

**NATIONAL FINANCE HOUSE COMPANY**  
**(A Closed Joint Stock Company)**

**INTERIM CONDENSED FINANCIAL STATEMENTS**  
**AND INDEPENDENT AUDITOR'S REVIEW REPORT**  
**FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2024**

**NATIONAL FINANCE HOUSE COMPANY**  
**(A Closed Joint Stock Company)**  
**INTERIM CONDENSED FINANCIAL STATEMENTS**  
**FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2024**

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

(1 /1)

TO THE SHAREHOLDERS OF NATIONAL FINANCE HOUSE COMPANY  
CLOSED JOINT STOCK COMPANY

**INTRODUCTION**

We have reviewed the accompanying interim statement of financial position of National Finance House Company (the "Company") as at 30 June 2024 and the related interim statement of profit or loss and other comprehensive income for the three-month and six-month periods then ended, the interim statements of changes in equity and cash flows for the six-month period then ended, and a summary of material accounting policies and other explanatory notes. Management 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 Engagement 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 interim condensed financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**CONCLUSION**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 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.

**For PKF Al-Bassam Chartered Accountant**



Sulaiman Bin Dhafir Al Hussain  
Certified Public Accountant  
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Corresponding to: 28 July 2024



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**NATIONAL FINANCE HOUSE COMPANY**  
**(A Closed Joint Stock Company)**  
**INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2024**  
**(All amounts in Saudi Riyals unless otherwise stated)**

	Note	30 June 2024 (Unaudited)	31 December 2023 (Audited)
<b>ASSETS</b>			
Cash and bank balances	6	46,834,139	10,060,915
Prepayments and other receivables		3,583,176	3,850,392
Net investment in Islamic financing	7	557,328,071	441,825,719
Restricted cash deposit	8	15,622,169	13,003,460
Property and equipment		615,746	607,585
Intangible assets		6,750,391	7,037,600
<b>TOTAL ASSETS</b>		<b>630,733,692</b>	<b>476,385,671</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Share capital	9	300,000,000	150,000,000
Accumulated losses		(8,762,032)	(18,227,195)
<b>TOTAL EQUITY</b>		<b>291,237,968</b>	<b>131,772,805</b>
<b>LIABILITIES</b>			
Trade payables		56,364,695	64,637,872
Other payables and accruals		7,783,213	7,600,979
Due to related parties	10	13,259,189	18,681,660
Provision for zakat	11	2,400,017	699,887
Financial facilities	12	258,858,911	252,410,029
Employees' post-employment benefits		829,699	582,439
<b>TOTAL LIABILITIES</b>		<b>339,495,724</b>	<b>344,612,866</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>630,733,692</b>	<b>476,385,671</b>

The accompanying notes from 1 to 17 form an integral part of these interim condensed financial statements.

**NATIONAL FINANCE HOUSE COMPANY**  
**(A Closed Joint Stock Company)**  
**INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2024**  
**(All amounts in Saudi Riyals unless otherwise stated)**

	Notes	<i>For the three-month period ended 30 June</i>		<i>For the six-month period ended 30 June</i>	
		2024	2023	2024	2023
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
<b>INCOME FROM ISLAMIC FINANCING</b>		<b>25,750,569</b>	8,853,566	<b>48,308,493</b>	13,997,374
<b>OPERATING (EXPENSES) / INCOME</b>					
General and administrative expenses		<b>(8,512,969)</b>	(5,955,394)	<b>(16,174,892)</b>	(11,792,342)
Impairment on Islamic financing	7.4	<b>(5,839,225)</b>	(3,479,746)	<b>(8,477,281)</b>	(6,614,705)
Finance cost	13	<b>(6,223,903)</b>	(1,867,152)	<b>(12,558,623)</b>	(2,246,209)
Selling and marketing expenses		<b>(810,156)</b>	(376,010)	<b>(1,394,616)</b>	(775,843)
Other income		<b>927,263</b>	449,394	<b>1,935,353</b>	1,124,806
<b>NET OPERATING INCOME / (LOSS) BEFORE ZAKAT</b>		<b>5,291,579</b>	(2,375,342)	<b>11,638,434</b>	(6,306,919)
Zakat	11	<b>(871,854)</b>	(58,566)	<b>(2,173,271)</b>	(155,921)
<b>NET INCOME / (LOSS) FOR THE PERIOD</b>		<b>4,419,725</b>	(2,433,908)	<b>9,465,163</b>	(6,462,840)
<b>Other comprehensive income</b>		-	-	-	-
<b>TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE PERIOD</b>		<b>4,419,725</b>	(2,433,908)	<b>9,465,163</b>	(6,462,840)

The accompanying notes from 1 to 17 form an integral part of these interim condensed financial statements.

