

DERAYAH FINANCIAL COMPANY
(A Saudi Closed Joint Stock Company)
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
For the six-month period ended 30 June 2024
Together with the
INDEPENDENT AUDITOR'S REVIEW REPORT



KPMG Professional Services

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

Headquarters in Riyadh

كي بي إم جي للاستشارات المهنية

واجهة روشن ، طريق المطار
صندوق بريد ٩٢٨٧٦
الرياض ١١٦٦٣
المملكة العربية السعودية
سجل تجاري رقم ١٠١٠٤٢٥٤٩٤

المركز الرئيسي في الرياض

Independent auditor's report on review of condensed consolidated interim financial statements

To the Shareholders of Derayah Financial Company (A Saudi Joint Stock Company)

Introduction

We have reviewed the accompanying 30 June 2024 condensed consolidated interim financial statements of Derayah Financial Company ("the Company") and its subsidiary ("the Group") which comprises:

- the condensed consolidated statement of financial position as at 30 June 2024;
- the condensed consolidated statement of profit or loss and other comprehensive income for the three-month and six-month periods ended 30 June 2024;
- the condensed consolidated statement of changes in equity for the six-month period ended 30 June 2024;
- the condensed consolidated statement of cash flows for the six-month period ended 30 June 2024; and
- the notes to the condensed consolidated interim financial statements.

Management is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with IAS 34, 'Interim Financial Reporting' that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 30 June 2024 condensed consolidated interim financial statements of Derayah Financial Company and its subsidiary are not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting' that is endorsed in the Kingdom of Saudi Arabia.

KPMG Professional Services

Hani Hamzah A. Bedairi
License No: 460



Riyadh: 22 August 2024

Corresponding to: 18 Safar 1446H

DERAYAH FINANCIAL COMPANY
(A Saudi Closed Joint Stock Company)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

Amount in Saudi Arabian Riyals

	<i>Notes</i>	30 June 2024	31 December 2023
		(Unaudited)	(Audited)
ASSETS			
NON-CURRENT ASSETS			
Property and equipment, net	6	38,252,470	38,176,641
Right-of-use assets, net		5,773,027	4,944,683
Intangible assets, net	7	14,890,201	15,343,604
Investment property, net	8	73,908,936	--
Investment in an associate	9	237,612,600	263,852,000
Investments at amortised cost, net	10	45,965,498	25,229,705
Investments at fair value through profit or loss	11	281,242,501	165,585,652
Investments at fair value through other comprehensive income	12	16,280,425	21,421,612
TOTAL NON-CURRENT ASSETS		713,925,658	534,553,897
CURRENT ASSETS			
Investments at amortised cost, net	10	7,527,787	5,004,980
Investments at fair value through profit or loss	11	18,044,206	25,921,623
Margin client receivables, net	13	65,982,804	75,317,730
Due from related parties, net	16	22,082,471	47,351,328
Prepayments		9,533,079	8,175,031
Other current financial assets	14	302,257,306	324,551,231
Cash and cash equivalents, net	15	50,853,812	20,888,231
TOTAL CURRENT ASSETS		476,281,465	507,210,154
TOTAL ASSETS		1,190,207,123	1,041,764,051
LIABILITIES AND EQUITY			
NON-CURRENT LIABILITIES			
Employees' defined benefit obligations		24,423,118	24,968,100
Employees' Equity Award Plan ('EEAP')		58,871,231	57,953,547
Unearned revenue		29,382,344	29,382,344
Lease liabilities		3,384,633	3,220,934
TOTAL NON-CURRENT LIABILITIES		116,061,326	115,524,925
CURRENT LIABILITIES			
Accrued expenses and other payables	17	93,537,478	90,287,696
Zakat payable	18	19,229,358	24,143,322
TOTAL CURRENT LIABILITIES		112,766,836	114,431,018
TOTAL LIABILITIES		228,828,162	229,955,943
EQUITY			
Share capital	19	162,290,130	162,290,130
Statutory reserve		48,687,039	48,687,039
Retained earnings		768,810,069	613,831,390
Other reserves		(18,408,277)	(13,000,451)
TOTAL EQUITY		961,378,961	811,808,108
TOTAL LIABILITIES AND EQUITY		1,190,207,123	1,041,764,051

The attached notes 1 to 33 form part of these condensed consolidated interim financial statements

DERAYAH FINANCIAL COMPANY
(A Saudi Closed Joint Stock Company)

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME**

For the six-month period ended 30 June 2024 (Unaudited)

Amount in Saudi Arabian Riyals

	<i>Notes</i>	For the three-month period ended		For the six-month period ended	
		30 June 2024	30 June 2023	30 June 2024	30 June 2023
OPERATING INCOME					
Revenue from contract with customers	20	142,231,839	103,774,923	311,835,246	199,909,337
Special commission income	21	65,805,714	32,568,328	108,705,807	57,377,401
Gain on financial assets at fair value through profit or loss, net	22	3,787,188	6,261,294	13,179,943	7,771,431
Dividend income		476,034	313,328	476,034	676,846
TOTAL OPERATING INCOME		212,300,775	142,917,873	434,197,030	265,735,015
OPERATING EXPENSES					
Salaries and other employees' related expenses	23	(41,783,478)	(31,247,224)	(75,139,521)	(60,961,949)
General and administrative expenses	24	(66,527,133)	(29,706,667)	(101,538,224)	(49,656,943)
Marketing expenses		(983,766)	(2,042,743)	(4,103,411)	(2,604,404)
Reversal for expected credit losses		5,840	24,865	1,325,891	230,762
TOTAL OPERATING EXPENSES		(109,288,537)	(62,971,769)	(179,455,265)	(112,992,534)
NET OPERATING INCOME		103,012,238	79,946,104	254,741,765	152,742,481
Other income / (expense), net	25	3,684,527	1,898,136	5,506,873	3,699,852
Share of loss in an associate	8	(15,225,400)	(8,135,000)	(26,239,400)	(13,133,200)
INCOME FOR THE PERIOD BEFORE ZAKAT		91,471,365	73,709,240	234,009,238	143,309,133
Zakat charge for the period	18	384,592	(4,672,202)	(6,000,000)	(9,305,295)
INCOME FOR THE PERIOD		91,855,957	69,037,038	228,009,238	134,003,838
<i>Other comprehensive (loss) / income not to be reclassified to profit or loss subsequently</i>					
Financial assets at fair value through other comprehensive income – net change in fair value		(2,804,285)	(701,071)	(5,141,189)	(1,272,314)
Remeasurement (loss) / gain on employees' defined benefit obligations		(1,805,103)	(74,382)	(1,049,762)	(592,395)
Remeasurement gain / (loss) on employees' equity award plan		504,811	670,291	783,125	(562,537)
OTHER COMPREHENSIVE LOSS FOR THE PERIOD		(4,104,577)	(105,162)	(5,407,826)	(2,427,246)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		87,751,380	68,931,876	222,601,412	131,576,592
EARNINGS PER SHARE					
Basic and diluted, earning per share	27	5.66	4.25	14.05	8.26

