BNP PARIBAS INVESTMENT COMPANY KSA

(A Saudi Closed Joint Stock Company)

FINANCIAL STATEMENTS
FOR THE PERIOD FROM NOVEMBER 15, 2017 TO DECEMBER 31, 2018 AND
INDEPENDENT AUDITOR'S REPORT

BNP PARIBAS INVESTMENT COMPANY KSA
(A Saudi Closed Joint Stock Company)
Financial statements
For the for the period from November 15, 2017 to December 31, 2018

Independent auditor's report to the shareholders of BNP Paribas Investment Company KSA

Report on the audit of the financial statements

Our opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of BNP Paribas Investment Company KSA (the "Company") as at December 31, 2018, and its financial performance and its cash flows for the period from November 15, 2017 to December 31, 2018 in accordance with International Financial Reporting Standards, that are endorsed in the Kingdom of Saudi Arabia, and other standards and pronouncements issued by the Saudi Organization for Certified Public Accountants (SOCPA).

What we have audited

The Company's financial statements comprise:

- the statement of financial position as at December 31, 2018;
- the statement of income and comprehensive income for the period from November 15, 2017 to December 31, 2018;
- the statement of changes in shareholders' equity for the period from November 15, 2017 to December 31, 2018;
- the statement of cash flows for the period from November 15, 2017 to December 31, 2018; and
- the notes to the financial statements for period from November 15, 2017 to December 31, 2018, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing, that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the code of professional conduct and ethics, as 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 these requirements.

Emphasis of matters

We draw attention to note 1 to the financial statements which explains that the Company was converted from a limited liability company to a Saudi closed joint stock company effective Safar 26, 1439H (corresponding to November 15, 2017). Accordingly, the accompanying financial statements have been prepared for the period from November 15, 2017, to December 31, 2018, which represents the Company's first fiscal period as a Closed Joint Stock Company. Our opinion is not modified in respect of this matter.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA, and 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.

Independent auditor's report to the shareholders of BNP Paribas Investment Company KSA (continued)

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

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 are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing, that are endorsed in the Kingdom of Saudi Arabia, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in 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 International Standards on Auditing, that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgment 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, we are required to draw attention in our auditor's report to the related disclosures in the consolidated 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.

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.

PricewaterhouseCoopers

Bader I. Benmohareb
License Number 471

March 27, 2019

BNP PARIBAS INVESTMENT COMPANY KSA
(A Saudi Closed Joint Stock Company)
Statement of financial position
(All amounts in Saudi Riyals unless otherwise stated)

	Notes	As at December 31, 2018	As at November 14, 2017	As at January 1, 2017
Assets				
Current assets				
Cash and cash equivalents	4	**76,324,439**	71,450,482	74,927,119
Accounts receivable		**-**	1,992,684	490,207
Prepayments and other receivables	5	**679,611**	489,185	7,050,010
Income tax receivable	8.2	**-**	616,871	-
Total current assets		**77,004,050**	74,549,222	82,467,336
Non-current asset				
Property and equipment	6	**824,579**	978,563	1,091,782
Total assets		**77,828,629**	75,527,785	83,559,118
Liabilities and shareholders' equity				
Liabilities				
Current liabilities				
Accrued and other current liabilities	7	**2,733,908**	3,678,212	4,156,074
Income tax provision	8.2	**23,284**	-	253,894
Total current liabilities		**2,757,192**	3,678,212	4,409,968
Non-current liability				
Employees' end of service benefits (EOSB)	9	**1,106,259**	677,059	463,196
Total liabilities		**3,863,451**	4,355,271	4,873,164
Shareholders' equity				
Share capital	10	**87,500,000**	87,500,000	87,500,000
Statutory reserve	11	**101,094**	101,094	101,094
Remeasurement reserve for employees' EOSB		**583,317**	993,317	1,115,317
Accumulated losses		**(14,219,233)**	(17,421,897)	(10,030,457)
Net shareholders' equity		**73,965,178**	71,172,514	78,685,954
Total liabilities and shareholders' equity		**77,828,629**	75,527,785	83,559,118
Contingencies and commitments	12	**-**	-	-

The accompanying notes from 1 to 19 form an integral part of these financial statements.

Ammar Pharaon
Chief Executive Officer

BNP PARIBAS INVESTMENT COMPANY KSA
(A Saudi Closed Joint Stock Company)
Statement of income and other comprehensive income
(All amounts in Saudi Riyals unless otherwise stated)

	Notes	For the period from November 15, 2017 to December 31, 2018	For the period from January 1, 2017 to November 14, 2017
Revenue			
Advisory services		**11,101,058**	2,941,284
Arranging services		**1,575,000**	-
		12,676,058	2,941,284
Operating expenses			
Salaries and employee related benefits		**(4,813,296)**	(5,423,195)
General and administrative expenses	13	**(5,689,894)**	(4,422,596)
Operating income/(loss)		**2,172,868**	(6,904,507)
Other income			
Special commission income on term deposits	15.1	**1,370,366**	636,711
Non-operating income/(expense)	14 & 15.1	**299,585**	(1,170,912)
Income/(loss) before tax		**3,842,819**	(7,438,708)
Income tax (charge)/reversal	8.2	**(640,155)**	47,268
Net income/(loss) for the period		**3,202,664**	(7,391,440)
Other comprehensive loss			
Items that will not be reclassified to statement of income			
Loss on remeasurements of employees' EOSB	9	**(410,000)**	(122,000)
Other comprehensive loss for the period		**(410,000)**	(122,000)
Total comprehensive income/(loss) for the period		**2,792,664**	(7,513,440)

The accompanying notes from 1 to 19 form an integral part of these financial statements.

Ammar Pharaon
Chief Executive Officer

BNP PARIBAS INVESTMENT COMPANY KSA
(A Saudi Closed Joint Stock Company)
Statement of changes in shareholders' equity
(All amounts in Saudi Riyals unless otherwise stated)

	Note	Share capital	Statutory reserve	Remeasurement reserve for employees' EOSB	Accumulated losses	Total
At November 14, 2017		**87,500,000**	**101,094**	**993,317**	**(17,421,897)**	**71,172,514**
Net income for the period		-	-	-	3,202,664	3,202,664
Other comprehensive loss for the period		-	-	(410,000)	-	(410,000)
Total comprehensive income for the period		-	-	(410,000)	3,202,664	2,792,664
December 31, 2018		**87,500,000**	**101,094**	**583,317**	**(14,219,233)**	**73,965,178**
At January 1, 2017		87,500,000	101,094	-	(10,030,457)	77,570,637
Impact of adopting IFRS	3.1	-	-	1,115,317	-	1,115,317
Restated balance as at January 1, 2017		87,500,000	101,094	1,115,317	(10,030,457)	78,685,954
Net loss for the period		-	-	-	(7,391,440)	(7,391,440)
Other comprehensive loss for the period		-	-	(122,000)	-	(122,000)
Total comprehensive loss for the period		-	-	(122,000)	(7,391,440)	(7,513,440)
At November 14, 2017		87,500,000	101,094	993,317	(17,421,897)	71,172,514

The accompanying notes from 1 to 19 form an integral part of these financial statements.

