**CITIGROUP SAUDI ARABIA**
(A Saudi Closed Joint Stock Company)
**FINANCIAL STATEMENTS**
For the year ended 31 December 2020
together with
**Independent Auditor's Report**

**CITIGROUP SAUDI ARABIA**
(A SAUDI CLOSED JOINT STOCK COMPANY)
**FINANCIAL STATEMENTS**
For the year ended 31 December 2020

**KPMG Professional Services**
Riyadh Front, Airport road
P O Box 92876
Riyadh 11663
Kingdom of Saudi Arabia
Headquarter

Commercial Registration No 1010425494

**كي بي إم جي للاستشارات المهنية**
واجهة الرياض، طريق المطار
صندوق بريد ٩٢٨٧٦
الرياض ١١٦٦٣
المملكة العربية السعودية
المركز الرئيسي

سجل تجاري رقم ١٠١٠٤٢٥٤٩٤

# Independent auditor's report

To the shareholder of Citigroup Saudi Arabia

## Opinion

We have audited the financial statements of Citigroup Saudi Arabia ("the Company"), which comprise the statement of financial position as at 31 December 2020, the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting Standards ("IFRS") that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Certified Public Accountants ("SOCPA").

## Basis for opinion

We conducted our audit in accordance with the International Standards on Auditing ("ISA") that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Company in accordance with the professional code of conduct and ethics that are 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

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

## Auditor's responsibilities for the audit of the financial statements

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

# Independent auditor's report

To the shareholder of Citigroup Saudi Arabia (continued)

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, then we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

**KPMG Professional Services**

**Nasser Ahmed Al Shutairy**
License no: 454

Riyadh: 17 Sha'ban 1442H
Corresponding to: 30 March 2021

كي بي إم جي للاستشارات المهنية
Lic No. 46
KPMG
KPMG Professional Services

**CITIGROUP SAUDI ARABIA**
(A SAUDI CLOSED JOINT STOCK COMPANY)
**STATEMENT OF FINANCIAL POSITION**
For the year ended 31 December 2020
*(Amount in SR'000)*

| | Notes | 31 December 2020 | 31 December 2019 |
|---|---|---|---|
| **ASSETS** | | | |
| Cash and cash equivalents | 4 | **194,733** | 169,984 |
| Due from related parties | 5 | **-** | 14 |
| Prepayment and other receivables | 6 | **2,930** | 16,196 |
| Deferred tax asset | 7 | **328** | 701 |
| Right of use asset | 8 | **1,905** | 2,895 |
| Intangible assets | 9 | **2,699** | 4,192 |
| Property and equipment | 10 | **7,534** | 8,328 |
| **Total assets** | | **210,128** | 202,310 |
| **LIABILITIES** | | | |
| Accrued expenses and other current liabilities | 11 | **3,341** | 3,512 |
| Due to related parties | 5 | **-** | 8,640 |
| Income tax payable | 12 | **3,246** | 571 |
| Lease liability | 13 | **1,078** | 2,123 |
| Employee benefit obligations | 14 | **918** | 490 |
| **Total liabilities** | | **8,582** | 15,336 |
| **Equity** | | | |
| Share capital | 15 | **187,500** | 187,500 |
| Accumulated profits / (losses) | | **12,279** | (836) |
| Statutory reserve | 16 | **1,767** | 310 |
| **Total equity** | | **201,546** | 186,974 |
| **Total liabilities and equity** | | **210,128** | 202,310 |

The accompanying notes from 1 to 22 form an integral part of these financial statements

| | | |
|---|---|---|
| Carmen Haddad | Majed Al Hassoun | Olukayode Bababunmi |
| Vice Chairperson | Chief Executive Officer | Chief Financial Officer |

**CITIGROUP SAUDI ARABIA**
(Closed Joint Stock Company)
**STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME**
For the year ended 31 December 2020
(Amount in SR'000)