The attached notes 1 to 33 form part of these condensed consolidated interim financial statements

DERAYAH FINANCIAL COMPANY

(A Saudi Closed Joint Stock Company)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six-month period ended 30 June 2024 (Unaudited)

Amount in Saudi Arabian Riyals

	<u>Share capital</u>	<u>Statutory reserve</u>	<u>Fair value reserve</u>	<u>Other reserves</u>	<u>Retained earnings</u>	<u>Total</u>
As at 1 January 2024 (Audited)	162,290,130	48,687,039	(4,832,581)	(8,167,870)	613,831,390	811,808,108
Income for the period	--	--	--	--	228,009,238	228,009,238
Other comprehensive loss for the period	--	--	(5,141,189)	(266,637)	--	(5,407,826)
Dividend distribution	--	--	--	--	(73,030,559)	(73,030,559)
As at 30 June 2024	162,290,130	48,687,039	(9,973,770)	(8,434,507)	768,810,069	961,378,961
As at 1 January 2023 (Audited)	162,290,130	48,687,039	22,984	(4,016,952)	511,333,539	718,316,740
Income for the period	--	--	--	--	134,003,838	134,003,838
Other comprehensive income for the period	--	--	(1,272,314)	(1,154,932)	--	(2,427,246)
Dividend distribution	--	--	--	--	(48,687,042)	(48,687,042)
As at 30 June 2023	162,290,130	48,687,039	(1,249,330)	(5,171,884)	596,650,335	801,206,290

The attached notes 1 to 33 form part of these condensed consolidated interim financial statements

DERAYAH FINANCIAL COMPANY
(A Saudi Closed Joint Stock Company)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

For the six-month period ended 30 June 2024 (Unaudited)

Amount in Saudi Arabian Riyals

	<i>Notes</i>	30 June 2024	30 June 2023
OPERATING ACTIVITIES			
Income for the period before zakat		234,009,238	143,309,133
<i>Non-cash adjustment to reconcile income before zakat to net cash flows:</i>			
Depreciation	24	6,026,970	5,058,076
Amortisation	24	3,744,233	2,310,436
Provisions for employees' defined benefit obligations		1,801,062	1,811,167
Gain on financial assets at fair value through profit or loss, net		(13,179,943)	(7,771,431)
Reversal for expected credit losses		(1,325,891)	(230,762)
Amortisation of (discount) / premium on investment at amortised cost		(89,163)	90,626
Finance cost		3,527,637	2,214,615
Share of loss in an associate		26,239,400	13,133,200
Operating cash flows before working capital changes		260,753,543	159,925,060
Margin client receivables, net		10,651,614	221,431
Other current financial assets		22,299,892	(14,694,924)
Prepayments		(1,358,048)	(1,873,908)
Due from related parties, net		25,272,293	(3,441,999)
Accrued expenses and other payables		2,694,940	(9,817,763)
		320,314,234	130,317,897
Zakat paid		(10,913,964)	(13,732,110)
Employees' defined benefit obligations paid		(3,988,798)	(543,971)
Finance cost paid		(1,054,426)	(955,034)
Cash generated from operating activities		304,357,046	115,086,782
INVESTING ACTIVITIES			
Purchase of financial assets at fair value through profit or loss		(148,318,635)	(96,946,491)
Proceeds from sale of financial assets at fair value through profit or loss		53,719,144	25,000,000
Purchase of investments at amortised cost		(25,666,054)	--
Proceeds from redemption of investments at amortised cost		2,500,000	--
Additions to property and equipment	6	(4,505,653)	(3,726,184)
Additions to intangible assets	7	(3,290,830)	(618,843)
Additions to investment property	8	(74,413,340)	--
Cash used in investing activities		(199,975,368)	(76,291,518)
FINANCING ACTIVITIES			
Dividend paid		(73,030,559)	(48,687,042)
Lease liabilities paid		(1,381,955)	(1,348,705)
Cash used in financing activities		(74,412,514)	(50,035,747)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS DURING THE PERIOD			
Cash and cash equivalents at the beginning of the period	15	29,969,164	(11,240,483)
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	15	20,891,009	30,364,323
	15	50,860,173	19,123,840

The attached notes 1 to 33 form part of these condensed consolidated interim financial statements

DERAYAH FINANCIAL COMPANY
(A Saudi Closed Joint Stock Company)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the six-month period ended 30 June 2024 (Unaudited)

1 ACTIVITIES

Derayah Financial Company (“the Company”) is a Saudi Closed Joint Stock Company registered in the Kingdom of Saudi Arabia. The Company operates under Commercial Registration No. 1010266977 dated 10 Jumada II 1436H (corresponding to 15 April 2009).

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

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

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

During the period, the Company has invested SR 74 million (representing 100% unitholding) in a newly established Derayah Gulf Real Estate Fund, a privately placed real estate investment fund managed by the Company. The Fund’s aim to achieve returns on capital for unitholders through the acquisition of an income generating property in the Kingdom of Saudi Arabia. These condensed consolidated interim financial statements include information of the Company and its fully owned subsidiary Derayah Gulf Real Estate Fund (collectively referred as “the Group”).

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

2 BASIS OF PREPARATION

2.1 Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” as endorsed in the Kingdom of Saudi Arabia, and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (“SOCPA”).

These condensed consolidated interim financial statements do not include all the information and disclosures required for a complete set of financial statements under International Financial Reporting Standards as issued by the International Accounting Standards Board (“IFRS Accounting Standards”) as endorsed in Kingdom of Saudi Arabia and should be read in conjunction with the Group’s latest annual financial statements for the year ended 31 December 2023.

2.2 Basis of measurement and presentation

These condensed consolidated interim financial statements have been prepared under the historical cost convention, except for the following material items in the condensed consolidated interim statement of financial position:

- Investment at fair value through profit or loss (“FVTPL”) and fair value through other comprehensive income (“FVOCI”) is measured at fair value.
- Employees’ defined benefit obligations and employees’ equity award plan are recognised at the present value of future obligations using the projected unit credit method.