Ammar Pharaon
Chief Executive Officer

BNP PARIBAS INVESTMENT COMPANY KSA
(A Saudi Closed Joint Stock Company)
Statement of cash flows
(All amounts in Saudi Riyals unless otherwise stated)

	Notes	For the period from November 15, 2017 to December 31, 2018	For the period from January 1, 2017 to November 14, 2017
Cash flow from operating activities			
Income/(loss) before tax		**3,842,819**	(7,438,708)
Adjustments for non-cash charges and other items:			
Depreciation/amortization	6	**162,322**	115,397
Provision for employees' EOSB	9	**189,945**	91,863
Changes in working capital			
Operating assets:			
Accounts receivable		**1,992,684**	(1,502,477)
Prepayments and other receivables		**(190,426)**	6,560,825
Operating liabilities:			
Accrued and other current liabilities		**(944,304)**	(477,862)
Employee termination benefits paid	9	**(170,745)**	-
Income tax paid	8.2	**-**	(823,497)
Net cash generated from operating activities		**4,882,295**	(3,474,459)
Cash flow from investing activity			
Purchase of property and equipment	6	**(8,338)**	(2,178)
Net cash utilized in investing activity		**(8,338)**	(2,178)
Net change in cash and cash equivalents		**4,873,957**	(3,476,637)
Cash and cash equivalents at the beginning of the period		**71,450,482**	74,927,119
Cash and cash equivalents at the end of the period	4	**76,324,439**	71,450,482

The accompanying notes from 1 to 19 form an integral part of these financial statements.

Ammar Pharaon
Chief Executive Officer

1 General information

BNP Paribas Investment Company KSA is a Saudi Closed Joint Stock Company. The Company was registered as a limited liability Company in the Kingdom of Saudi Arabia under Commercial Registration No. 1010270533 issued in Riyadh on Rajab 7, 1430H (corresponding to June 30, 2009) and the Capital Market Authority ("CMA") license No. 13173-37 dated Safar 14, 1435H (corresponding to December 17, 2013).

The Company was converted from a Limited Liability Company to a Closed Joint Stock Company on Safar 26, 1439H (corresponding to November 15, 2017) which is the date of the new commercial registration. As per the new By-laws of the Company, the Company's first fiscal period under legal status of a Closed Joint Stock Company will be from the date of commercial registration as a Closed Joint Stock Company i.e. November 15, 2017 and shall end on December 31 of the following year i.e. December 31, 2018. The Company's statutory financial statements for the subsequent years will be prepared from January 1 to December 31 of each Gregorian year. These financial statements have been prepared for the period from November 15, 2017, to December 31, 2018, and reflect the Company's first fiscal period as a Saudi Closed Joint Stock Company.

The Company's registered office is located at 4th Floor, Al Faisaliah Tower, Riyadh, Kingdom of Saudi Arabia. The Company is a subsidiary of BNP Paribas SA, a company domiciled in France.

The objectives of the Company are to provide corporate finance advisory services, conduct dealing (as a principal, agent and underwriter), managing investment funds, arranging, and custody of securities. However, there were no business activities executed during the period by the Company with reference to some of these licenses.

The accompanying financial statements were authorized for issue by the management of the Company on March 26, 2019.

2 Summary of significant accounting policies

The principal accounting policies applied for the preparation of financial statements of the Company are set out below.

2.1 Basis of compliance

(a) Statement of compliance

These financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") and interpretations issued by the IFRS Interpretations Committee ("IFRS IC") applicable to companies reporting under IFRS. The financial statements comply with IFRS as issued by the International Accounting Standards Board ("IASB") and as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Certified Public Accountants ("SOCPA").

For all periods up to and including the period ended December 31, 2017, the non-listed entities were required to prepare financial statements in accordance with local generally accepted accounting principles as issued by SOCPA. The IFRS framework is applicable for non-listed entities for periods beginning on or after January 1, 2018. However, the Company has early adopted IFRS with effect from November 15, 2017. In preparing the financial statements, the Company's opening statement of financial position was prepared as at January 1, 2017 which is the Company's date of transition to IFRS, in compliance with IFRS 1 "First time adoption of International Financial Reporting Standards" ("IFRS 1") that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA.

Explanations of how the transition to IFRS has affected the reported amounts of statement of financial position of the Company are provided in Note 3.

2.2 Historical cost convention

These financial statements are prepared under the historical cost convention except for employees' end of service benefits (EOSB) carried at present value using actuarial valuation and using accrual basis of accounting.

2.3 Functional and presentation currency

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

2.4 Critical accounting estimates and judgments

The preparation of financial statements in conformity with IFRS requires the use of certain critical estimates and judgments that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the reporting date and the reported amounts of revenue and expenses during the reporting period. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Company makes estimates and judgments concerning the future. The resulting accounting estimates will by definition, seldom equal the related actual results.

The estimate that has a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next twelve months is discussed below:

(a) Employees' end of service benefits (EOSB)

The Company operates a defined benefit plan under the Saudi Arabian Law based on employees' accumulated periods of service at the date of the statement of financial position. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method as per IAS 19 using actuarial assumptions based on market expectations at the date of statement of financial position.

2.5 New and amended standards early adopted by the Company

The Company has early adopted the following standards and amendments for the first time for their annual reporting period commencing November 15, 2017:

- IFRS 9 Financial Instruments
- IFRS 15 Revenue from Contracts with Customers

2.6 Standards issued but not yet effective

Certain new standards and amendments to existing standards have been published and are mandatory for the Company's accounting periods beginning January 1, 2019 or later periods, but have not been early adopted by the Company unless otherwise mentioned. The Company's assessment of the impact of these new standards and interpretations is set out below.

IFRS 16 'Leases'
IFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognizes a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are optional exemptions for short-term leases and leases of low value items. Lessor accounting remains similar to the current standard - i.e. lessors continue to classify lease as finance or operating leases.

IFRS 16 replaces existing leases guidance including IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases - Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

The standard is effective for annual periods beginning on or after January 1, 2019. Early adoption is permitted for entities that apply IFRS 15 Revenue from Contracts with Customers at or before the date of initial application of IFRS 16. The Company has not early adopted IFRS 16 since there are no significant operating lease arrangements at reporting date.

(All amounts in Saudi Riyals unless otherwise stated)

2.7 Cash and cash equivalents

Cash and cash equivalents include bank accounts maintained with BNP Paribas Riyadh Branch and is carried in the statement of financial position at amortised cost. For the purpose of statement of cash flows, cash and cash equivalent include cash in hand and term deposits with original maturity of three months or less on the date of acquisition, if any.

2.8 Accounts receivables

Accounts receivables are amounts due from customers for the services performed in the ordinary course of business. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets. Accounts receivables are recognized initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Subsequent recoveries of amount previously written-off are credited to profit or loss against "General and administrative expenses".

