

**ALINMA SAUDI RIYAL LIQUIDITY FUND**  
**(Managed by Alinma Investment Company)**

**INTERIM CONDENSED FINANCIAL STATEMENTS**  
**FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024**

**AND INDEPENDENT AUDITOR'S REVIEW REPORT**

Alinma Saudi Riyal Liquidity Fund  
(Managed by Alinma Investment Company)  
INTERIM CONDENSED FINANCIAL STATEMENTS  
For the six-month period ended 30 June 2024

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## INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INTERIM CONDENSED FINANCIAL STATEMENTS

**To the Unitholders of Alinma Saudi Riyal Liquidity Fund  
(Managed by Alinma Investment Company)**

## Introduction

We have reviewed the accompanying interim condensed statement of financial position of Alinma Saudi Riyal Liquidity Fund (“the Fund”) being managed by Alinma Investment Company ( the “Fund Manager”) as at 30 June 2024, and the related interim condensed statements of profit or loss and other comprehensive income, cash flows and changes in equity for the six-month period then ended, including other explanatory notes. The Fund Manager is responsible for the preparation and presentation of these interim condensed financial statements in accordance with International Accounting Standard 34 – “Interim Financial Reporting (“IAS 34”)” that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed financial statements based on our review.

### Scope of review

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

## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial statements are not prepared, in all material respects, in accordance with IAS 34, that is endorsed in the Kingdom of Saudi Arabia.

## Report on Other Legal and Regulatory Requirements

We draw attention to note 2 of the accompanying interim condensed financial statements which describe that the Fund has not complied with the following requirements of Investment Funds Regulations, as at 30 June 2024:

- 1) As per Article 24 of the Investment Funds Regulations, the Fund Manager must appoint an independent custodian to take custody of the Fund's assets. However the cash and cash equivalent balance amounting to SR 64 million was not held with the custodian of the Fund.
- 2) The Fund has not complied with the condition under Article 54(g) of the Investment Funds Regulations in relation to the Fund's liquidity, where the Fund, must have a weighted average maturity date not exceeding 180 calendar days.

for Alluhaid &amp; Alyahya Chartered Accountants

Saleh A. Alyahya  
Certified Public Accountant  
License number 473

Riyadh: 2 Safar 1446H  
(6 August 2024)



Alinma Saudi Riyal Liquidity Fund  
(Managed by Alinma Investment Company)

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION

		30 June 2024 (Unaudited) SR	31 December 2023 (Audited) SR
	Notes		
<b>ASSETS</b>			
Cash and cash equivalents	5	290,342,084	230,332,146
Financial assets at fair value through profit or loss ("FVTPL")	6	232,303,644	-
Financial assets at amortized cost	7	921,030,330	640,231,269
Accrued special commission income		2,055,015	1,680,556
<b>TOTAL ASSETS</b>		<b>1,445,731,073</b>	<b>872,243,971</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
Redemption payable		4,754,224	-
Accrued expenses and other current liabilities		1,223,242	1,491,590
<b>TOTAL LIABILITIES</b>		<b>5,977,466</b>	<b>1,491,590</b>
<b>EQUITY</b>			
Net assets attributable to unitholders of redeemable units		1,439,753,607	870,752,381
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>1,445,731,073</b>	<b>872,243,971</b>
Redeemable units in issue (numbers)		112,409,854	69,900,961
Net asset value per unit attributable to unitholders (SR)		12.81	12.46

The accompanying notes from 1 to 12 form an integral part of these interim condensed financial statements.



Alinma Saudi Riyal Liquidity Fund  
(Managed by Alinma Investment Company)

INTERIM CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME

		<i>Unaudited</i>	
		<i>For the six-month period ended</i>	
		<i>30 June 2024</i>	<i>30 June 2023</i>
	<i>Notes</i>	<i>SR</i>	<i>SR</i>
<b>INCOME</b>			
Special commission income		<b>29,668,793</b>	51,674,774
Income from financial assets at FVTPL	6	<b>2,307,406</b>	916,367
<b>TOTAL INCOME</b>		<b>31,976,199</b>	52,591,141
<b>OPERATING EXPENSES</b>			
Management fees	8	<b>(1,931,350)</b>	(11,260,371)
Reversal of expected credit loss allowance	5, 7	<b>224,253</b>	718,138
Other expenses		<b>(128,786)</b>	(200,316)
<b>TOTAL OPERATING EXPENSES</b>		<b>(1,835,883)</b>	(10,742,549)
<b>NET INCOME FOR THE PERIOD</b>		<b>30,140,316</b>	41,848,592
Other comprehensive income for the period		-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>30,140,316</b>	41,848,592

The accompanying notes from 1 to 12 form an integral part of these interim condensed financial statements.