DERAYAH FINANCIAL COMPANY
(A Saudi Closed Joint Stock Company)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the six-month period ended 30 June 2024 (Unaudited)

2.3 Functional and presentation currency

These condensed consolidated interim financial statements are presented in Saudi Arabian Riyal (“SAR”); which represents the functional currency of the Group. All the financial information has been rounded off to the nearest Saudi Arabian Riyal except where otherwise indicated.

2.4 Basis of consolidation

The condensed consolidated interim financial statements include the financial statements of Derayah Financial Company and the subsidiary controlled by the Company.

Consolidation of a subsidiary begins when control of the subsidiary is transferred to Derayah Financial Company and ceases when the Company loses such control. The assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the period are included in the condensed consolidated interim financial statements from the date on which control is transferred to the Company and until the Company ceases to exercise such control.

The Company performs a reassessment to ascertain whether or not it exercises control over the investee when facts and circumstances indicate that there is a change in the elements of control.

When necessary, adjustments are made to the financial statements of the subsidiaries to bring their accounting policies in line with those of the Group. All interrelated assets and liabilities, equity, income, expenses and cash flows related to intra-group transactions, are eliminated in full upon consolidation of the financial statements.

3 MATERIAL ACCOUNTING POLICIES

The material accounting and risk management policies used in the preparation of these condensed consolidated interim financial statements are consistent with those used and disclosed in the financial statements for the year ended 31 December 2023, except for the newly adopted as following:

3.1 Investment property

Investment property is measured initially at cost, including transaction costs. Subsequent to initial recognition, investment property is stated at cost less accumulated depreciation, net of impairment losses, if any.

Depreciation is charged to the statement of profit or loss, using straight-line method to allocate the costs of the related assets to their residual values over their estimated useful lives. The Group follows cost model of IAS 40 for subsequent measurement of investment property. For the purpose of computing impairment losses, at each reporting period an evaluation is conducted of investment property at fair value, which reflects market conditions at the reporting date. Any impairment loss identified is recorded in the statement of profit or loss. Fair values are determined based on an annual evaluation performed by an accredited external, independent values, applying a valuation model recommended by the International Valuation Standards Council.

Investment property is derecognised either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the statement of profit or loss in the period of derecognition.

4 SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS

In preparing these condensed consolidated interim financial statements, management has made estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant assumptions made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty are consistent with those used and disclosed in the financial statements for the year ended 31 December 2023.

DERAYAH FINANCIAL COMPANY
(A Saudi Closed Joint Stock Company)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the six-month period ended 30 June 2024 (Unaudited)

5 STANDARDS ISSUED BUT NOT YET EFFECTIVE

The following are number of new standards are effective for annual periods beginning after 1 January 2024 and earlier application is permitted; however, the Group has not early adopted the new or amended standards in preparing these condensed consolidated interim financial statements.

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

1 January 2024	Non-current Liabilities with Covenants – Amendments to IAS 1 and Classification of Liabilities as Current or Non-current – Amendments to IAS 1
1 January 2024	Lease Liability in a Sale and Leaseback – Amendments to IFRS 16
1 January 2024	Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7

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

1 January 2025	Lack of Exchangeability – Amendments to IAS 21
Available for optional adoption/effective date deferred indefinitely	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)

The new and amended standards mentioned above are not expected to have a significant impact on the Group's condensed consolidated interim financial statements.

DERAYAH FINANCIAL COMPANY

(A Saudi Closed Joint Stock Company)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six-month period ended 30 June 2024 (Unaudited)

Amount in Saudi Arabian Riyal

6 PROPERTY AND EQUIPMENT, NET

30 June 2024	<u>Land</u>	<u>Leasehold improvements</u>	<u>Computers and office equipment</u>	<u>Furniture, fixtures and fittings</u>	<u>Work in progress</u>	<u>Total</u>
<i>Cost</i>						
As at 1 January 2024	12,299,352	9,773,203	50,587,260	1,394,341	2,826,614	76,880,770
Additions during the period	--	--	1,000,761	--	3,504,892	4,505,653
As at 30 June 2024	<u>12,299,352</u>	<u>9,773,203</u>	<u>51,588,021</u>	<u>1,394,341</u>	<u>6,331,506</u>	<u>81,386,423</u>
<i>Accumulated depreciation</i>						
As at 1 January 2024	--	3,489,813	35,058,572	155,744	--	38,704,129
Charge during the period	--	845,099	3,447,545	137,180	--	4,429,824
As at 30 June 2024	--	<u>4,334,912</u>	<u>38,506,117</u>	<u>292,924</u>	--	<u>43,133,953</u>
Net book value as at 30 June 2024	<u>12,299,352</u>	<u>5,438,291</u>	<u>13,081,904</u>	<u>1,101,417</u>	<u>6,331,506</u>	<u>38,252,470</u>
31 December 2023 (Audited)	<u>Land</u>	<u>Leasehold improvements</u>	<u>Computers and office equipment</u>	<u>Furniture, fixtures and fittings</u>	<u>Work in progress</u>	<u>Total</u>
<i>Cost</i>						
As at 1 January 2023	12,299,352	12,856,682	41,831,754	2,173,988	3,343,405	72,505,181
Additions during the year	--	135,171	6,367,480	522,255	2,826,614	9,851,520
Transfers during the year	--	157,259	2,388,026	798,120	(3,343,405)	--
Written off during the year	--	(3,375,909)	--	(2,100,022)	--	(5,475,931)
As at 31 December 2023	<u>12,299,352</u>	<u>9,773,203</u>	<u>50,587,260</u>	<u>1,394,341</u>	<u>2,826,614</u>	<u>76,880,770</u>
<i>Accumulated depreciation</i>						
As at 1 January 2023	--	5,341,724	29,340,309	2,119,339	--	36,801,372
Charge during the year	--	1,523,998	5,718,263	136,427	--	7,378,688
Written off during the year	--	(3,375,909)	--	(2,100,022)	--	(5,475,931)
As at 31 December 2023	--	<u>3,489,813</u>	<u>35,058,572</u>	<u>155,744</u>	--	<u>38,704,129</u>
Net book value as at 31 December 2023	<u>12,299,352</u>	<u>6,283,390</u>	<u>15,528,688</u>	<u>1,238,597</u>	<u>2,826,614</u>	<u>38,176,641</u>

DERAYAH FINANCIAL COMPANY
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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the six-month period ended 30 June 2024 (Unaudited)
Amount in Saudi Arabian Riyal