2.9 Financial instruments

2.9.1 Change in accounting policy

The Company has early adopted IFRS 9 'Financial Instruments' as issued by the International Accounting Standards Board (IASB) in July 2014 effective November 15, 2017.

As permitted by the transitional provisions of IFRS 9 and IFRS 1 (Note 3), the Company elected not to restate comparative figures. Based on assessment carried out by the Company, there are no adjustments to the carrying amounts of financial assets and liabilities at the date of transition.

Set out below are disclosures relating to the impact of the adoption of IFRS 9 on the Company. Further details of the specific IFRS 9 accounting policies applied in the current period (as well as the previous SOCPA compliant accounting policies applied in the comparative periods) are described in more detail in notes below.

The measurement category and the carrying amount of financial assets and liabilities in accordance with previous accounting policies under IAS 39 and IFRS 9 as at November 15, 2017 are compared as follows:

	IAS 39		IFRS 9	
	Measurement category	**Carrying amount**	**Measurement category**	**Carrying amount**
Financial assets				
Cash and cash equivalents	Loans and receivables	71,450,482	Amortised cost	71,450,482
Accounts receivable	Loans and receivables	1,992,684	Amortised cost	1,992,684
Other receivables	Loans and receivables	162,533	Amortised cost	162,533
Total financial assets		**73,605,699**		**73,605,699**
Financial liabilities				
Accrued and other current liabilities	Amortised cost	3,678,212	Amortised cost	3,678,212
Total financial liabilities		**3,678,212**		**3,678,212**

There were no changes to the classification and measurement of financial liabilities.

2.9.2 Reconciliation of statement of financial position balances from IAS 39 to IFRS 9

The Company performed a detailed analysis of its business models for managing financial assets and analysis of their cash flow characteristics. Please refer to Note 2.9.3 for more detailed information regarding the new classification requirements of IFRS 9.

(All amounts in Saudi Riyals unless otherwise stated)

The reconciliation between carrying amounts of financial assets as per previous measurement in accordance with IAS 39 and new measurement categories upon transition to IFRS 9 as of November 15, 2017 is as presented below:

	IAS 39 carrying amounts November 15, 2017	**Reclassification**	**Re-measurement**	**IFRS 9 carrying amounts November 15, 2017**
Cash and cash equivalents **(Amortised cost)**	71,450,482	-	-	71,450,482
Accounts receivable **(Amortised cost)**	1,992,684	-	-	1,992,684
Other receivables **(Amortised cost)**	162,533	-	-	162,533

As at November 15, 2017, there were no Expected Credit Loss ("ECL") recognized.

	IAS 39 carrying amounts November 15, 2017	**Reclassification**	**Re-measurement**	**IFRS 9 carrying amounts November 15, 2017**
Accrued and other liabilities **(Amortised cost)**	3,678,212	-	-	3,678,212

2.9.3 Classification and measurement of financial assets

2.9.3.1 Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. The Company records investments on a 'trade date' basis.

At initial recognition, the Company measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability, such as fees and commissions. Immediately after initial recognition, an expected credit loss allowance ("ECL") is recognised for financial assets measured at amortised cost, which results in an impairment charge.

All non-derivative financial liabilities are recognised initially at fair value less any directly attributable transaction costs.

All regular way purchases and sales of financial instruments are recognized and derecognized on the trade date. Regular way purchases or sales are purchases or sales of financial instruments that require delivery of assets within the time frame generally established by regulation or convention in the market place. For financial instruments held at fair value, the Company accounts for any change in fair values between the trade date and the reporting date.

2.9.3.2 Classification and subsequent measurement of financial assets

On initial recognition, the Company classifies its financial assets in the following measurement categories:

- Amortised cost
- Fair value through other comprehensive income (FVOCI)
- Fair value through statement of income (FVSI)

<u>Debt instruments</u>

Debt instruments are those instruments that meet the definition of a financial liability form the issuer's perspective.

Classification and subsequent measurement of debt instruments depend on:

- The Company's business model for managing the asset; and
- The cash flow characteristics of the asset.

The business model reflects how the Company manages the assets in order to generate cash flows. That is, whether the Company's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable (e.g. financial assets are held for trading purposes), then the financial assets are classified as part of 'other' business model and measured at FVSI.

Factors considered by the Company in determining the business model for a group of assets include:

- past experience on how the cash flows for these assets were collected;
- how the asset's performance is internally evaluated and reported to key management personnel;
- how risks are assessed and managed; and
- and how managers are compensated.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Company's original expectations, the Company does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

Securities held for trading, if any, are held principally for the purpose of selling in the near term or are part of a portfolio of financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. These securities are classified in 'other' business model and measured at FVSI.

Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Company assesses whether the financial instruments' cash flows represent solely payment of principal and profit (the "SPPP" test). In making this assessment, the Company considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. profit (or special commission income) includes only consideration for the time value of resources, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at FVSI.

Based on these factors, the Company classifies its debt instruments into one of the following three measurement categories:

Amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent SPPP, and that are not designated at FVSI, are measured at amortised cost. The carrying amount of these assets is adjusted by any expected credit loss allowance recognised and measured as described in Note 2.9.4.

Fair value through statement of income (FVSI)

If debt instrument's cash flows do not represent solely SPPP or if it not held within the held to collect or the held to collect and sell business model, then it is measured at FVSI. A gain or loss on a debt investment measured at FVSI is recognised in the statement of income, within "Net gain / (loss) in investments mandatorily measured at FVSI", in the period in which it arises. A gain or loss from debt instruments that were designated at fair value or which are not held for trading are presented separately from debt investments that are mandatorily measured at fair value through statement of income, within "Net gain / (loss) in investments designated at FVSI".

Fair value through other comprehensive income (FVOCI)

Financial assets that are held for collection of contractual cash flows and for selling the assets, where the assets' cash flows represent solely payments of principal and interest, and that are not designated at FVSI, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses on the instrument's amortised cost which are recognized in statement of income. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to statement of income.

The Company reclassifies debt investments when and only when its business model for managing those assets changes. The reclassification takes place from the start of the first reporting period following the change. Such changes are expected to be very infrequent and none occurred during the period.

Currently, deposit with bank, accounts receivable and other receivables are carried at amortised cost.

Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

The Company subsequently measures all equity investments at FVSI, except where the Company has elected, at initial recognition, to irrevocably designate an equity investment at FVOCI. The Company's policy is to designate equity investments as FVOCI when those investments are held for purposes other than to trade. When this election is used, fair value gains and losses are recognised in other comprehensive income and are not subsequently reclassified to the statement of income, including on disposal. Impairment losses (and reversal of impairment losses) are not reported separately from other changes in fair value.