Alinma Saudi Riyal Liquidity Fund  
(Managed by Alinma Investment Company)

INTERIM CONDENSED STATEMENT OF CASH FLOWS

	<i>Unaudited</i>	
	<i>For the six-month period ended</i>	<i>30 June 2023</i>
	<i>30 June 2024</i>	<i>SR</i>
	<i>SR</i>	<i>SR</i>
<b>Operating activities</b>		
Net income for the period	30,140,316	41,848,592
<i>Adjustments for:</i>		
Special commission income	(29,668,793)	(51,674,774)
Income from financial assets at FVTPL	(2,307,406)	(916,367)
Reversal of expected credit loss allowance	(224,253)	(718,138)
	(2,060,136)	(11,460,687)
<i>Changes in operating assets and liabilities:</i>		
(Increase) decrease in financial assets at FVTPL	(229,996,238)	59,492,020
(Increase) decrease in financial assets at amortized cost	(279,805,578)	376,586,244
Decrease in accrued expenses and other current liabilities	(268,348)	(151,519)
(Increase) decrease in redemptions payable	4,754,224	(13,828,468)
	(507,376,076)	410,637,590
Special commission income received	28,525,104	48,256,580
Net cash flows (used in) from operating activities	(478,850,972)	458,894,170
<b>Financing activities</b>		
Proceeds from issuance of units	1,346,123,023	1,287,667,229
Payments against redemption of units	(807,262,113)	(1,807,762,189)
Net cash flows from (used in) financing activities	538,860,910	(520,094,960)
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>60,009,938</b>	<b>(61,200,790)</b>
Cash and cash equivalents at beginning of the period	230,332,146	506,948,852
<b>Cash and cash equivalents at end of the period</b>	<b>290,342,084</b>	<b>445,748,062</b>

The accompanying notes from 1 to 12 form an integral part of these interim condensed financial statements.

Alinma Saudi Riyal Liquidity Fund  
(Managed by Alinma Investment Company)

INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY

	<i>Unaudited</i>	
	<i>For the six-month period ended</i>	
	<i>30 June 2024</i>	<i>30 June 2023</i>
	<i>SR</i>	<i>SR</i>
<b>EQUITY AT THE BEGINNING OF THE PERIOD</b>	<b>870,752,381</b>	<b>2,090,655,358</b>
<b>Comprehensive income:</b>		
Net income for the period	<b>30,140,316</b>	<b>41,848,592</b>
Other comprehensive income for the period	<b>-</b>	<b>-</b>
Total comprehensive income for the period	<b>30,140,316</b>	<b>41,848,592</b>
	<b>900,892,697</b>	<b>2,132,503,950</b>
<b>CHANGE FROM UNIT TRANSACTIONS</b>		
Proceeds from issuance of units	<b>1,346,123,023</b>	<b>1,287,667,229</b>
Payments against redemption of units	<b>(807,262,113)</b>	<b>(1,807,762,189)</b>
Net change from unit transactions	<b>538,860,910</b>	<b>(520,094,960)</b>
<b>EQUITY AT THE END OF THE PERIOD</b>	<b>1,439,753,607</b>	<b>1,612,408,990</b>
<b>REDEEMABLE UNIT TRANSACTIONS</b>		

Transactions in redeemable units for the period are summarised as follows:

	<i>Unaudited</i>	
	<i>For the six-month period ended</i>	
	<i>30 June 2024</i>	<i>30 June 2023</i>
	<i>Units</i>	<i>Units</i>
<b>UNITS AT THE BEGINNING OF THE PERIOD</b>	<b>69,900,961</b>	<b>174,962,957</b>
Units issued during the period	<b>106,381,235</b>	<b>106,958,216</b>
Units redeemed during the period	<b>(63,872,342)</b>	<b>(149,723,266)</b>
Net increase (decrease) in units	<b>42,508,893</b>	<b>(42,765,050)</b>
<b>UNITS AT THE END OF THE PERIOD</b>	<b>112,409,854</b>	<b>132,197,907</b>

The accompanying notes from 1 to 12 form an integral part of these interim condensed financial statements.