**NATIONAL FINANCE HOUSE COMPANY**  
**(A Closed Joint Stock Company)**  
**INTERIM STATEMENT OF CHANGES IN EQUITY**  
**FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024**  
**(All amounts in Saudi Riyals unless otherwise stated)**

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**For the six-month period ended**

**30 June 2023**

	Share capital	Additional share capital	Accumulated losses	Total equity
<b>Balance as at 1 January 2023 (Audited)</b>	100,000,000	50,000,000	(11,466,414)	138,533,586
Issuance of share capital	50,000,000	(50,000,000)	-	-
Total comprehensive loss for the period	-	-	(6,462,840)	(6,462,840)
<b>Balance as at 30 June 2023 (Unaudited)</b>	<u>150,000,000</u>	<u>-</u>	<u>(17,929,254)</u>	<u>132,070,746</u>

**For the six-month period ended**

**30 June 2024**

	Share capital	Additional share capital	Accumulated losses	Total equity
<b>Balance as at 1 January 2024 (Audited)</b>	150,000,000	-	(18,227,195)	131,772,805
Issuance of share capital	150,000,000	-	-	150,000,000
Total comprehensive income for the period	-	-	9,465,163	9,465,163
<b>Balance as at 30 June 2024 (Unaudited)</b>	<u>300,000,000</u>	<u>-</u>	<u>(8,762,032)</u>	<u>291,237,968</u>

The accompanying notes from 1 to 17 form an integral part of these interim condensed financial statements.

**NATIONAL FINANCE HOUSE COMPANY**  
**(A Closed Joint Stock Company)**  
**INTERIM STATEMENT OF CASH FLOWS**  
**FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024**  
**(All amounts in Saudi Riyals unless otherwise stated)**

		<b>For the six-month period ended</b>	
		<b>30 June 2024</b>	<b>30 June 2023</b>
	<b>Note</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Net operating income / (loss) before zakat</b>		<b>11,638,434</b>	<b>(6,306,919)</b>
<b>Adjustments for:</b>			
Finance cost		12,558,623	2,246,209
Impairment on Islamic financing	7.4	8,477,281	6,614,705
Amortization of intangibles		473,009	459,500
Provision for employees' post-employment benefits		262,974	107,716
Depreciation of property and equipment		170,738	104,697
Depreciation of right-of-use asset		-	32,056
		<u>33,581,059</u>	<u>3,257,964</u>
<b>(Increase) / decrease in operating assets</b>			
Prepayments and other receivables		267,216	100,082
Net investment in Islamic financing		(123,979,633)	(149,839,113)
Restricted cash deposit		(2,618,709)	(4,953,052)
<b>Increase / (decrease) in operating liabilities</b>			
Trade payables		(8,273,177)	10,392,582
Other payables and accruals		182,234	2,170,048
Due to related parties		(5,422,471)	(6,144,320)
		<u>(106,263,481)</u>	<u>(145,015,809)</u>
<b>Cash used in operating activities</b>			
Employees' post-employment benefits paid		(15,714)	-
Zakat paid		(473,141)	(145,363)
<b>Net cash used in operating activities</b>		<u>(106,752,336)</u>	<u>(145,161,172)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of intangibles		(185,800)	(132,424)
Purchase of property and equipment		(178,899)	(151,148)
<b>Net cash used in investing activities</b>		<u>(364,699)</u>	<u>(283,572)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from issuance of share capital		150,000,000	-
Proceeds from long-term borrowings		45,234,730	99,061,038
Repayments of long-term borrowings		(38,774,340)	(3,437,995)
Finance cost paid		(12,570,131)	(1,724,111)
Lease liability paid		-	(68,392)
<b>Net cash generated from financing activities</b>		<u>143,890,259</u>	<u>93,830,540</u>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>36,773,224</b>	<b>(51,614,204)</b>
Cash and cash equivalents at beginning of the period		<u>10,060,915</u>	<u>57,178,177</u>
<b>Cash and cash equivalents at end of the period</b>	<b>6</b>	<u><u>46,834,139</u></u>	<u><u>5,563,973</u></u>

The accompanying notes from 1 to 17 form an integral part of these interim condensed financial statements.