2.9.4 Impairment of financial assets

The Company assesses on a forward-looking basis the expected credit losses ("ECL") associated with its debt instrument assets carried at amortised cost. The Company recognises a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of resources; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

IFRS 9 outlines a 'three stage' model for impairment based on changes in credit quality since initial recognition as summarised below:

(i) A financial instrument that is not credit-impaired on initial recognition is classified in 'Stage 1' and has its credit risk continuously monitored.
(ii) If a significant increase in credit risk ('SICR') since initial recognition is identified, the financial instrument is moved to 'Stage 2' but is not yet deemed to be credit-impaired.
(iii) If the financial instrument is credit-impaired, the financial instrument is then moved to 'Stage 3'.
(iv) Financial instrument in Stage 1 have their ECL measured at an amount equal to the portion of expected credit losses that result from the default events possible within the next 12 months. Instruments in Stages 2 or 3 have their ECL measured based on expected credit losses on a lifetime basis.
(v) A pervasive concept in measuring ECL in accordance with IFRS 9 is that it should be consider forward-looking information.
(vi) Purchase or originated credit-impaired financial assets are those financial assets that are credit-impaired on initial recognition. Their ECL is always measured on a lifetime basis (Stage 3).

Stage 1: (Initial recognition) 12-month expected credit losses
Stage 2: (Significant increase in credit risk since initial recognition) Lifetime expected credit losses
Stage 3: (Credit impaired assets) Lifetime expected credit losses

The financial assets of the Company, which are subjected to ECL review include bank balances, accounts receivable and other receivables.

The impact of ECL on the financial assets of the Company is immaterial.

A significant exposure of the Company is held as placement with the Bank which has a sound credit rating as at the reporting date and the Company considers that it has low credit risk. The rating of the Bank as at December 31, 2018 was "A-1" as per Standard and Poor's (S&P).

2.9.4.1 Stages of Impairment under IFRS 9

The impairment approach of IFRS 9 provides a framework for Expected Credit Losses (ECL) where in, the assets have to be segmented into three stages. The three stages reflect the general pattern of credit deterioration of a financial asset. The three stages differ in terms of recognition of expected credit losses and the presentation of interest revenue.

Stage 1 - Performing financial assets

Stage 1 assets are assessed based on Company's existing credit risk management standards for acceptable credit quality. Overall, the financial assets falling under this category have the following characteristics at minimum:

- Adequate capacity to meet its contractual cash flow obligations in the near term; and
- Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability to fulfil its obligations.

Stage 2 - Financial Assets with significant increase in credit risk

These are financial assets whose credit quality has deteriorated significantly since origination but do not have objective evidence of impairment.

Stage 3 - Credit impaired financial assets

Financial assets classified under this category have exceeded either the objective thresholds set by the Company or have been subjectively considered as obligors which lack a capacity to repay their contractual obligations, on a timely basis.

The nature of customers identified in this category is similar to the previous obligors that were classified as "defaulted" based on objective evidence of impairment. The Company considers "Default" event when the obligor is unlikely to pay for its credit obligations in full, without recourse by the Company to the actions such as realizing security (if held).

2.9.5 Financial liabilities

All financial liabilities are initially recognized at fair value less transaction costs except for financial liabilities measured at FVSI where transactions cost, if any, are not deducted from the fair value measurement at initial recognition, and are included in the statement of income.

Subsequently, all special commission bearing financial liabilities other than those held at FVSI are measured at amortized cost. Amortized cost is calculated by taking into account any discount or premium on settlement.

2.9.6 Fair valuation of financial instruments

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

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

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits from the asset's highest and best use or by selling it to another market participant that would utilize the asset in its highest and best use.

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.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy. This is described, as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- 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

2.9.7 Derecognition of financial instruments

A financial asset is derecognized, when the contractual rights to the cash flows from the financial asset expire or the asset is transferred and the transfer qualifies for de-recognition. In instances where the Company is assessed to have transferred a financial asset, the asset is derecognized if the Company has transferred substantially all the risks and rewards of ownership. Where the Company has neither transferred nor retained substantially all the risks and rewards of ownership, the financial asset is derecognized only if the Company has not retained control of the financial asset. The Company recognizes separately as assets or liabilities any rights and obligations created or retained in the process.

A financial liability is derecognized only when it is extinguished, that is when the obligation specified in the contract is either discharged, cancelled or expires

2.9.8 Offsetting of financial instruments

Financial assets and financial liabilities are offset with the net amount reported in the statement of financial position only if there is an enforceable legal right to offset the recognized amounts and an intent to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

2.10 Property and equipment

Property and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation is calculated on property and equipment so as to allocate its cost, less estimated residual value, on a straight line basis over the estimated useful lives of the assets.

Depreciation is charged to the statement of income over the following estimated economic useful lives:

	Number of years
Office equipment	4
Furniture and fixtures	10
Software	3-8

Full month depreciation/amortization is charged in the month of addition while no depreciation/amortization is charged in the month of disposal.

Gains and losses on disposals are determined by comparing proceeds with carrying amounts and are included in the statement of operations.

2.11 Impairment of non-current assets

The Company reviews its non-current assets for impairment at each reporting date whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value-in-use.

Non-current assets that suffer impairment loss are reviewed for possible reversal of the impairment at each reporting date. When it becomes evident that the circumstances which resulted in the impairment no longer exist, the impairment amount is reversed (except for goodwill) and recorded as income in the statement of income in the period/year in which such reversal is determined.

2.12 Accrued and other current liabilities

Liabilities are recognized for amounts to be paid for goods and services received, whether or not billed to the Company.

2.13 Employees' end of service benefits (EOSB)

The Company operates a single post-employment benefit scheme of defined benefit plan driven by the labor laws and workman laws of the Kingdom of Saudi Arabia which is based on most recent salary and number of service years.

The post-employment benefits plans is not funded. Accordingly, valuations of the obligations under the plan are carried out by an independent actuary based on the projected unit credit method. The costs relating to such plans primarily consist of the present value of the benefits attributed on an equal basis to each year of service and the interest on this obligation in respect of employee service in previous years.

Current and past service costs related to post-employment also are recognized immediately in statement of income while unwinding of the liability at discount rates used are recorded in statement of income. Any changes in net liability due to actuarial valuations and changes in assumptions are taken as re-measurement in the other comprehensive income.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized directly in other comprehensive income.

Changes in the present value of the defined benefit obligations resulting from plan amendments or curtailments are recognized immediately in statement of income as past service costs. End of service payments are based on employees' final salaries and allowances and their cumulative years of service, as stated in the labor law of Saudi Arabia.

2.14 Provisions

Provisions are recognized when; the Company has a present legal or constructive obligation as a result of a past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and the amount can be estimated reliably.

2.15 Income taxes

The Company is subject to Zakat and income tax in accordance with the regulation of the General Authority of Zakat and Tax (GAZT). Zakat and income taxes are charged to the statement of income. Additional amounts payable, if any, at the finalization of final assessments are accounted for when such amounts are determined.

Deferred tax is provided in full, if material, using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither the accounting profit nor taxable profit or loss. Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilized. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred tax liability is settled.

Deferred tax relating to items recognised outside statement of income is recognised either in statement of comprehensive income or directly in equity.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

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

2.16 Revenues

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 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 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 five step model, the revenue recognition policies for the various revenue stream is as follow:

Advisory services

Income from advisory services is recognised based on services rendered as being complete in accordance with the underlying agreement / contract using the five-step approach to revenue recognition above.