| | *Notes* | **For the year 31 December 2020** | For the year 31 December 2019 |
|---|---|---|---|
| **Revenue** | | | |
| Arrangement fees | | **6,906** | 14,174 |
| Financial advisory fee | | **30,588** | 2,834 |
| Brokerage commission | | **8,511** | 70 |
| Other income | | **2,107** | 8,786 |
| **Total operating income** | | **48,112** | 25,864 |
| Salaries and employee related benefits | | **(14,011)** | (12,101) |
| Depreciation and amortization | *8,9,10* | **(3,855)** | (2,302) |
| Premises related expenses | | **(355)** | (596) |
| Other general and administrative expenses | *17* | **(11,674)** | (6,995) |
| **Total operating expenses** | | **(29,895)** | (21,994) |
| **Net profit before income tax** | | **18,217** | 3,870 |
| Income tax: | | | |
| - Current | *12* | **(3,272)** | (571) |
| - Deferred | *7* | **(373)** | (204) |
| **Net profit for the year** | | **14,572** | 3,095 |
| **Other comprehensive income for the year** | | **-** | - |
| **Total comprehensive income/(loss) for the year** | | **14,572** | 3,095 |

The accompanying notes from 1 to 22 form an integral part of these financial statement.

| | | |
|---|---|---|
| Carmen Haddad | Majed Al Hassoun | Olukayode Bababunmi |
| Vice Chairperson | Chief Executive Officer | Chief Financial Officer |

**CITIGROUP SAUDI ARABIA**
(Closed Joint Stock Company)
**STATEMENT OF CHANGES IN EQUITY**
For the year ended 31 December 2020
(Amount in SR'000)

| | Share capital | Accumulated profits/(losses) | Statutory reserves | Total |
|---|---|---|---|---|
| **Balance at 1 January 2020** | **187,500** | **(836)** | **310** | **186,974** |
| **Net profit for the year** | **-** | **14,572** | **-** | **14,572** |
| **Other comprehensive income for the year** | **-** | **-** | **-** | **-** |
| **Total comprehensive income for the year** | **-** | **14,572** | **-** | **14,572** |
| **Transfer to statutory reserve** | **-** | **(1,457)** | **1,457** | **-** |
| **Balance at 31 December 2020** | **187,500** | **12,279** | **1,767** | **201,546** |
| Balance at 1 January 2019 | 90,000 | (3,621) | - | 86,379 |
| Issuance of share capital | 97,500 | - | - | 97,500 |
| Net profit for the year | - | 3,095 | - | 3,095 |
| Other comprehensive income for the year | - | - | - | - |
| Total comprehensive loss for the year | - | 3,095 | - | 3,095 |
| Transfer to statutory reserve | | (310) | 310 | - |
| Balance at 31 December 2019 | 187,500 | (836) | 310 | 186,974 |

The accompanying notes from 1 to 22 form an integral part of these financial statements

Carmen Haddad
Vice Chairperson

Majed Al Hassoun
Chief Executive Officer

Olukayode Bababunmi
Chief Financial Officer

**CITIGROUP SAUDI ARABIA**
(Closed Joint Stock Company)
STATEMENT OF CASHFLOWS
For the year ended 31 December 2020
(Amount in SR'000)

| | *Notes* | **For the year 31 December 2020** | For the year 31 December 2019 |
|---|---|---|---|
| Net income before income tax | | **18,217** | 3,870 |
| **Cash flows from operating activities** | | | |
| **Adjustment for non-cash items** | | | |
| Depreciation and amortization | *8,9,10* | **3,855** | 2,302 |
| Interest expense on lease liability | | **65** | 98 |
| Employee benefit charge | | **454** | 326 |
| **Movements in working capital** | | | |
| Decrease in due from related parties | *5* | **14** | 4,585 |
| Decrease / (increase) in prepayments and other receivables | *6* | **13,266** | (18,030) |
| (Decrease) / increase in accrued expenses and other liabilities | *11* | **(170)** | 3,896 |
| (Decrease) / increase in due to related parties | *5* | **(8,640)** | 8,640 |
| **Cash generated from operations** | | **27,061** | 5,687 |
| Employee end of service benefits paid | | **(26)** | - |
| Taxation paid | | **(597)** | - |
| **Net cash generated from operating activities** | | **26,438** | 5,687 |
| **Cash flows from an investing activity** | | | |
| Purchase of intangible assets | *9* | **-** | (4,406) |
| Purchase of property and equipment | *10* | **(579)** | (3,509) |
| **Net cash used in an investing activity** | | **(579)** | (7,915) |
| **Cash flows from a financing activity** | | | |
| Proceeds from issuance of shares | | **-** | 97,500 |
| Lease liability paid | | **(1,110)** | (1,110) |
| **Net cash (used) in / generated from a financing activity** | | **(1,110)** | 96,390 |
| **Net increase in cash and cash equivalent during the year** | | **24,749** | 94,162 |
| Cash and cash equivalent at the beginning of the year | | **169,984** | 75,822 |
| **Cash and cash equivalent at the end of the year** | *4* | **194,733** | 169,984 |