# Alinma Saudi Riyal Liquidity Fund

## (Managed by Alinma Investment Company)

### NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

30 June 2024

#### 1 INCORPORATION AND ACTIVITIES

Alinma Saudi Riyal Liquidity fund, (the "Fund"), is an open-ended Shariah compliant public fund created under an agreement between Alinma Investment Company (the "Fund Manager"), a subsidiary of Alinma Bank (the "Bank") and investors (the "Unitholders") in the Fund, in accordance with Capital Market Authority ("CMA") regulations

The Fund is designed for investors seeking capital preservation and high liquidity through exposure to Shariah compliant products. All income is reinvested in the Fund and is reflected in the unit price.

The CMA granted approval for the establishment of the Fund in its letter number 2010/7487/5 dated 21 Ramadan 1431H (corresponding to 31 August 2010). The Fund commenced its operations on 26 Muharram 1432H (corresponding to 1 January 2011).

The Fund is managed by Alinma Investment Company (the "Fund Manager"), a closed joint stock company with commercial registration number 1010269764, licensed by the Capital Market Authority of the Kingdom of Saudi Arabia ("CMA") under license number 09134-37.

The Fund Manager is responsible for the overall management of the Fund's activities. The Fund Manager can also enter into arrangements with other institutions for the provision of investment, custody or other administrative services on behalf of the Fund.

The Fund has appointed Riyad Capital Company (the "Custodian") to act as its custodian. The fees of the custodian are paid by the Fund.

#### 2 REGULATING AUTHORITY

The Fund is governed by the Investment Fund Regulations (the "Regulations") issued by the CMA detailing requirements for all Investment Funds within the Kingdom of Saudi Arabia.

As of 30 June 2024, the Fund has not complied with the following Articles of the Regulations:

- 1) The Fund has cash and cash equivalents balance held with the Bank amounting to 64 million. This investment is not held by the custodian and this is in non-compliance of the Article 24 of the Regulations which states that the Fund Manager must appoint an independent custodian to take custody of all the Fund's assets.
- 2) As of 30 June 2024, the average maturity date of the Funds assets has exceeded 180 days.

#### 3 BASIS OF PREPARATION

##### 3.1 *Statement of compliance*

These interim condensed financial statements for the six-month period ended 30 June 2024 of the Fund have been prepared in accordance with International Accounting Standard 34 – Interim Financial Reporting ("IAS 34") as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by Saudi Organisation for Chartered and Professional Accountants ("SOCPA").

The Fund Manager has prepared the interim condensed financial statements on the basis that the Fund will continue to operate as a going concern. The Fund Manager considers that there are no material uncertainties that may cast doubt significant doubt over this assumption. They have formed a judgement that there is a reasonable expectation that the Fund has adequate resources to continue in operational existence for the foreseeable future, and not less than 12 months from the end of the reporting period.

The interim condensed financial statements do not include all information and disclosures required in the annual financial statements and should be read in conjunction with the Fund's annual financial statements as at 31 December 2023.

##### 3.2 *Basis of measurement*

These interim condensed financial statements have been prepared under historical cost convention, except for the financial assets at FVTPL which are measured at fair value.

The interim condensed statement of financial position is stated broadly in order of liquidity. All assets and liabilities are current in nature except for financial assets measured at amortised cost, maturities of which are disclosed in note 7 in the interim condensed financial statements.



Alinma Saudi Riyal Liquidity Fund  
(Managed by Alinma Investment Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)

30 June 2024

**3 BASIS OF PREPARATION (continued)**

**3.3 Financial and presentation currency**

These interim condensed financial statements are presented in Saudi Riyal (SR), which is also the functional currency of the Fund. All financial information has been rounded off to the nearest SR, unless otherwise stated.

**3.4 Use of judgements, estimates and assumptions**

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

The significant judgments made by management in applying the Fund's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual audited financial statements.