Normally revenue recognition of retainer fees is recognized over a period of time, in case if an advance payment is received to perform future obligations. Generally, it is linked to timing of performance obligation. For example, monthly, quarterly, etc. In that case the income from retainer fees is to be recognized on timely basis.

In some cases, accrual of the retainer fees is linked to agreed milestones. If the terms of retainer fees are linked to such performance obligations, then upon satisfaction of such performance obligations, that is, on fulfilment of terms as per the contract with the customers.

Success fees, as the name indicates upon fulfilment of performance obligations. For example, achievement of certain objectives as a financial advisor.

Arranging services

Income from arranging services is recognised on an accrual basis when the agreed services are provided.

Special commission income

Special commission income is recognised on an accrual basis based on effective commission rate method.

2.17 Operating leases

Rental expenses under operating leases are charged to the statement of income over the tenor of the respective lease.

2.18 Foreign currency translations and balances

Foreign currency transactions are translated into Saudi Riyals using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the period-end exchange rates of monetary assets and liabilities denominated in foreign currencies other than Saudi Riyals are recognized in the statement of income.

Foreign exchange gains and losses that relate to borrowings are presented in the statement of income, within finance costs. All other foreign exchange gains and losses are presented in the statement of income on a net basis within other gains / (losses), if any.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at FVSI are recognised in statement of income as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as at FVOCI are recognised in other comprehensive income.

3 First time adoption of IFRS

As stated in Note 2.1, the accompanying financial statements have been prepared in compliance with IFRS and IFRS 1 and other standards and pronouncements as endorsed by SOCPA in the Kingdom of Saudi Arabia. The last financial statements under the previous GAAP were for the period ended from January 1, 2017 to November 14, 2017 and the date of transition to IFRS is January 1, 2017. In preparing the Company's first IFRS financial statements, the Company's opening statement of financial position was prepared as at January 1, 2017. This note further explains the principal adjustments made by the Company, as a result of the transition to IFRS, in statements of financial position as at January 1, 2017 and the related statements of profit or loss and comprehensive income. The Company's operating and financing cash flows reported under SOCPA did not significantly differ from IFRS.

Exemptions applied

IFRS 1 'First-time Adoption of International Financial Reporting Standards' allows first-time adopters certain exemptions from the retrospective application of certain requirements under IFRS.

The Company has applied the following exemption:

The Company has adopted IFRS 9 as issued by International Accounting Standards Board in July 2014 with a transition date of January 1, 2017.

(All amounts in Saudi Riyals unless otherwise stated)

As permitted by the transitional provisions of IFRS 9, the Company elected not to restate comparative figures. Any adjustments to the carrying amounts of financial assets and financial liabilities at the date of transition to IFRS 9 were recognised in the opening retained earnings (January 1, 2017) of current period. Accordingly, the information presented in comparative periods reflects the requirements of SOCPA and therefore is not comparable to the information presented under the requirements of IFRS 9 for the year ended 31 December 2018.

Therefore, for notes disclosures, the consequential amendments to IFRS 7 disclosures have also only been applied to the current period.

The following assessment have been made on the basis of the facts and circumstances that existed at the date of transition:

- Determination of the business model within which a financial asset is held;

Estimates

The estimates at January 1, 2017 and at November 14, 2017 are consistent with those made for the same dates in accordance with SOCPA.

3.1 Impact of IFRS transition on the statement of financial position as at November 14, 2017

	Notes	Balances as per previous GAAP as at November 14, 2017	Impact of transition to IFRS	Balances as per IFRS as at November 14, 2017
Assets				
Current assets				
Cash and cash equivalents		71,450,482	-	71,450,482
Accounts receivable		1,992,684	-	1,992,684
Prepayments and other receivables		489,185	-	489,185
Income tax receivable		616,871	-	616,871
Total current assets		**74,549,222**	-	**74,549,222**
Non-current asset				
Property and equipment		978,563	-	978,563
Total assets		**75,527,785**	-	**75,527,785**
Liabilities				
Current liabilities				
Due to a related party	3.3 (C)	8,684	(8,684)	-
Accrued and other current liabilities	3.3 (C)	3,669,528	8,684	3,678,212
Total current liabilities		**3,678,212**	-	**3,678,212**
Non-current liability				
Employees' EOSB	3.3 (A) and 3.3 (B)	1,670,376	(993,317)	677,059
Total liabilities		**5,348,588**	**(993,317)**	**4,355,271**
Shareholders' equity				
Share capital		87,500,000	-	87,500,000
Statutory reserve		101,094	-	101,094
Remeasurement reserve for employees' EOSB	3.3 (A) and 3.3 (B)	-	993,317	993,317
Accumulated losses		(17,421,897)	-	(17,421,897)
Net shareholders' equity		**70,179,197**	**993,317**	**71,172,514**
Total liabilities and shareholders' equity		**75,527,785**	-	**75,527,785**
Contingencies and commitments		-	-	-

(All amounts in Saudi Riyals unless otherwise stated)

3.2 Impact of IFRS transition on the statement of financial position as at January 1, 2017 (date of transition)

	Notes	Balances as per previous GAAP as at January 1, 2017	Impact of transition to IFRS	Balances as per IFRS as at January 1, 2017
Assets				
Current assets				
Cash and cash equivalents		74,927,119	-	74,927,119
Accounts receivable		490,207	-	490,207
Due from a related party	3.3 (D)	6,233,834	(6,233,834)	-
Prepayments and other receivables	3.3 (D)	816,176	6,233,834	7,050,010
Total current assets		**82,467,336**	-	**82,467,336**
Non-current asset				
Property and equipment		1,091,782	-	1,091,782
Total assets		**83,559,118**	-	**83,559,118**
Liabilities				
Current liabilities				
Accrued and other current liabilities		4,156,074	-	4,156,074
Income tax provision		253,894	-	253,894
Total current liabilities		**4,409,968**	-	**4,409,968**
Non-current liability				
Employees' EOSB	3.3 (A)	1,578,513	(1,115,317)	463,196
Total liabilities		**5,988,481**	**(1,115,317)**	**4,873,164**
Shareholders' equity				
Share capital		87,500,000	-	87,500,000
Statutory reserve		101,094	-	101,094
Remeasurement reserve for employees' EOSB		-	1,115,317	1,115,317
Accumulated losses	3.3 (A)	(10,030,457)	-	(10,030,457)
Net shareholders' equity		**77,570,637**	**1,115,317**	**78,685,954**
Total liabilities and shareholders' equity		**83,559,118**	-	**83,559,118**
Contingencies and commitments		-	-	-

3.3 Reconciliation of equity as appearing in statement of financial position

	Note	November 14, 2017	January 1, 2017
Total shareholder's equity under SOCPA GAAP		**70,179,197**	77,570,637
Additional provision from remeasurement of employee termination benefits under IFRS	3.3 (A)	**1,115,317**	1,115,317
Remeasurement reserve for EOSB	3.3 (B)	**(122,000)**	-
Total shareholder's equity under IFRS		**71,172,514**	78,685,954

(A) Restatement of employee benefit obligations: The Company made an adjustment because of the conversion from SOCPA GAAP to IFRS. The Company increased the provision for employee benefit obligations based on the actuarial valuation by Saudi Riyals 1,115,317 as at January 1, 2017.