The accompanying notes from 1 to 22 form an integral part of these financial statements.

| | | |
|---|---|---|
| Carmen Haddad<br>Vice Chairperson | Majed Al Hassoun<br>Chief Executive Officer | Olukayode Bababunmi<br>Chief Financial Officer |

## 1. GENERAL INFORMATION

Citigroup Saudi Arabia ("the Company") is a Saudi closed joint stock company incorporated in 2017 and registered in Riyadh, Kingdom of Saudi Arabia under commercial registration No. 1010612164 dated 25 Muharram 1439 (corresponding to 15 October 2017). The Company operates under Saudi Arabia General Investment Authority License No. 11210380674636 dated 21 Shaban 1438 (corresponding to 17 May 2017).

The principal activities of the Company include arrange transactions in debt and capital market, financial advisory, capital raising, merger advisory, capital restructuring, financial restructurings and underwriting, equity trading and custody.

The registered address of the Company, which is also its principal place of business, is at 20th Floor, Kingdom Tower, P.O. Box 301700, Riyadh 11372, Kingdom of Saudi Arabia.

## 2. BASIS OF PREPARATION

***a) Statement of compliance***

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as endorsed in the Kingdom of Saudi Arabia, and other standards and pronouncements issued by the Saudi Organization for Certified Public Accountants ("SOCPA").

***b) Basis of measurement***

These financial statements have been prepared on a going concern basis under historical cost convention except for the employee benefit obligation which is measured at present value of defined benefit obligation and have been calculated using the projected unit credit method (PUCM) and actuarial assumptions. The line items on the statement of financial position are presented in the order of liquidity.

***c) Functional and presentation currency***

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

***d) Critical accounting judgments and estimates***

The preparation of these financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

*Employee benefit obligation*

The Company operates a defined benefit plan under the Saudi Arabian Labor 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.

***e) Standard issued but not yet effective***

Following are the new standards and amendments to standards, which are effective for annual periods beginning on, or after 1 January 2021 and earlier application is permitted however, the Company has not early adopted them in preparing these financial statements. The following standards are not expected to have a significant impact on the financial statements of the Company:

- Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16

## 2. BASIS OF PREPARATION (continued)

### *e) Standard issued but not yet effective (continued)*

- Annual Improvements to IFRS Standards 2018-2020
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)
- Reference to the Conceptual Framework (Amendments to IFRS 3)
- Classification of liabilities as current or non-current (Amendments to IAS 1)

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented unless otherwise stated, where policies are applicable only on or from 1 January 2020, those policies have been particularly specified.

### 3.1 Property and equipment

Property and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the asset as follows:

| | No of years |
|---|---|
| Furniture, fixtures and office equipment | 5-10 |
| Computer equipment | 3-5 |
| Leasehold improvements | 9 |

The residual values, useful lives and methods of depreciation of property and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognized.

Normal repair and maintenance are charged to the statement of profit or loss as and when incurred.

### 3.2 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Amortization of Intangible assets is calculated on a straight-line basis over the estimated useful life of 3 years.

Intangible assets with finite lives are amortized over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit or loss when the asset is derecognized.

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 3.3 Cash and cash equivalents

Cash and cash equivalents included in the statement of cash flows comprise of cash at banks in current accounts and time deposit with an original maturity of ninety days or less.

### 3.4 Financial instruments

#### a) Classification and measurement of financial assets

On initial recognition, a financial asset is classified as measured at amortized cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL").

<u>Measurement</u>
At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in statement of profit or loss.

*<u>Debt instruments</u>*
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.

*Business model:* The Company makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice.
- how the performance of the portfolio is evaluated and reported by the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated; and
- the frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity.

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.

Financial assets that are held for trading and whose performance is evaluated on a fair value basis are measured at FVTPL because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

**Assessments whether contractual cash flows are solely payments of principal and profit**

For the purposes of this assessment, 'principal' is the fair value of the financial asset on initial recognition. 'Profit' is the consideration for the time value of money, the credit and other basic lending risk associated with the principal amount outstanding during a particular period and other basic lending costs (e.g. liquidity risk and administrative costs), along with profit margin.