**4 MATERIAL ACCOUNTING POLICY INFORMATION**

The accounting policies adopted in the preparation of the interim condensed financial statements are consistent with those followed in the preparation of the Fund's annual financial statements for the year ended 31 December 2023 except for the adoption of new standards effective as of 1 January 2024. Several amendments apply for the first time in 2024, but do not have an impact on the interim condensed financial statements of the Fund.

The Fund has not early adopted any standard, interpretation or amendment that has been issued but not yet effective.

***Amendment to IFRS 16 – Lease on sale and leaseback***

In September 2022, the International Accounting Standards Board ("IASB") issued amendments to IFRS 16 to specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

The transition rules clarify that an entity is not required to provide the disclosures in any interim periods in the year of initial application of the amendments. Thus, the amendments had no impact on the Fund's interim condensed financial statements.

***Amendments to IAS 7 and IFRS 7 on Supplier finance agreements***

In May 2023, the IASB issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. The transition rules clarify that an entity is not required to provide the disclosures in any interim periods in the year of initial application of the amendments.

The amendments had no impact on the Fund's interim condensed financial statements.

***Amendments to IAS 1 – Classification of liabilities as Current vs Non-current***

In January 2020 and October 2022, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

In addition, a requirement has been introduced whereby an entity must disclose when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

The amendments had no impact on the Fund's interim condensed financial statements.

Alinma Saudi Riyal Liquidity Fund  
(Managed by Alinma Investment Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)

30 June 2024

**5 CASH AND CASH EQUIVALENTS**

	<b>30 June 2024 (Unaudited) SR</b>	<b>31 December 2023 (Audited) SR</b>
Murabaha deposit (i)	196,267,500	200,000,000
Cash in investment account	64,072,589	29,841,247
Cash at bank – current account	30,084,363	767,689
	<u>290,424,452</u>	<u>230,608,936</u>
Less: Allowance for expected credit loss (“ECL”) (note 5.1)	<u>(82,368)</u>	<u>(276,790)</u>
	<u><u>290,342,084</u></u>	<u><u>230,332,146</u></u>

- (i) Murabaha deposit is placed with banks operating in Kingdom of Saudi Arabia and GCC countries with original maturity of 3 months or less and carries and average special commission income rate of 6.43% per annum (31 December 2023: 6.38% per annum).

**5.1 Allowance for expected credit loss**

Expected credit loss allowance for cash and cash equivalents is as follows:

	<b>30 June 2024 (Unaudited) SR</b>	<b>31 December 2023 (Audited) SR</b>
At the beginning of the period/year	276,790	45,706
(Reversal of) charge for ECL allowance for the period/year	(194,422)	231,084
	<u><u>82,368</u></u>	<u><u>276,790</u></u>

**6 FINANCIAL ASSETS AT FVTPL**

Financial assets classified at FVTPL comprised of investments in public mutual funds and are registered in the Kingdom of Saudi Arabia.

	<b>30 June 2024 (Unaudited)</b>	<b>31 December 2023 (Audited)</b>
	<b>Cost (SR)</b>	<b>Market value (SR)</b>
Public funds	<u><u>229,113,244</u></u>	<u><u>232,303,644</u></u>
	<u><u>-</u></u>	<u><u>-</u></u>

The income from financial assets at FVTPL during the period amounted to SR 2,307,406 (30 June 2023: 916,367).



**Alinma Saudi Riyal Liquidity Fund**  
**(Managed by Alinma Investment Company)**

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)**  
**30 June 2024**

**7 FINANCIAL ASSETS AT AMORTISED COST**

	<b>30 June 2024 (Unaudited) SR</b>	<b>31 December 2023 (Audited) SR</b>
Sukuks (i)	<b>545,000,000</b>	545,000,000
Murabaha deposits (ii)	<b>370,000,000</b>	90,000,000
Accrued special commission income	<b>6,803,239</b>	6,034,009
	<b>921,803,239</b>	641,034,009
Less: Allowance for ECL (note 7.1)	<b>(772,909)</b>	(802,740)
	<b>921,030,330</b>	640,231,269

- (i) This represents Sukuks issued by counterparties operating in Kingdom of Saudi Arabia with original maturities between 2 and 10 years and carry an average special commission income rate of 6.47% per annum (31 December 2023: 5.89% per annum).