(All amounts in Saudi Riyals unless otherwise stated)

(B) Recognition of remeasurement reserve for employees' EOSB: As a result of IFRS adoption, the Company recognised actuarial remeasurement loss which is classified as reserve in equity amounting to Saudi Riyals 122,000 as at November 14, 2017.

(C) Reclassification of due to a related party: Due to a related party amounting to Saudi Riyals 8,684 has been reclassified to 'Accrued and other current liabilities' on IFRS adoption.

(D) Reclassification of due from a related party: Due from a related party amounting to Saudi Riyals 6,233,834 has been reclassified to 'Prepayments and other receivables' on IFRS adoption.

4 Cash and cash equivalents

	Note	As at December 31, 2018	As at November 14, 2017
Cash in hand		**7,288**	7,038
Cash at bank - current account	4.1	**4,317,151**	5,443,444
Cash at bank - deposit account	4.1, 4.2	**72,000,000**	66,000,000
Accrued interest on deposit account		**-**	-
		76,324,439	71,450,482

4.1 Cash at bank is maintained with BNP Paribas - Riyadh Branch, which is a related party (also see Note 15.1).

4.2 The term deposit carries special commission at the rate of one month SIBOR plus spread and is due for maturity within one month after the reporting date.

5 Prepayments and other receivables

	As at December 31, 2018	As at November 14, 2017
Prepaid license fees	**146,932**	265,557
Prepaid insurance	**12,040**	38,814
Prepaid rentals	**419,580**	-
Other prepayments	**4,035**	22,281
Other receivables	**97,024**	162,533
	679,611	489,185

6 Property and equipment

	Office equipment	Furniture and fixtures	Software	Total
2018				
Cost				
As at November 15, 2017	**166,340**	**1,321,073**	**32,482**	**1,519,895**
Additions during the period	**8,338**	**-**	**-**	**8,338**
As at December 31, 2018	**174,678**	**1,321,073**	**32,482**	**1,528,233**
Accumulated depreciation / amortization				
As at November 15, 2017	**166,340**	**365,039**	**9,953**	**541,332**
Charge for the period	**605**	**154,495**	**7,222**	**162,322**
As at December 31, 2018	**166,945**	**519,534**	**17,175**	**703,654**
Net book value				
As at December 31, 2018	**7,733**	**801,539**	**15,307**	**824,579**

(All amounts in Saudi Riyals unless otherwise stated)

	Office equipment	Furniture and fixtures	Software	Total
2017				
Cost				
As at January 1	166,340	1,318,895	32,482	1,517,717
Additions during the period	-	2,178	-	2,178
As at November 14	166,340	1,321,073	32,482	1,519,895
Accumulated depreciation / amortization				
As at January 1	166,340	255,131	4,464	425,935
Charge for the period	-	109,908	5,489	115,397
As at November 14	166,340	365,039	9,953	541,332
Net book value				
As at November 14, 2017	-	956,034	22,529	978,563

7 Accrued and other current liabilities

	As at December 31, 2018	As at November 14, 2017
Accrued bonus and other employee cost	**424,291**	2,051,149
Outsourced cost accruals (Note 15.2)	**928,796**	8,684
Board members' fee	**444,000**	444,000
Accrued professional fees	**291,351**	166,460
Accrued IT expenses	**84,494**	320,277
Withholding tax payable	**101,000**	85,000
Other accrued expenses	**459,976**	602,642
	2,733,908	3,678,212

(All amounts in Saudi Riyals unless otherwise stated)

8 Income taxation

Status of final assessments

The Company has filed its income tax returns for the years up to 2017. The GAZT had raised queries for the years 2009 to 2013 on Rabi' Alawal 3, 1436H (corresponding to January 30, 2015). The queries have been responded by the Company during 2015. The matter is pending with the GAZT.

8.1 Computation of taxable income and income tax

	For the period from	
	November 15, 2017 to December 31, 2018	**January 1, 2017 to November 14, 2017**
Income / (loss) for the period	**3,842,819**	(7,438,708)
Adjustments:		
Accounting depreciation/amortization	**162,322**	115,397
Entertainment expenditures	**9,474**	24,685
Life insurance	**17,182**	14,167
Provision for employee termination benefits (Note 9)	**189,945**	91,863
Withholding tax (Note 13)	**345,011**	192,850
Pension paid abroad	**-**	121,005
School fees	**-**	21,296
Club membership	**-**	72,768
	723,934	654,031
Less: Allowable deductions		
Depreciation per GAZT scale rates	**(128,353)**	(143,981)
Utilization of provision in respect of retiring employee (Note 9)	**(170,745)**	-
Adjusted income/(loss)	**4,267,655**	(6,928,658)
Brought forward losses (25% of adjusted net income)	**(1,066,914)**	-
Net taxable (loss)/income	**3,200,741**	(6,928,658)
Tax rate	**20%**	20%
Provision for taxation	**640,155**	-

8.2 Movement in provision for income tax

The movement in the provision for income tax is as follows:

	As at December 31, 2018	**As at November 14, 2017**
Balance (receivable)/payable - opening	**(616,871)**	253,894
Provision for current period	**640,155**	-
Reversal for prior year	**-**	(47,268)
Payments made during the period	**-**	(823,497)
Balance payable/(receivable) - closing	**23,284**	(616,871)

9 Employees' end of service benefits (EOSB)

The Company operates a defined benefit plan in line with the Labour Law requirement in the Kingdom of Saudi Arabia. The end-of-service benefit payments under the plan are based on the employees' final salaries and allowances and their cumulative years of service at the date of their termination of employment, as defined by the conditions stated in the Labour Laws of the Kingdom of Saudi Arabia. Employees' end-of-service benefit plans are unfunded plans and the benefit payment obligation are met when they fall due upon termination of employment.

(All amounts in Saudi Riyals unless otherwise stated)

	For the period ended	
	December 31, 2018	**November 14, 2017**
Opening balance	**677,059**	1,578,513
IFRS adjustment	**-**	(1,115,317)
Restated opening balance	**677,059**	463,196
Current service cost	**168,945**	70,863
Interest expense	**21,000**	21,000
Payments	**(170,745)**	-
Remeasurements loss	**410,000**	122,000
Closing balance	**1,106,259**	677,059

9.1 Amounts recognised in the statement of income and comprehensive income

The amounts recognised in the statement of comprehensive income related to employee benefit obligations are as follows:

	December 31, 2018	**November 14, 2017**
Current service cost	**168,945**	70,863
Interest expense	**21,000**	21,000
Total amount recognised in statement of income	**189,945**	91,863
Remeasurements		
Gain from change in financial assumptions	**(2,000)**	-
Experience losses	**412,000**	122,000
Total amount recognised in other comprehensive income	**599,945**	213,863

9.2 Key actuarial assumptions

	December 31, 2018	**November 14, 2017**
Discount rate	**3.75%**	3.25%
Salary growth rate	**2.00%**	3.80%

9.3 Sensitivity analysis for actuarial assumptions

	Change in assumption		Impact on employee benefit obligations	
	Increase in assumption	**Decrease in assumption**	**Increase in assumption**	**Decrease in assumption**
Discount rate	+1%	-1%	990	1,247
Salary growth rate	+1%	-1%	1,246	989

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 termination.