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 3.4 Financial instruments (continued)

### a) Classification and measurement of financial assets (continued)

In assessing whether the contractual cash flows are solely payments of principal and profit, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Company considers:

- contingent events that would change the amount and timing of cash flows;
- leverage features;
- prepayment and extension terms;
- terms that limit the Company's claim to cash flows from specified assets; and
- features that modify consideration of the time value of money.

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

*Amortized cost:* Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest (SPPI), and that are not designated at FVTPL, are measured at amortized cost. Profit earned from these financial assets is recognized in the statement of profit or loss using the effective commission rate method.

*Fair value through profit or loss (FVTPL)***:** If debt instrument's cash flows do not represent solely SPPI or if it not held within the held to collect or the held to collect and sell business model, or if it is designated at FVTP, then it is measured at FVTPL. A gain or loss on a debt investment measured at FVTPL is recognized in the statement of profit or loss, in the period in which it arises. Special commission income earned from these financial assets is recognized in the statement of income using the effective commission rate method.

*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 FVTPL, 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 amortized 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 statement of changes in equity to statement of profit or loss.

*Equity instruments*
The Company subsequently measures all equity investments at FVTPL, 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 recognized in other comprehensive income and are not subsequently reclassified to the statement of profit or loss, including on disposal. Impairment losses (and reversal of impairment losses) are not reported separately from other changes in fair value. Dividends, when representing a return on such investments, continue to be recognized in the statement of profit or loss when the Company's right to receive payments is established.

### b) Classification of financial liabilities

The Company classifies its financial liabilities as measured at amortized cost. Amortized cost is calculated by taking into account any discount or premium to issue the funds, and other cost that are integral part of the effective profit rate.

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 3.4 Financial instruments (continued)

#### c) Derecognition

**Financial assets**

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognized) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognized in OCI is recognized in the statement of profit or loss.

Any cumulative gain/loss recognized in OCI in respect of equity investment securities designated as at FVOCI is not recognized in profit or loss on derecognition of such securities.

**Financial liabilities**

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expired.

#### d) Measurement of ECL

ECL are a probability-weighted estimate of credit losses. They are measured as follows:

- financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive);
- financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows;

#### e) Write-off

Financial assets are written off (either partially or in full) when there is no realistic prospect of recovery. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

#### f) 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

### 3.5 Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGUs) fair value less costs to sell and its value-in-use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 3.5 Impairment of non-financial assets (continued)

Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used.

Impairment losses of continuing operations are recognized in profit or loss in those expense categories consistent with the function of the impaired asset, except for property previously revalued where the revaluation was taken to equity. In this case the impairment is also recognized in equity up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit and loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase.

### 3.6 Accrued expenses and other liabilities

Accrued expenses and other liabilities are recognized for amounts to be paid in the future for goods or services received, whether billed by the supplier or not.

### 3.7 Revenue

<u>Contracts with customers</u>

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 |

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 3.7 Revenue (continued)

Profit on time deposit
Profit earned on time deposit is accrued on the time proportionate basis.

Transfer pricing revenue
The Company accounts for revenues from related parties calculated under the geographic revenue attribution (GRA) transfer pricing policy laid down by Citigroup Inc ("the Parent"). The revenue earned according to the GRA transfer pricing policy, which intends to reward each related party for their relative functions, assets and risks.

### 3.8 Foreign currencies

Transactions in foreign currencies are translated into functional currency of the Company at exchange rates on the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognized in the statement of profit or loss.

### 3.9 Contingent assets and liabilities

A contingent liability is disclosed where the existence of the obligation will only be confirmed by future events or where the amount of obligations cannot be measured with reasonable reliability.

Contingent assets are not recognized but are disclosed where an inflow of economic benefits is probable.

### 3.10 Statutory reserve

In accordance with the Company's By-laws and the new Saudi Arabian Regulations for Companies which came into effect on 25 Rajab 1437H (corresponding to 2 May 2016), the Company sets aside 10% of its net income each year as statutory reserve until such reserve equals to 30% of the share capital.

### 3.11 Employee benefit obligations

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 benefits are recognized immediately in statement of profit or loss while unwinding of the liability at discount rates used are recorded in profit or loss. Any changes in net liability due to actuarial valuations and changes in assumptions are taken as re-measurement in the other comprehensive income.

(Amount in SR'000)

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 3.12 Taxation

Income tax is provided in accordance with the regulations of the General Authority of Zakat and Tax ("GAZT") in the Kingdom of Saudi Arabia and charged to the statement of profit and loss.