7 INTANGIBLE ASSETS, NET

Intangible assets comprise of internally developed and externally acquired softwares:

30 June 2024	<u>Work in progress</u>	<u>Softwares</u>	<u>Total</u>
<i>Cost</i>			
As at 1 January 2024	2,719,895	57,774,790	60,494,685
Additions during the period	<u>1,281,508</u>	<u>2,009,322</u>	<u>3,290,830</u>
As at 30 June 2024	4,001,403	59,784,112	63,785,515
<i>Accumulated amortisation</i>			
As at 1 January 2024	--	45,151,081	45,151,081
Charge during the period	<u>--</u>	<u>3,744,233</u>	<u>3,744,233</u>
As at 30 June 2024	--	48,895,314	48,895,314
Net book value as at 30 June 2024	<u>4,001,403</u>	<u>10,888,798</u>	<u>14,890,201</u>
31 December 2023 (Audited)	<u>Work in progress</u>	<u>Softwares</u>	<u>Total</u>
<i>Cost</i>			
As at 1 January 2023	955,379	53,700,596	54,655,975
Additions during the year	2,719,895	3,118,815	5,838,710
Capitalised during the year	<u>(955,379)</u>	<u>955,379</u>	<u>--</u>
As at 31 December 2023	2,719,895	57,774,790	60,494,685
<i>Accumulated amortisation</i>			
As at 1 January 2023	--	41,513,549	41,513,549
Charge during the year	<u>--</u>	<u>3,637,532</u>	<u>3,637,532</u>
As at 31 December 2023	--	45,151,081	45,151,081
Net book value as at 31 December 2023	<u>2,719,895</u>	<u>12,623,709</u>	<u>15,343,604</u>

8 INVESTMENT PROPERTY, NET

30 June 2024	<u>Land</u>	<u>Buildings</u>	<u>Total</u>
<i>Cost</i>			
Additions during the period	<u>22,914,702</u>	<u>51,498,638</u>	<u>74,413,340</u>
As at 30 June 2024	22,914,702	51,498,638	74,413,340
<i>Accumulated depreciation</i>			
Charge during the period	<u>--</u>	<u>504,404</u>	<u>504,404</u>
As at 30 June 2024	--	504,404	504,404
Net book value as at 30 June 2024	<u>22,914,702</u>	<u>50,994,234</u>	<u>73,908,936</u>

The investment property represents residential villas situated in eastern province at Al Azizia District, Al Khobar City held by Derayah Gulf Real Estate Fund.

DERAYAH FINANCIAL COMPANY
(A Saudi Closed Joint Stock Company)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the six-month period ended 30 June 2024 (Unaudited)
Amount in Saudi Arabian Riyal

8 INVESTMENT PROPERTY, NET (CONTINUED)

As at 30 June 2024, the management engaged two appraisers for the valuation of the investment property, whereby, the fair value of the investment property is determined to be SR 74.26 million. Moreover, the Group held no investment property as at 31 December 2023.

9 INVESTMENT IN AN ASSOCIATE

The Company holds 20% equity in Bank D360. The Company has determined that it has significant influence over D360 and has accounted for the investment using the equity method. Below is the movement in the carrying value of investment in an associate.

	30 June 2024	31 December <u>2023</u> (Audited)
Balance at the beginning of the period / year	263,852,000	291,795,800
Share of loss in an associate during the period / year	<u>(26,239,400)</u>	<u>(27,943,800)</u>
Balance at the end of the period / year	<u>237,612,600</u>	<u>263,852,000</u>

10 INVESTMENTS AT AMORTISED COST, NET

	30 June 2024	31 December <u>2023</u> (Audited)
Investment at amortized cost (note 10.1)	53,499,527	30,244,310
Allowance for expected credit losses	<u>(6,242)</u>	<u>(9,625)</u>
	<u>53,493,285</u>	<u>30,234,685</u>

10.1 The breakup of the investment is as follows:

	<u>Maturity date</u>	30 June 2024	31 December <u>2023</u> (Audited)
Kingdom of Saudi Arabia Sukuk 06-10-2018	23 January 2024	--	2,503,355
Kingdom of Saudi Arabia Sukuk 05-07-2018	26 July 2024	2,500,387	2,503,219
Kingdom of Saudi Arabia Sukuk 05-10-2019	23 March 2025	5,027,400	5,038,463
Banque Saudi Fransi Tier 1 Sukuk	03 May 2026	2,000,000	2,000,000
Kingdom of Saudi Arabia Sukuk 10-10-2019	23 March 2030	8,679,191	--
Saudi Awwal Bank Tier II Sukuk	22 July 2030	5,000,000	5,000,000
Kingdom of Saudi Arabia Sukuk 10-06-2021	17 June 2031	8,501,582	--
Kingdom of Saudi Arabia Sukuk 08-08-2023	17 August 2031	3,739,030	3,736,918
Kingdom of Saudi Arabia Sukuk 10-03-2022	17 March 2032	8,583,556	--
Kingdom of Saudi Arabia Sukuk 09-08-2023	17 August 2032	1,996,291	1,995,953
Kingdom of Saudi Arabia Sukuk 10-08-2023	17 August 2033	3,738,317	3,736,405
Kingdom of Saudi Arabia Sukuk 30-04-2019	24 April 2049	3,733,773	3,729,997
		<u>53,499,527</u>	<u>30,244,310</u>

The sukuk are earning commission income at profit rates ranging from 1.64% to 4.64% per annum.

Sukuk with maturity date of less than 12 months	7,527,787	5,004,980
Sukuk with maturity date after 12 months	45,965,498	25,229,705
	53,493,285	30,234,685

DERAYAH FINANCIAL COMPANY
(A Saudi Closed Joint Stock Company)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the six-month period ended 30 June 2024 (Unaudited)
Amount in Saudi Arabian Riyal

11 INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

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

	<u>Cost</u>	<u>30 June 2024 Unrealised Gain</u>	<u>Fair Value</u>
Equity securities (note 11.1)	17,392,619	651,587	18,044,206
Total current investments at FVTPL	17,392,619	651,587	18,044,206
Equity funds	48,544,110	6,093,460	54,637,570
Corporate sukuks (note 11.2)	42,186,490	--	42,186,490
Money market funds	138,889,205	2,937,129	141,826,334
Equity securities (note 11.3)	27,001,400	--	27,001,400
Venture capital and private equity funds	12,888,922	1,266,957	14,155,879
Real estate funds	1,289,161	145,667	1,434,828
Total non-current investments at FVTPL	270,799,288	10,443,213	281,242,501
Total investments at FVTPL	288,191,907	11,094,800	299,286,707

31 December 2023 (Audited)

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

- 11.1 The Company's managed unlisted Derayah Healthcare Fund has been liquidated and the underlying investment of the Fund, equity shares in Czech Rehabilitation Center ("investee"), transferred to the Unitholders in the agreed ratio. The Company has recorded full impairment against the investment.
- 11.2 The sukuks are earning commission income at profit rates ranging from 4.00% to 7.57% (31 December 2023: 4.00% to 7.57%) per annum
- 11.3 This includes investment of SR 15 million made by the Company in BwaTech (a related party).