(All amounts in Saudi Riyals unless otherwise stated)

10 Share capital

The authorized and paid up share capital of the Company is divided into 875,000 shares of Saudi Riyals 100 each.

Shareholders	**Country of origin**	**Shareholding As at December 31, 2018**	**Amount As at December 31, 2018**
BNP Paribas SA	France	**95%**	**83,125,000**
ANTIN Participation V	France	**5%**	**4,375,000**
		100%	**87,500,000**

Shareholders	**Country of origin**	**Shareholding As at November 14, 2017**	**Amount As at November 14, 2017**
BNP Paribas SA	France	95%	83,125,000
ANTIN Participation V	France	5%	4,375,000
		100%	87,500,000

11 Statutory reserve

In accordance with the Regulations for Companies in the Kingdom of Saudi Arabia and the Company's Articles of Association, a minimum of 10% of the net income is required to be transferred to statutory reserve until the reserve equals 30% of the share capital of the Company.

The Company has a net income for the period from November 15, 2017 to December 31, 2018 amounting to Saudi Riyals 2.793 million (for the period from January 1, 2017 to November 14, 2017: net loss of Saudi Riyals 7.513 million), however, as at December 31, 2018, the Company has accumulated losses amounting to Saudi Riyals 13.104 million (as at November 14, 2017: Saudi Riyals 16.306 million), therefore, no transfer to statutory reserve has been made. Transfers will be made once the accumulated losses have been exhausted.

12 Contingencies and commitments

12.1 As at December 31, 2018, the Company has operating lease for its office premises for which rent is paid in advance. Rental expenses for the period ended December 31, 2018, amounted to Saudi Riyals 659,340 (November 14, 2017: Saudi Riyals 389,610).

12.2 There were no contingencies as at December 31, 2018 (November 14, 2017: nil).

(All amounts in Saudi Riyals unless otherwise stated)

13 General and administrative expenses

	Note	For the period from November 15, 2017 to December 31, 2018	For the period from January 1, 2017 to November 14, 2017
Travel and IT related services		**1,252,508**	1,190,410
Professional fees		**1,413,385**	1,151,737
Cost of outsourced services	15.1	**1,175,788**	938,594
Rentals		**659,340**	389,610
Registration fee		**290,847**	216,670
Withholding taxes		**345,011**	192,850
Depreciation/amortization	6	**162,322**	115,397
Repairs and maintenance		**20,456**	24,919
Others		**370,237**	202,409
		5,689,894	4,422,596

14 Non-operating expense/income

This represents the share of expense/income related to inter-group transactions re-distributed by BNP Paribas SA. The calculation is made at group level by BNP Paribas SA at predefined agreed method.

15 Related party matters

15.1 Related party relationships

Significant transactions with related parties in the ordinary course of business included in the financial statements are summarized below:

	For the period from November 15, 2017 to December 31, 2018	For the period from January 1, 2017 to November 14, 2017
BNP Paribas SA		
Non-operating income / (expense)	**299,585**	(1,170,912)
BNP Paribas - Riyadh Branch		
Special commission income on term deposits	**1,370,366**	636,711
BNP Paribas, Wholesale Unit, Bahrain		
Expense for outsourced services (Note 13)	**1,175,788**	938,594
Expenses paid on behalf of the Company	**-**	1,638,084
Compensation to key management personnel	**2,337,817**	1,227,678

The Company has outsourced certain services to a related party as per the service level agreements between the two entities. The outsourced services include finance, information technology, human resources, operations and other support services. The costs are agreed and allocated on the basis of terms of the said agreements and are payable annually in arrears. The cost agreed for these outsourced services amount to Saudi Riyals 1.2 million for the period from November 15, 2017 to December 31, 2018 (January 1, 2017 to November 14, 2017: Saudi Riyals 0.938 million).

15.2 Related party balances

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

Due to related parties	**As at December 31, 2018**	**As at November 14, 2017**
BNP Paribas, Wholesale Unit, Bahrain - Outsourced cost	239,873	-
BNP Paribas, Wholesale Unit, Bahrain - Re-invoicing	256,406	-
BNP Paribas, Dubai	1,540	-
BNP Paribas Paris	430,977	8,684
Total*	928,796	8,684

*This amount is accounted for under accrued and other current liabilities as at December 31, 2018.

16 Financial risk management

The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, commission rate risks and price risk), credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance. Risk management is carried out by the management under policies approved by the board of directors.

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further, quantitative disclosures are included throughout these financial statements.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

16.1 Market risk

a) Foreign exchange risk

Foreign exchange risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

Exposure:

The currency conversion rate between the United States Dollars ("USD") and Saudi Riyals is pegged and has remained constant over the past several years. Currency risk arises on Company's transactions denominated in Euro, Bahraini Dinar, Pound Sterling, and United Arab Emirates Dirham.

The Company does not hedge against foreign currency risk. The Company's major exposure is in Euro and Bahraini Dinar.

Sensitivity:

If as at December 31, 2018, the Euro and Bahraini Dinar is revalued/devalued by +/-5%, then the income for the period would have been higher/lower by Saudi Riyals 11,948 and Saudi Riyals 232,377 (November 14, 2017: Saudi Riyals 10,269 and Saudi Riyals 819), respectively.

b) Commission rate risk

Commission rate risk is the exposure to various risks associated with the effect of fluctuations in the prevailing commission rates on the Company's financial position and cash flows.

(All amounts in Saudi Riyals unless otherwise stated)

Exposure:

The Company's commission rate risks arise mainly from its term deposits which are at floating rate of commission and are subject to re-pricing on a regular basis. Management monitors the changes in commission rates. In case of 100 basis points increase/decrease in SIBOR as at December 31, 2018, the income for the period would have been higher/lower by Saudi Riyals 7,000 (November 14, 2017: Saudi Riyals 4,400).

Commission rate risk	**Within 3 months**	**3-12 months**	**Over 1 year**	**Non commission bearing**	**Total**
December 31, 2018					
Assets					
Cash and cash equivalents	**72,000,000**	-	-	**4,324,439**	**76,324,439**
Other receivables	-	-	-	**97,024**	**97,024**
Total financial assets	**72,000,000**	-	-	**4,421,463**	**76,421,463**
Accrued and other current liabilities	-	-	-	**2,733,908**	**2,733,908**
Total financial liabilities	-	-	-	**2,733,908**	**2,733,908**
Cumulative commission rate sensitivity gap	**72,000,000**	-	-	**1,687,555**	**73,687,555**
November 14, 2017					
Assets					
Cash and cash equivalents	66,000,000	-	-	5,450,482	71,450,482
Accounts receivable	1,992,684	-	-	-	1,992,684
Other receivables	-	-	-	162,533	162,533
Total financial assets	67,992,684	-	-	5,613,015	73,605,699
Accrued and other current liabilities	-	-	-	3,678,212	3,678,212
Total financial liabilities	-	-	-	3,678,212	3,678,212
Cumulative commission rate sensitivity gap	67,992,684	-	-	1,934,803	69,927,487

c) Price risk

Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all instruments traded in the market. The Company is not exposed to price risk as there are no financial assets held by the Company which are valued based on market prices.

