustment**	**Restated**
Statement of Financial Position			
Cash and cash equivalents	103,468	618	104,086
Account receivables	29,800	(618)	29,182
Statement of Cash flows			
Cash flows from investing activities			
Purchase of investments held at FVTPL	(334,537)	334,537	-
Proceeds from disposal of investments held at FVTPL	309,148	309,148	-

(Amount in Saudi Riyals thousands unless otherwise stated)

27. COMPARATIVE FIGURES (CONTINUED)

Financial Statement Caption	As previously stated	Adjustment	Restated
Cash flows from operating activities			
Dividend income	-	(599)	(599)
Purchase of investments held at FVTPL	-	(334,537)	(334,537)
Proceeds from disposal of investments held at FVTPL	-	309,148	309,148
Decrease in other assets	5,308	(3,785)	1,523
Decrease in accounts receivables	-	3,785	3,785

For the comparative in the statement of cash flows, income received from the Murabaha investment and Murabaha financing amounting to SAR 3,321 and SAR 3,301 was shown as part of movement in other assets and Margin lending & Murabaha financing, respectively. In the current year these have been presented as separate line items.

28. APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements were authorized for issuance by the Board of Directors on 17 February 2025.