DERAYAH FINANCIAL COMPANY
(A Saudi Closed Joint Stock Company)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the six-month period ended 30 June 2024 (Unaudited)
Amount in Saudi Arabian Riyal

12 INVESTMENT AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	<u>Cost</u>	<u>Unrealised Gain / (Loss)</u>	<u>Fair Value</u>
30 June 2024			
REIT fund	21,421,612	(5,141,187)	16,280,425
	<u>21,421,612</u>	<u>(5,141,187)</u>	<u>16,280,425</u>
31 December 2023 (Audited)			
REIT fund	26,277,177	(4,855,565)	21,421,612
	<u>26,277,177</u>	<u>(4,855,565)</u>	<u>21,421,612</u>

12.1 Investments in REIT fund represents 2,596,559 units (31 December 2023: 2,596,559 units) in the Company's managed listed Derayah REIT Fund (a related party).

13 MARGIN CLIENT RECEIVABLES, NET

	30 June 2024	31 December 2023 (Audited)
Margin client receivables	66,000,000	77,339,655
Allowance for expected credit losses (note 13.1)	(17,196)	(2,021,925)
	<u>65,982,804</u>	<u>75,317,730</u>

13.1 This includes Nil (31 December 2023: SR 1,402,500) held against certain customers.

14 OTHER CURRENT FINANCIAL ASSETS

	30 June 2024	31 December 2023 (Audited)
Muqassa deposit (note 14.1)	207,701,930	231,436,414
Accrued brokerage fees	57,731,814	61,085,066
Other receivables	32,808,734	27,012,074
Employees loans and advances	4,051,633	5,060,449
Allowance for expected credit losses	(36,805)	(42,772)
	<u>302,257,306</u>	<u>324,551,231</u>

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

15 CASH AND CASH EQUIVALENTS, NET

	30 June 2024	31 December 2023 (Audited)
Cash at banks current accounts, gross	50,860,173	20,891,009
Allowance for expected credit losses	(6,361)	(2,778)
Cash at banks current accounts, net	<u>50,853,812</u>	<u>20,888,231</u>

DERAYAH FINANCIAL COMPANY
(A Saudi Closed Joint Stock Company)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the six-month period ended 30 June 2024 (Unaudited)
Amount in Saudi Arabian Riyal

16 RELATED PARTY TRANSACTIONS AND BALANCES

Related parties represent shareholders, directors and key management personnel of the Company, Funds under the Company's management and entities controlled or significantly influenced by such parties.

<i>Transactions during the period</i>		30 June	30 June
<u>Name of related party</u>	<u>Nature of transaction</u>	<u>2024</u>	<u>2023</u>
Derayah REIT Fund	<i>Receipts</i>	2,294,633	5,564,455
Derayah REIT Fund	<i>Management fees</i>	3,650,094	4,427,604
Derayah REIT Fund	<i>Payment on the behalf of the Fund</i>	535,485	1,874,055
Derayah REIT Fund	<i>Dividend</i>	476,034	676,846
Derayah Real Estate Income Fund II	<i>Receipts</i>	--	1,551,453
Derayah Real Estate Income Fund III	<i>Receipts</i>	4,479,825	2,258,323
Derayah Real Estate Income Fund III	<i>Management fees</i>	1,484,644	2,531,884
Derayah Trade Finance Fund SAR	<i>Receipts</i>	17,508,871	15,728,567
Derayah Trade Finance Fund SAR	<i>Management fees and brokerage commission</i>	17,508,871	15,728,567
Derayah Trade Finance Fund USD	<i>Receipts</i>	1,577,103	1,627,752
Derayah Trade Finance Fund USD	<i>Management fees</i>	1,577,103	1,334,591
Derayah Trade Finance Fund USD	<i>Payment on the behalf of the Fund</i>	--	7,211
Derayah Asia Venture Capital Fund	<i>Receipts</i>	3,250,417	--
Derayah Asia Venture Capital Fund	<i>Management fees</i>	--	276,062
Derayah Venture Capital Fund	<i>Receipts</i>	2,427,603	1,000,027
Derayah Venture Capital Fund	<i>Management fees</i>	741,276	1,000,026
Derayah Venture Capital Fund	<i>Payment on the behalf of the Fund</i>	--	20,669
Derayah Venture Capital Fund	<i>Loan disbursed to the Fund</i>	--	--
Derayah Private Fund 10	<i>Receipts</i>	260,835	358,251
Derayah Private Fund 10	<i>Management fees</i>	260,835	312,926
Derayah Freestyle Saudi Equity Fund	<i>Receipts</i>	17,123,115	2,199,709
Derayah Freestyle Saudi Equity Fund	<i>Management fees</i>	9,889,422	2,054,648
Derayah Freestyle Saudi Equity Fund	<i>Subscription fees</i>	7,213,693	--
Derayah Freestyle Saudi Equity Fund	<i>Payment on the behalf of the Fund</i>	20,000	12,500
Derayah Private Fund 20	<i>Receipts</i>	83,402	503,907
Derayah Private Fund 20	<i>Management fees</i>	83,402	435,666

DERAYAH FINANCIAL COMPANY
(A Saudi Closed Joint Stock Company)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the six-month period ended 30 June 2024 (Unaudited)
Amount in Saudi Arabian Riyal