Income tax based on the applicable income tax rate is adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. Deferred income tax is provided in full, if material, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income 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 realized or the deferred income tax liability is settled.

Deferred tax assets are recognized only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

### 3.13 Leases

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

Right of Use Assets ("ROU")
The company apply cost model, and measure right of use asset at cost;
a) less any accumulated depreciation and any accumulated impairment losses; and
b) adjusted for any re-measurement of the lease liability for lease modifications
Generally, RoU asset would be equal to the lease liability. However, if there are additional costs such as site preparation, non-refundable deposits, application money, other expenses related to transaction etc. need to be added to the RoU asset value.

Lease Liability
On initial recognition, the lease liability is the present value of the lease payments that are not paid at the commencement date discounted using the Company's incremental borrowing rate. After the commencement date, Company measures the lease liability at amortized cost using the effective interest method by:
1. Increasing the carrying amount to reflect interest on the lease liability.
2. Reducing the carrying amount to reflect the lease payments made and;
3. Re-measuring the carrying amount to reflect any re-assessment or lease modification.

## 4. CASH AND CASH EQUIVALENTS

| | *Note* | **31 December 2020** | 31 December 2019 |
|---|---|---|---|
| Cast at bank - current accounts | | **62,145** | 22,122 |
| Time deposits | *4.1* | **132,588** | 147,862 |
| Total | | **194,733** | 169,984 |

4.1 These are placed with a commercial bank operating in the Kingdom of Saudi Arabia having original maturity of 3 months. These include interest accrued on time proportionate basis at the rate ranging 0.6% - 0.8% per annum (2019: 2.20% - 2.40%)

(Amount in SR'000)

## 5. RELATED PARTY TRANSACTIONS AND BALANCES

The related parties of the Company include the Parent and its affiliated entities and certain key management personnel. In ordinary course of activities, the Company transacts business with its related parties on mutually agreed terms. Key management personnel include chief executive officer, chief financial officer, head of equity, head of custody and head of operations having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly.

Transactions with the related parties are as follows:

| Related Parties | Nature of transactions | For the year 31 December 2020 | For the year 31 December 2019 |
|---|---|---|---|
| **Affiliates** | | | |
| Citibank, N.A. UAE- DIFC Branch | Arrangement fees and other income | **(1,505)** | 4,967 |
| Citigroup Global Markets Limited | Arrangement fees | **4,517** | 4,704 |
| Citigroup Global Markets Limited | Advisory fees | **(8,672)** | 1,897 |
| Citigroup Global Markets Limited | Brokerage fees | **8,512** | 70 |
| Citibank, N.A. London Branch | Arrangement fees | **1,418** | 1,432 |
| Citigroup Global Markets Inc. | Advisory fees | **2,371** | 938 |
| Citibank Europe Plc. UK | Arrangement fees | **110** | 2 |
| Citibank, N.A. ADGM- UAE | Arrangement fees | **1,319** | 3 |
| Citicorp LLC | Interest on loan | **58** | - |
| **Key management personnel** | Salaries | **3,741** | 3,226 |
| | Allowances | **1,715** | 1,703 |
| | Periodic and annual remunerations | **2,309** | 2,160 |
| **Non-executive/independent Board members** | Directors' fees | **750** | 750 |

Loans obtained from parent company were repaid during the year.

The balances as of 31 December 2020 resulting from transactions with related parties are as follows:

| **Due from related parties:** | 31 December 2020 | 31 December 2019 |
|---|---|---|
| Citibank Europe Plc. UK | - | 12 |
| Citibank, N.A ADGM Branch | - | 2 |
| | - | 14 |
| **Due to related parties** | | |
| Citigroup Global Markets Limited | - | 5,400 |
| Citibank, N.A. UAE- DIFC Branch | - | 3,240 |
| | - | 8,640 |

(Amount in SR'000)

## 6. PREPAYMENT AND OTHER RECEIVABLES

| | **31 December 2020** | 31 December 2019 |
|---|---|---|
| Prepaid premises expenses | **180** | 275 |
| Security deposit | **111** | 111 |
| Software maintenance | **-** | 906 |
| VAT receivable | **493** | 482 |
| Others | **2,146** | 14,422 |
| | **2,930** | 16,196 |