16.2 Credit risk

Credit risk is the risk that one party to the agreement will fail to discharge its obligation and cause the other party to incur a financial loss. The Company is exposed to credit risk from its operating activities (pertaining to cash and cash equivalents, accounts receivable and other receivables). Outstanding accounts receivables are regularly monitored and any credit concerns highlighted to senior management. Term deposits are placed with local branch of a foreign bank (a related party).

(All amounts in Saudi Riyals unless otherwise stated)

Credit quality analysis

The following table sets out the credit analysis for financial assets as at December 31, 2018 and November 14, 2017.

Financial assets	Investment grade	Non-investment grade	Unrated	Total
As at December 31, 2018				
Cash and cash equivalents	**76,324,439**	-	-	**76,324,439**
Other receivables	-	-	**97,024**	**97,024**
Total	**76,324,439**	-	**97,024**	**76,421,463**
As at November 14, 2017				
Cash and cash equivalents	71,450,482	-	-	71,450,482
Accounts receivable	-	-	1,992,684	1,992,684
Other receivables	-	-	162,533	162,533
Total	71,450,482	-	2,155,217	73,605,699

16.3 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Typically, the Company ensures that it has sufficient cash on demand to meet expected operational expenses including the servicing of financial obligations. This excludes the potential impact of extreme circumstances that cannot be reasonably predicted, such as natural disasters. In addition, the Company has access to credit facilities.

The table below analyses the Company's financial liabilities into the relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within twelve months equal their carrying balances, as the impact of discounting is not significant.

	Less than 1 year	Between 2 and 5 years	Over 5 years	Total
As at December 31, 2018				
Accrued and other current liabilities	**2,733,908**	-	-	**2,733,908**
	2,733,908	-	-	**2,733,908**
As at November 14, 2017				
Accrued and other current liabilities	3,678,212	-	-	3,678,212
	3,678,212	-	-	3,678,212

16.4 Capital risk management

The objective of managing capital is to safeguard the Company's ability to continue as a going concern, so that it could continue to provide adequate returns to shareholder by pricing products and services commensuration with the level of risk. It is the policy of the Company to maintain adequate capital base so as to maintain investor, creditor and market confidence and to support future development of the business. The Company's capital base sufficiently covers all material risks meeting the minimum capital requirement and the Company intends to maintain a healthy capital ratio to cater future business growth. For capital adequacy working, refer to Note 16.4.1.

16.4.1 Capital Adequacy Requirement

In accordance with Article 74 (b) of the Prudential Rules issued by the CMA (the Rules), given below are the capital base, minimum capital requirement and total capital ratio as at December 31, 2018.

	Saudi Riyals in thousands	
	As at December 31, 2018	**As at November 14, 2017**
Capital base		
Tier-I Capital	**73,366**	70,156
Tier-II Capital	**-**	-
Total capital base	**73,366**	70,156
Minimum capital requirement		
Market Risk	**-**	-
Credit Risk	**2,818**	4,780
Operational Risk	**2,626**	2,462
Total minimum capital requirement	**5,444**	7,242
Capital Adequacy Ratio		
Total capital ratio (times)	**13.48**	9.69
Tier-I Capital Ratio (times)	**13.48**	9.69
Surplus in capital	**67,922**	61,914

(a) The above information has been extracted from the Company's Capital Adequacy Model for the period from November 15, 2017 to December 31, 2018 to be submitted to CMA and for the period from January 1, 2017 to November 14, 2017 as submitted to CMA.
(b) The Capital Base consists of Tier 1 Capital and Tier 2 Capital calculated as per Article 4 and 5 of the Rules respectively. The Minimum Capital Requirements for Market, Credit and Operational Risk are calculated as per the requirements specified in Part 3 of the Rules.
(c) The Company is required to maintain adequate capital as specified in the Rules. The capital adequacy ratio shall not be less than 1.
(d) Certain information as required by Pillar III of the Prudential Rules will be made available to the public on the Company's website, however, this information is not subject to review or audit by the external auditors' of the Company.

16.5 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 resources by protecting the assets of the Company and minimising 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 minimising 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.

17 Fair value estimation

As at December 31, 2018 and November 14, 2017, the fair values of the Company's financial instruments are estimated to approximate their carrying values.

(All amounts in Saudi Riyals unless otherwise stated)

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an ordinary transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

Management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then management assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of IFRS that are endorsed in the Kingdom of Saudi Arabia, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of an asset or 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 liability falls 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 input level that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

The table below presents the financial assets and financial liabilities at their fair values as at December 31, 2018 based on the fair value hierarchy:

		Fair value			
At December 31, 2018	**Carrying value**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets not measured at fair value					
Cash and cash equivalents	**76,324,439**	-	-	**76,324,439**	**76,324,439**
Other receivables	**97,024**	-	-	**97,024**	**97,024**
Total	**76,421,463**	-	-	**76,421,463**	**76,421,463**
Financial liabilities not measured at fair value					
Accrued and other current liabilities	**2,733,908**	-	-	**2,733,908**	**2,733,908**
At November 14, 2017					
Financial assets not measured at fair value					
Cash and cash equivalents	71,450,482	-	-	71,450,482	71,450,482
Accounts receivable	1,992,684	-	-	1,992,684	1,992,684
Other receivables	162,533	-	-	162,533	162,533
Total	73,605,699	-	-	73,605,699	73,605,699
Financial liabilities not measured at fair value					
Accrued and other current liabilities	3,678,212	-	-	3,678,212	3,678,212

(All amounts in Saudi Riyals unless otherwise stated)

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. During the period ended December 31, 2018, there were no transfers into or out of Level 3 fair value measurements (November 14, 2017: nil).

18 Financial instruments by category

All financial assets and financial liabilities for the period ended December 31, 2018 and November 14, 2017 are classified under amortised cost category.

	Measurement category	As at December 31, 2018	As at November 14, 2017
Financial assets			
Cash and cash equivalents	Amortised cost	**76,324,439**	71,450,482
Accounts receivable	Amortised cost	**-**	1,992,684
Other receivables	Amortised cost	**97,024**	162,533
Total financial assets		**76,421,463**	73,605,699
Financial liabilities			
Accrued and other current liabilities	Amortised cost	**2,733,908**	3,678,212
Total financial liabilities		**2,733,908**	3,678,212

19 Subsequent events

There have been no significant events after the date of the statement of financial position (November 14, 2017: nil).