16 RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

<i>Transactions during the period</i>		30 June	30 June
<u>Name of related party</u>	<u>Nature of transaction</u>	<u>2024</u>	<u>2023</u>
Derayah GCC Fund	<i>Receipts</i>	1,575,186	542,949
Derayah GCC Fund	<i>Management fees</i>	1,157,981	471,740
Derayah GCC Fund	<i>Subscription fees</i>	417,205	--
Derayah Global Venture Capital Fund	<i>Receipts</i>	5,987,436	--
Derayah Global Venture Capital Fund	<i>Management fees</i>	1,345,512	1,676,205
Derayah Global Venture Capital Fund	<i>Payment on the behalf of the Fund</i>	--	150,028
Derayah Private Equity Fund	<i>Receipts</i>	3,623,030	3,623,030
Derayah Private Equity Fund	<i>Management fees</i>	1,837,766	1,984,096
Derayah Private Equity Fund	<i>Payment on the behalf of the Fund</i>	61,753	--
Derayah Retail Fund	<i>Receipts</i>	2,474,442	1,193,756
Derayah Retail Fund	<i>Management fees</i>	845,694	976,488
Durat Al Khalij Real Estate Fund	<i>Receipts</i>	11,860,820	--
Derayah Private Fund 25	<i>Receipts</i>	118,782	76,163
Derayah Private Fund 25	<i>Management fees</i>	118,782	68,441
Derayah Private Fund 15	<i>Receipts</i>	79,310	80,021
Derayah Private Fund 15	<i>Management fees</i>	79,310	71,099
Derayah Private Fund 30	<i>Receipts</i>	127,605	160,947
Derayah Private Fund 30	<i>Management fees</i>	127,605	160,947
Derayah Wadi Masharee Fund	<i>Transaction fees</i>	--	2,000,000
Derayah Wadi Masharee Fund	<i>Financing fees</i>	--	1,175,000
Al Waha Real Estate Fund	<i>Payment on the behalf of the Fund</i>	31,500	484,010
Derayah Saudi Equity Fund	<i>Receipts</i>	6,517,168	--
Derayah Saudi Equity Fund	<i>Management fees</i>	2,501,852	--
Derayah Saudi Equity Fund	<i>Subscription fees</i>	4,015,316	--
Derayah Saudi Equity Fund	<i>Payment on the behalf of the Fund</i>	4,663	--
Derayah Sukuk Fund	<i>Receipts</i>	548,905	--
Derayah Sukuk Fund	<i>Management fees</i>	302,759	--
Derayah Sukuk Fund	<i>Subscription fees</i>	246,146	--

DERAYAH FINANCIAL COMPANY
(A Saudi Closed Joint Stock Company)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the six-month period ended 30 June 2024 (Unaudited)
Amount in Saudi Arabian Riyal

16 RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

<i>Transactions during the period</i>		30 June	30 June
<u><i>Name of related party</i></u>	<u><i>Nature of transaction</i></u>	<u>2024</u>	<u>2023</u>
Derayah Private Fund 35	<i>Receipts</i>	137,014	--
Derayah Private Fund 35	<i>Management fees</i>	137,014	--
Derayah Private Fund 40	<i>Receipts</i>	169,563	--
Derayah Private Fund 40	<i>Management fees</i>	169,563	--
Derayah Credit Fund	<i>Payment on the behalf of the Fund</i>	35,891	--
Tawafuq Real Estate Fund	<i>Payment on the behalf of the Fund</i>	85,000	--

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

	For the six-month period ended	
	30 June	31 June
	<u>2024</u>	<u>2023</u>
Salaries and employee related benefits	5,506,428	4,183,803

Balances resulting from transactions with related parties are as follow:

	30 June	31 December
	<u>2024</u>	<u>2023</u>
		(Audited)
<i>Due from related parties, net</i>		
Due from related parties	22,085,574	47,357,867
Allowance for expected credit losses	(3,103)	(6,539)
	<u>22,082,471</u>	<u>47,351,328</u>

DERAYAH FINANCIAL COMPANY
(A Saudi Closed Joint Stock Company)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the six-month period ended 30 June 2024 (Unaudited)
Amount in Saudi Arabian Riyal

16 RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

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

<u>Name of related party</u>	<u>Nature of Balance</u>	30 June 2024	31 December 2023 (Audited)
Derayah REIT Fund	Management fee receivable	8,950,868	6,583,887
Wadi Masharee Real Estate Fund	Management fee receivable	5,577,500	5,577,500
Derayah Global Venture Capital Fund	Management fee receivable	2,372,978	7,014,901
Derayah Private Equity Fund	Management fee receivable	1,865,413	3,588,925
Derayah Real Estate Income Fund III	Management fee receivable	1,715,732	4,710,913
Al Waha Real Estate Fund	Due from related party	570,510	539,010
Derayah Retail Fund	Management fee receivable	428,959	2,057,707
Derayah Venture Capital Fund	Management fee receivable	281,094	1,967,420
Derayah Credit Fund	Due from related party	107,697	71,806
Tawafuq Real Estate Fund	Due from related party	91,563	6,563
Derayah Private Fund 15	Due from related party	56,884	56,884
Derayah GCC Fund	Due from related party	23,251	23,250
Derayah Freestyle Saudi Equity Fund	Due from related party	20,000	20,000
Alremal Real Estate Fund	Due from related party	11,253	11,253
Derayah Trade Finance Fund USD	Due from related party	7,211	7,210
Derayah Saudi Equity Fund	Due from related party	4,663	--
Derayah Asia Venture Capital Fund	Management fee receivable	--	3,250,418
Derayah Gulf Real Estate Fund	Due from related party	--	9,400
Durat Al Khalij Real Estate Fund	Management fee receivable	--	11,860,820
		22,085,574	47,357,867

During the period, real estate assets of Durat Al Khalij Fund, a Fund managed by Derayah amounting to SR 70 million have been sold to Derayah Gulf Real Estate Fund. Post the disposal of aforementioned assets, Durat Al Khalij Fund has been liquidated in March 2024.

17 ACCRUED EXPENSES AND OTHER PAYABLES

	30 June 2024	31 December 2023 (Audited)
Accrued expenses and other payables	36,351,937	27,339,666
Bonus payable	25,098,381	39,000,001
Commission payable	15,275,954	8,475,738
VAT payable	9,492,194	9,836,327
Accrued salaries and employee benefits	4,024,756	3,056,896
Current portion of lease liability	2,493,613	1,938,771
GOSI Payable	800,643	640,297
	93,537,478	90,287,696

DERAYAH FINANCIAL COMPANY
(A Saudi Closed Joint Stock Company)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the six-month period ended 30 June 2024 (Unaudited)
Amount in Saudi Arabian Riyal

18 ZAKAT PAYABLE

	30 June 2024	31 December 2023 (Audited)
At the beginning of the period / year	24,143,322	21,295,229
Zakat charge for the period / year	6,000,000	18,242,210
Paid during the period / year	<u>(10,913,964)</u>	<u>(15,394,117)</u>
	<u>19,229,358</u>	<u>24,143,322</u>

The Group is subject to Zakat in accordance with the regulations of the Zakat, Tax and Custom Authority (“ZATCA”). Zakat declaration for all the years up to 2023 have been filed with the ZATCA and acknowledgement certificates have been obtained.