## 7. DEFERRED TAX ASSET

Deferred tax asset consists of following items:

| | **31 December 2020** | 31 December 2019 |
|---|---|---|
| Carry forward losses | **-** | 627 |
| Provision for employee benefit obligation | **184** | 98 |
| Property and equipment | **144** | (24) |
| **Deferred tax asset** | **328** | 701 |

| | **For the year ended 31 December** | |
|---|---|---|
| | **2020** | 2019 |
| Balance at January 2020 | **701** | 905 |
| Deferred tax (utilised) / charged | **(373)** | (204) |
| Balance at 31 December 2020 | **328** | 701 |

## 8. RIGHT OF USE ASSET

| | **31 December 2020** | 31 December 2019 |
|---|---|---|
| Balance at 1 January 2020 | **2,895** | 3,853 |
| Charge for the year | **(990)** | (958) |
| Balance at 31 December 2020 | **1,905** | 2,895 |

## 9. INTANGIBLE ASSETS

| | **Software** |
|---|---|
| **Cost:** | |
| Balance at 1 January 2019 | 72 |
| Additions | 4,406 |
| **Balance at 31 December 2019** | **4,479** |
| Balance at 1 January 2020 | 4,479 |
| Additions | - |
| **Balance at 31 December 2020** | **4,479** |
| **Accumulated amortization:** | |
| Balance at 1 January 2019 | 18 |
| Charge for the year | 269 |
| **Balance at 31 December 2019** | **287** |
| Balance at 1 January 2020 | 287 |
| Charge for the year | 1,493 |
| **Balance at 31 December 2020** | **1,780** |
| **Net book value as at:** | |
| **31 December 2020** | **2,699** |
| 31 December 2019 | 4,192 |

(Amount in SR'000)

## 10. PROPERTY AND EQUIPMENT

| **Cost** | **Furniture, fixture and office equipment** | **Computer equipment** | **Leasehold improvement** | **Capital work in progress** | **Total** |
|---|---|---|---|---|---|
| Balance at 1 January 2019 | 1,724 | 463 | 4,403 | - | 6,590 |
| Additions during the year | 192 | 979 | 935 | 1,403 | 3,509 |
| **Balance at 31 December 2019** | **1,916** | **1,442** | **5,338** | **1,403** | **10,099** |
| Balance at 1 January 2020 | 1,916 | 1,442 | 5,338 | 1,403 | 10,099 |
| Additions during the year | 17 | 151 | 366 | 44 | 578 |
| Capitalization of capital work in progress | 732 | 671 | - | (1,403) | - |
| **Balance at 31 December 2020** | **2,665** | **2,264** | **5,704** | **44** | **10,677** |
| **Accumulated depreciation:** | | | | | |
| Balance at 1 January 2019 | 207 | 75 | 414 | - | 696 |
| Charge for the year | 258 | 184 | 633 | - | 1,075 |
| **Balance at 31 December 2019** | **465** | **259** | **1,047** | **-** | **1,771** |
| Balance at 1 January 2020 | 465 | 259 | 1,047 | - | 1,771 |
| Charge for the year | 365 | 420 | 587 | - | 1,372 |
| **Balance at 31 December 2020** | **830** | **679** | **1,634** | **-** | **3,143** |
| **Net book value as at:** | | | | | |
| **31 December 2020** | **1,835** | **1,585** | **4,070** | **44** | **7,534** |
| 31 December 2019 | 1,451 | 1,183 | 4,291 | 1,403 | 8,328 |

## 11. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

| | **31 December 2020** | 31 December 2019 |
|---|---|---|
| Accrued salaries and employee related benefits | **3,007** | 2,438 |
| Accrued premises related expense | **-** | 241 |
| Accrued technology expense | **-** | 188 |
| Accrued professional fees | **331** | 535 |
| Others | **3** | 109 |
| | **3,341** | 3,512 |

(Amount in SR'000)

## 12. INCOME TAX PAYABLE

The Company is subject to income taxes in accordance with the Regulation of GAZT. The movement of income tax payable is as follows:

| | For the year ended 31 December | |
|---|---|---|
| | **2020** | 2019 |
| Balance at the beginning of the year | **571** | - |
| Charge for the year | **3,272** | 571 |
| Payment made during the year | **(597)** | - |
| Balance at the end of the year | **3,246** | **571** |

The Company has filed all tax returns up to the year ended 31 December 2019, which are yet to be assessed.