The remaining maturity of these sukuk are as follows:

	<b>(Unaudited) 30 June 2024</b>	<b>% of value</b>	<b>(Audited) 31 December 2023</b>	<b>% of value</b>
Within 1 year	<b>142,000,000</b>	<b>26%</b>	123,000,000	23%
Later than 1 year	<b>403,000,000</b>	<b>74%</b>	422,000,000	77%
	<b>545,000,000</b>	<b>100%</b>	545,000,000	100%

- (ii) This represents Murabaha deposits placed with several banks operating in Saudi Arabia and Gulf countries with original maturities of more than 3 months and less than 1 year and carries an average special commission income rate of 6.39% per annum (31 December 2023: 6.53% per annum).

**7.1 Allowance for expected credit loss**

The movement in allowance of ECL on financial assets at amortised cost during the period/year is as follows:

	<b>30 June 2024 (Unaudited) SR</b>	<b>31 December 2023 (Audited) SR</b>
At the beginning of the period/year	<b>802,740</b>	1,674,962
Reversal of ECL allowance	<b>(29,831)</b>	(872,222)
	<b>772,909</b>	802,740

**8 RELATED PARTY TRANSACTIONS AND BALANCES**

In ordinary course of activities, the Fund transacts business with related parties. The related party transactions are in accordance with the terms and conditions of the Funds. All related party transactions are approved by the Fund's Board of Directors.

Related parties of the Fund include the Fund's Board of Directors, Fund Manager, the Bank, entities related to the Bank and the Fund Manager and any party that has the ability to control other party or exercise significant influence over the party in making financial or operational decisions.



**Alinma Saudi Riyal Liquidity Fund**  
**(Managed by Alinma Investment Company)**

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)**

30 June 2024

**8 RELATED PARTY TRANSACTIONS AND BALANCES (continued)**

**a) Management fees**

The Fund Manager is responsible for the overall management of the Fund's activities. The Fund Manager charges management fee at the rate of 20% that are calculated twice a week based on the net returns of the Fund.

**b) Brokerage expense**

The Fund Manager charges 0.01% brokerage fees on the purchase and sales transactions of financial assets at FVTPL.

**c) Board of Directors remuneration**

The Board of Directors are allowed maximum remuneration of SR 12,000 for all board members in one year.

**8.1 Related party transactions**

The following are the details of the significant transactions with related parties during the period:

<i>Name of related party</i>	<i>Nature of relationship</i>	<i>Nature of transactions</i>	<i>Unaudited</i>	
			<i>For the six-month period ended 30 June 2024</i>	<i>30 June 2023</i>
			<i>SR</i>	<i>SR</i>
Alinma Bank	Parent Company of Fund Manager	Special commission income from Sukuks	4,500,000	4,500,000
Alinma Investment Company	Fund Manager	Management fees	(1,931,350)	(11,260,371)
Board of Director	Members	Board fees expense	(5,968)	(5,393)

**8.2 Related party balances**

Period/year end balances receivable (payable) arising from transactions with related parties are as follows:

<i>Name of related party</i>	<i>Nature of balances</i>	<i>30 June 2024</i>	<i>31 December 2023</i>
		<i>(Unaudited)</i>	<i>(Audited)</i>
		<i>SR</i>	<i>SR</i>
Alinma Bank	Cash at bank	30,084,363	767,689
Alinma Investment Company	Management fees payables	(713,563)	(970,034)

**9 FAIR VALUE MEASUREMENT**

The Fund has investments at fair value through profit or loss which is measured at fair values and are classified within level 2 of the fair value hierarchy. Management believes that at the reporting date the fair value of other financial assets and liabilities that are classified as amortized cost approximate their carrying values. These are all classified within level 2 of the fair value hierarchy. There were no transfers between various levels of fair value hierarchy during the current period or prior year.

**10 LAST VALUATION DATE**

The last valuation date of the period was 30 June 2024 (31 December 2023: 31 December 2023).

**11 SUBSEQUENT EVENT**

There are no events subsequent to the reporting date which require adjustments of or disclosure in the interim condensed financial statements or notes thereto.

**12 APPROVAL OF THE INTERIM CONDENSED FINANCIAL STATEMENTS**

The interim condensed financial statements were approved by the Fund Manager on 2 Safar 1446H (corresponding to 6 August 2024).