During the period ended 30 June 2024, the Company settled the assessment for the years 2019 – 2021. Provision, amounting to SR 9 million, maintained by the Company against these assessment has accordingly been reversed. Except as mentioned above, there has been no change in the status of the Company’s zakat assessments from the status disclosed in the annual financial statements of the Company for the year ended 31 December 2023.

19 SHARE CAPITAL

	30 June 2024	31 December 2023 (Audited)
Ordinary share capital (SR 10 per share)	<u>162,290,130</u>	<u>162,290,130</u>

Share capital of SR 162 million (31 December 2023: SR 162 million) is divided into 16,229,013 shares (31 December 2023: 16,229,013 shares) of SR 10 each, which is wholly paid.

20 REVENUE FROM CONTRACTS WITH CUSTOMERS

20.1 Disaggregated revenue information

	For the six-month period ended 30 June 2024		
	Brokerage Fees	Asset Management	Total
Timing of revenue recognition			
Services rendered at a point in time	241,870,535	--	241,870,535
Services rendered over a period of time	--	69,964,711	69,964,711
Total revenue from contracts with customers	<u>241,870,535</u>	<u>69,964,711</u>	<u>311,835,246</u>
	For the six-month period ended 30 June 2023		
	Brokerage Fees	Asset Management	Total
Timing of revenue recognition			
Services rendered at a point in time	170,366,392	--	170,366,392
Services rendered over a period of time	--	29,542,945	29,542,945
Total revenue from contracts with customers	<u>170,366,392</u>	<u>29,542,945</u>	<u>199,909,337</u>

DERAYAH FINANCIAL COMPANY
(A Saudi Closed Joint Stock Company)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the six-month period ended 30 June 2024 (Unaudited)
Amount in Saudi Arabian Riyal

20 REVENUE FROM CONTRACTS WITH CUSTOMERS (CONTINUED)

20.2 Performance obligations

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

Brokerage services:

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

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

Asset management services:

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

Geographical distribution

The Group generates all its revenue from the Kingdom of Saudi Arabia.

21 SPECIAL COMMISSION INCOME

	For the six-month period ended	
	30 June	30 June
	2024	2023
Special commission income earned from:		
- Financial institutions	106,848,498	56,733,804
- Investments	1,857,309	643,597
	108,705,807	57,377,401

22 GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS, NET

	For the six-month period ended	
	30 June	30 June
	2024	2023
Unrealised gain on investments at fair value through profit or loss, net	11,094,800	8,047,636
Realised gain / (loss) on investments at fair value through profit or loss, net	2,085,143	(276,205)
	13,179,943	7,771,431

DERAYAH FINANCIAL COMPANY
(A Saudi Closed Joint Stock Company)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the six-month period ended 30 June 2024 (Unaudited)
Amount in Saudi Arabian Riyal

23 SALARIES AND EMPLOYEE' RELATED EXPENSES

	For the six-month period ended	
	30 June	30 June
	<u>2024</u>	<u>2023</u>
Salaries and employee related expenses	70,895,771	56,839,303
GOSI expense	2,442,688	2,311,479
End of service benefit	1,801,062	1,811,167
	<u>75,139,521</u>	<u>60,961,949</u>

24 GENERAL AND ADMINISTRATIVE EXPENSES

	For the six-month period ended	
	30 June	30 June
	<u>2024</u>	<u>2023</u>
Professional expenses	37,935,197	14,547,015
Commission expense	22,000,000	9,695,092
IT expenses	12,749,676	9,353,258
Depreciation	6,026,970	5,058,076
Amortisation	3,744,233	2,310,436
Finance charges	3,438,474	1,586,217
Utilities	3,083,664	3,344,601
Office maintenance	2,252,355	1,236,408
Office expenses	1,390,894	1,486,873
Tax and other expenses	8,916,761	1,038,967
	<u>101,538,224</u>	<u>49,656,943</u>

25 OTHER INCOME, NET

	For the six-month period ended	
	30 June	30 June
	<u>2024</u>	<u>2023</u>
Foreign exchange gains, net	5,108,274	3,392,884
Price Streamer Fees & Advisory	398,599	306,968
	<u>5,506,873</u>	<u>3,699,852</u>

DERAYAH FINANCIAL COMPANY
(A Saudi Closed Joint Stock Company)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the six-month period ended 30 June 2024 (Unaudited)
Amount in Saudi Arabian Riyal

26 EARNINGS PER SHARE

The calculation of basic earnings per share has been based on the profit attributable to ordinary shareholders and weighted-average number of ordinary shares outstanding. The calculation of diluted earnings per share has been based on the following profit attributable to ordinary shareholders and weighted-average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares.

	For the six-month period ended	
	30 June 2024	30 June 2023
Income for the period	228,009,238	134,003,838
Weighted average number of ordinary shares	16,229,013	16,229,013
Basic and diluted income per share	14.05	8.26

27 FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Set out below is an overview of financial assets, held by the Company as at 30 June 2024 and 31 December 2023.

	30 June 2024	31 December 2023 (Audited)
Financial assets at amortised cost		
Cash and cash equivalents, net	50,853,812	20,888,231
Investment at amortised cost, net	53,493,285	30,234,685
Due from related parties, net	22,082,471	47,351,328
Margin client receivables, net	65,982,804	75,317,730
Other current financial assets	302,257,306	324,551,231
Financial assets at fair value through other comprehensive income		
Investment in a REIT fund	16,280,425	21,421,612
Financial assets at fair value through profit or loss		
Real estate funds	1,434,828	26,967,499
Venture capital and private equity funds	14,155,879	13,712,303
Equity securities	45,045,606	27,122,564
Equity funds	54,637,570	46,506,214
Corporate sukuks	42,186,490	42,186,490
Money market funds	141,826,334	35,012,205
Investment in an associate	237,612,600	263,852,000
Total financial assets	1,047,849,410	975,124,092
Total current	581,101,024	499,035,123
Total non-current	466,748,386	476,088,969
	1,047,849,410	826,024,405

DERAYAH FINANCIAL COMPANY
(A Saudi Closed Joint Stock Company)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the six-month period ended 30 June 2024 (Unaudited)
Amount in Saudi Arabian Riyal

27 FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

Set out below is an overview of financial liabilities held by the Group as at 30 June 2024 and 31 December 2023.