## 13. LEASE LIABILITY

| | Future minimum lease payments | Interest | Present value of minimum lease payments |
|---|---|---|---|
| Less than one year | 1,107 | (29) | 1,078 |
| Between one to five years | - | - | - |
| | 1,107 | (29) | 1,078 |

| | For the year ended 31 December | |
|---|---|---|
| | **2020** | 2019 |
| Balance at 1 January 2020 | **2,123** | 3,135 |
| Interest expense for the year | **65** | 98 |
| Payment for lease liability | **(1,110)** | (1,110) |
| Balance at 31 December 2020 | **1,078** | 2,123 |

## 14. EMPLOYEE BENEFIT OBLIGATIONS

The Company operates a defined benefit plan in line with the Labor 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 Labor 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.

### 14.1 Movement in employees' end of service benefits

| | For the year ended 31 December | |
|---|---|---|
| | **2020** | 2019 |
| Balance at the beginning of the year | **490** | 164 |
| Charge during the year | **454** | 336 |
| Payments made | **(26)** | - |
| **Balance at the end of the year** | **918** | 490 |

### 14.2 Movement in present value of defined benefit obligation

| | **31 December 2020** | 31 December 2019 |
|---|---|---|
| Present value of defined benefit obligation as at 1 January | **490** | 164 |
| Current service costs | **444** | 331 |
| Payments | **(26)** | - |
| Interest cost | **10** | 5 |
| **Balance at the end of the year** | **918** | 490 |

(Amount in SR'000)

## 15. SHARE CAPITAL

As at 31 December 2020, the authorized, issued and fully paid-up share capital of the Company was SR 187.5 million (31 December 2019: SR 187.5 million) divided into 18.75 million shares (31 December 2019: 18.75 million shares) of SAR 10 each and was fully subscribed by Citigroup Financial Products Inc. ("the Parent"), a Company incorporated in the United States of America.

## 16. STATUTORY RESERVE

In accordance with Company's By-laws and the Regulations for Companies in the Kingdom of Saudi Arabia, the Company sets aside 10% of its net income each year as statutory reserve until such reserve equals to 30% of the share capital. This reserve is currently not available for distribution to the shareholders of the Company.

## 17. OTHER GENERAL AND ADMINISTRATIVE EXPENSES

| | *Note* | **For the year 31 December** | |
|---|---|---|---|
| | | **2020** | 2019 |
| Consultancy and professional fees | | **2,101** | 1,405 |
| Directors fees | | **750** | 750 |
| Travel and entertainment | | **217** | 645 |
| Technology and communication | | **2,887** | 1,298 |
| Membership and subscriptions | | **2,317** | - |
| Guarantee fee | | **1,408** | - |
| Others | *17.1* | **1,991** | 2,897 |
| | | **11,674** | 6,995 |

17.1 Others include insurance premium SR 0.4 million and licensing and other regulatory fees of SR 0.5 million paid during the year 2020.

## 18. FINANCIAL INSTRUMENTS – FAIR VALUE

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Underlying the definition of fair value is the presumption that the Company is a going concern and there is no intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

When measuring the fair value the Company uses market observable 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 (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.

As at 31 December 2020, the Company's financial instruments comprises of bank balances, other receivables, accrued expenses and other liabilities, which are measured at amortised cost and their carrying amount is a reasonable approximate of fair value, as these financial instruments are of shorter duration.

(Amount in SR'000)

## 19. FINANCIAL RISK MANAGEMENT

The Company's objective in managing risk is the creation and protection of shareholder value. Risk is inherent in the Company's activities, but it is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. The process of risk management is critical to the Company's continuing profitability.

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. These risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits.

The Company has exposure to the following risks arising from financial instruments:

- Credit risk
- Market risk
- Liquidity risk

### 19.1 Credit risk

Credit risk is the risk that one party to a financial instrument may fail to discharge its contractual obligation and cause the other party to incur a financial loss.

The schedule below shows the maximum exposure to credit risk for the components of the financial statements:

| | **Credit exposure as at 31 December 2020** | Credit exposure as at 31 December 2019 |
|---|---|---|
| Cash at banks | **194,733** | 169,984 |
| Due from related parties | **-** | 14 |
| Other receivable | **2,146** | 14,400 |
| **Total** | **196,879** | 184,398 |

*Cash at banks*
The current accounts and time deposit are held with banks having reputable standing within the Kingdom of Saudi Arabia and rated A1/A-2/A- by Moody, S&P and Fitch as at 31 December 2020.

*Other receivable*
Other receivable are with short term maturity and held with institutions having reputable standing.

### 19.2 Market risk

**a) Profit rate risk**

Profit rate risk is the risk that the profit rate change is not commensurate with financing cost due to changes in the market commission rate. The Company has time deposits placed with the local bank, which are maturity within short duration of less than one year. The Company has no other fixed rate financial instrument as of 31 December 2020, hence not significantly exposed to any profit rate risk.

**b) Currency risk**

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. The Company is not subject to fluctuations in foreign exchange rates in the normal course of its business. The Company did not undertake significant transactions in currencies other than Saudi Arabian Riyals and US Dollars during the year. As SAR is pegged to US Dollar, therefore the Company is not exposed to significant currency risk.

**c) Price risk**

Price risk is the risk that the value of a financial instrument will fluctuate because 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.

As at 31 December 2020, the Company had no financial instrument which was exposed to price risk.

(Amount in SR'000)

## 19. FINANCIAL RISK MANAGEMENT (CONTINUED)

### 19.3 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at an amount close to its fair value. The Company manages its liquidity risk by ensuring that sufficient funds are available to meet any commitment as they arise. All financial assets and liabilities of the Company at the statement of financial position are having contractual maturity of within 1 year,

## 20. COVID 19 PANDEMIC

The COVID-19 pandemic continues to disrupt global markets as many geographies are experiencing a "second wave" of infections despite having previously controlled the outbreak through aggressive precautionary measures such as imposing restrictions on travel, lockdowns and strict social distancing rules. The Government of Kingdom of Saudi Arabia ("the Government") however has managed to successfully control the outbreak to date, owing primarily to the unprecedented yet effective measures taken by the Government, following which the Government ended the lockdowns and has taken phased measures towards normalization.

The Company's operations have been resilient during the pandemic year and the Company was able to offer uninterrupted services to its clients and maintain day-to-day business operations. In response to the rapid spread of the virus and the resulting disruption of some social and economic activities, the Company has taken a series of preventive and precautionary measures, including activating of remote work to ensure the safety of its employees and their families. The management continues to monitor the ongoing situation closely although at this time management is not aware of any factors that are expected to have any potential impact on its financial performance during 2021.

## 21. REGULATORY CAPITAL REQUIREMENTS AND CAPITAL ADEQUACY RATIO

The Company's objectives when managing capital are, to comply with the minimum capital requirements set by Capital Market Authority ("CMA"); to safeguard the Company's ability to continue as a going concern and to maintain an adequate capital base throughout the year.

The CMA has issued Prudential Rules ("the Rules") dated 17 Safar 1434H (corresponding to December 30, 2012). According to the Rules, the CMA has prescribed the framework and guidance regarding the minimum regulatory capital requirement and its calculation methodology as prescribed under these Rules. In accordance with this methodology, the Company has calculated its minimum capital required and capital adequacy ratios as follows:

| | **2020** | 2019 |
|---|---|---|
| **Capital Base** | | |
| Tier 1 Capital | **196,614** | 179,186 |
| **Minimum Capital Requirement:** | | |
| Market Risk | **410** | 218 |
| Credit Risk | **9,447** | 9,771 |
| Operational Risk | **7,474** | 5,499 |
| Total Minimum Capital Required | **17,331** | 15,487 |
| **Capital Adequacy Ratio:** | | |
| Total Capital Ratio (time) | **11.34** | 11.57 |
| Surplus in Capital | **179,283** | 163,699 |

## 21. REGULATORY CAPITAL REQUIREMENTS AND CAPITAL ADEQUACY RATIO (CONTINUED)

a) Tier 1 capital consists of paid-up share capital, accumulated profits, share premium (if any), reserves excluding revaluation reserves, with certain deductions as per the Rules.

b) There is no Tier-2 capital for the year ended 31 December 2020.

The Minimum Capital Requirements for market, credit & operational risk are calculated as per the requirements specified in Part 3 of the Rules. The Company is required to maintain adequate capital as specified in the Rules. The capital adequacy ratio shall not be less than 1.

## 22. SUBSEQUENT EVENTS

There were no subsequent events after the balance sheet date that requires any adjustment and or disclosure in the financial statements.

## 23. APPROVAL OF THE FINANCIAL STATEMENTS

These financials statements were approved by the Board of Directors on 15 Shaban 1442H, corresponding to 28 March 2021.