	30 June 2024	31 December 2023 (Audited)
Financial liabilities at amortised cost		
Accrued expenses and other payables	81,551,671	77,872,301
Lease liabilities	5,878,246	5,159,705
Total financial liabilities	87,429,917	83,032,006
Total current liabilities	84,045,284	79,811,072
Total non-current liabilities	3,384,633	3,220,934
	87,429,917	83,032,006

28 FAIR VALUE HIERARCHY

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

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

Level 2 Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The following table provides the fair value measurement hierarchy of the Group's financial assets as at 30 June 2024 and 31 December 2023. There are no financial liabilities measured at fair value.

	<u>Total</u>	<u>(Level 1)</u>	<u>(Level 2)</u>	<u>(Level 3)</u>
As at 30 June 2024				
Financial assets measured at fair value				
Investments at FVTPL	299,286,707	22,610,697	249,674,610	27,001,400
Investments at FVOCI	16,280,425	16,280,425	--	--
As at 31 December 2023 (Audited)				
Financial assets measured at fair value				
Investment at FVTPL	191,507,275	51,162,663	113,343,212	27,001,400
Investment at FVOCI	21,421,612	21,421,612	--	--

There were no transfers between levels during the period / year ended 30 June 2024 and 31 December 2023.

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

DERAYAH FINANCIAL COMPANY
(A Saudi Closed Joint Stock Company)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the six-month period ended 30 June 2024 (Unaudited)
Amount in Saudi Arabian Riyal

28 FAIR VALUE HIERARCHY (CONTINUED)

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

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

Moreover, during the period, there is no movement in investments classified under Level 3.

29 SEGMENT REPORTING

The Group is organised into the following segments:

Brokerage

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

Asset Management

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

Murabaha

Special commission income from Murabaha.

Investment

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

Advisory

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

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

30 June 2024	<u>Brokerage</u>	<u>Asset management</u>	<u>Murabaha</u>	<u>Investment</u>	<u>Advisory</u>	<u>Total</u>
Total assets	355,839,422	102,931,936	104,347,097	627,088,668	--	1,190,207,123
Total liabilities	42,027,962	12,157,223	12,324,368	74,065,034	88,253,575	228,828,162
Total operating income	241,870,535	69,964,711	108,705,807	13,655,977	--	434,197,030
Other income, net Operating	4,360,758	1,146,115	--	--	--	5,506,873
expenses	(53,336,978)	(15,428,528)	(15,640,647)	(93,994,686)	(1,054,426)	(179,455,265)
Share of loss in an associate	--	--	--	(26,239,400)	--	(26,239,400)
Net income / (loss) before zakat	192,894,315	55,682,298	93,065,160	(106,578,109)	(1,054,426)	234,009,238

DERAYAH FINANCIAL COMPANY
(A Saudi Closed Joint Stock Company)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the six-month period ended 30 June 2024 (Unaudited)
Amount in Saudi Arabian Riyal

29 SEGMENT REPORTING (CONTINUED)

31 December 2023 (Audited)	<u>Brokerage</u>	Asset <u>management</u>	<u>Murabaha</u>	<u>Investment</u>	<u>Advisory</u>	<u>Total</u>
Total assets	424,796,450	89,063,798	51,122,916	476,780,887	--	1,041,764,051
Total liabilities	58,155,675	12,193,052	6,998,853	65,272,472	87,335,891	229,955,943
30 June 2023	<u>Brokerage</u>	Asset <u>management</u>	<u>Murabaha</u>	<u>Investment</u>	<u>Advisory</u>	<u>Total</u>
Total operating income	170,366,392	29,542,945	57,377,401	8,448,277	--	265,735,015
Other income	3,392,884	306,968	--	--	--	3,699,852
Operating expenses, net	(19,115,319)	(3,314,755)	(28,596,887)	(61,163,930)	(801,643)	(112,992,534)
Share of loss in an associate	--	--	--	(13,133,200)	--	(13,133,200)
Net income before zakat	154,643,957	26,535,158	28,780,514	(65,848,853)	(801,643)	143,309,133

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

	30 June 2024	30 June 2023
Total operating income	434,197,030	265,735,015
Adjustment for:		
- <i>Special commission income</i>	(108,705,807)	(57,377,401)
- <i>Net gain on financial assets at fair value through profit or loss</i>	(13,179,943)	(7,771,431)
- <i>Dividend income</i>	(476,034)	(676,846)
Revenue from contract with customers	<u>311,835,246</u>	<u>199,909,337</u>

30 CAPITAL COMMITMENTS AND CONTINGENCIES

The contingent liabilities against letter of guarantees as at 30 June 2024 amount to SAR 29.38 million (31 December 2023: SAR 29.38 million).

31 CAPITAL REGULATORY REQUIREMENTS AND CAPITAL ADEQUACY MODEL

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

	30 June 2024	31 December 2023 (Audited)
	SAR (000)	SAR (000)
Capital base:		
Tier 1 Capital	943,140	793,763
Tier 2 Capital	--	--
Total Capital base	<u>943,140</u>	<u>793,763</u>

DERAYAH FINANCIAL COMPANY
(A Saudi Closed Joint Stock Company)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the six-month period ended 30 June 2024 (Unaudited)
Amount in Saudi Arabian Riyal

**31 CAPITAL REGULATORY REQUIREMENTS AND CAPITAL ADEQUACY MODEL
(CONTINUED)**

	30 June 2024	31 December 2023 (Audited)
Minimum capital requirement:		
Credit risk	1,972,625	1,718,710
Market risk	53,254	14,101
Operational risk	1,161,167	1,161,167
Concentration risk	18,276	654,111
Total minimum capital required	<u>3,205,322</u>	<u>3,548,089</u>
Surplus in the Capital	<u>686,714</u>	<u>509,916</u>

32 SUBSEQUENT EVENTS

On 7 July 2024, the shareholders of the Company passed a resolutions increasing the share capital of the Company from SR 162,290,130 to SR 499,470,390 by issuing 33,718,026 shares through Capitalisation of retained earnings amounting to SR 337,180,260. Additionally, the par value of the Company's Shares has also been approved to be SR 2 per share from the current par value of SR 10 per share.

Except these, there have been no significant subsequent events that would have a material impact on the financial position or financial performance of the Company as reflected in these condensed consolidated interim financial statements.

33 APPROVAL OF THESE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

The condensed consolidated interim financial statements were approved by the Board of Directors on 14 Safar 1446H (corresponding to 18 August 2024).