**NATIONAL FINANCE HOUSE COMPANY**  
**(A Closed Joint Stock Company)**  
**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**  
**FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024**  
**(All amounts in Saudi Riyals unless otherwise stated)**

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**1. LEGAL STATUS AND OPERATIONS**

National Finance House Company (the "Company") is a closed Joint-Stock Company formed under the laws of the Kingdom of Saudi Arabia and registered under the commercial registration No. 4030394711 and unified No. 7008216371. The Company was established on 27 Safar 1442H (corresponding to 14 October 2020) having obtained the necessary approval from the Ministry of Commerce ("MOC") and the Notary Public.

In accordance with article 6 of the implementing regulations of the law of supervision of finance companies, the Company submitted its application to the Saudi Central Bank ("SAMA") to obtain its license as a financing company. The Company obtained the license from SAMA number 202106/SA/59 on 25 Shawwal 1442H (corresponding to 06 June 2021), authorizing to engage in the finance lease activities. The principal activities of the Company include financial lease, financing to Small and Medium Enterprises (SMEs) and Consumer financing. The Company commenced its commercial operations in terms of investing in Islamic financing dated 28 July 2021.

The new Companies Law issued through Royal Decree M/132 on 1/12/1443H (corresponding to 30 June 2022) (hereinafter referred as "the Law") came into force on 26 Jamad-ul-Thani 1444H (corresponding to 19 January 2023). For certain provisions of the Law, full compliance is expected not later than two years from 26 Jamad-ul-Thani 1444H (corresponding to 19 January 2023). The management is in the process of assessing the impact of the New Companies Law and will amend its By-Laws for any changes to align the Articles to the provisions of the new Law.

The Company's Head Office is located at the following address:  
National Finance House Company  
Building number 3388, Al Amir Muhammad Bin AbdulAziz Branch,  
Secondary number 6320, Ar Rawdah Dist.  
P.O. Box 23432  
Jeddah  
Kingdom of Saudi Arabia.

The Company's activities as per the commercial registration of the Company includes financial leasing, consumer financing and small and medium enterprise financing.

**2. BASIS OF PREPARATION**

**2.1. STATEMENT OF COMPLIANCE**

These interim condensed financial statements of the Company have been prepared in accordance with International Accounting Standard ("IAS") 34 "Interim Financial Reporting" that is endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA").

These interim condensed financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Company's financial statements for the year ended 31 December 2023.

The results for the six-month period ended 30 June 2024 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2024.

Assets and liabilities in the interim statement of financial position are presented in the order of liquidity.

**2.2. BASIS OF MEASUREMENT**

These interim condensed financial statements are prepared under the historical cost method.

**2.3. FUNCTIONAL AND PRESENTATION CURRENCY**

These interim condensed financial statements have been presented in Saudi Riyals (SR) which is the Company's functional and presentation currency. All financial information presented in SR has been rounded to the nearest SR unless otherwise mentioned.



**NATIONAL FINANCE HOUSE COMPANY**  
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**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**  
**FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024**  
**(All amounts in Saudi Riyals unless otherwise stated)**

**3. MATERIAL ACCOUNTING POLICIES**

The accounting policies adopted in the preparation of the interim condensed financial statements are consistent with those followed in the preparation of the Company's annual financial statements as at 31 December 2023.

**4. KEY ACCOUNTING JUDGEMENTS, ESTIMATES, AND ASSUMPTIONS**

The preparation of these interim condensed financial statements is in conformity with the IFRS which require management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates is recognized in the period in which the estimates are revised if the revision affects only that period, or in the period of the revision and future period if the revision affects both current and future periods.

The significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements for the year ended 31 December 2023.

**5. NEW AND AMENDED STANDARDS AND INTERPRETATIONS**

- 5.1.** A number of new amendments to standards, enlisted below, are effective this year but they do not have a material effect on the Company's interim condensed financial statements.

<b>Amendments to standard</b>	<b>Description</b>	<b>Effective from accounting period beginning on or after</b>	<b>Summary of amendment</b>
IAS 1	Classification of liabilities as current or non-current	01 January 2024	The amendment has clarified 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, and that only if an embedded derivative in a convertible liability is itself an equity instrument the terms of liability would not impact its classification.
IFRS 16	Leases on sale and leaseback	01 January 2024	These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.
IAS 7 and IFRS 7	Supplier finance arrangements	01 January 2024	These amendments require to add disclosure requirements to enhance transparency of supplier finance arrangements, and 'signposts' within existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangements.

**NATIONAL FINANCE HOUSE COMPANY**  
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**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**  
**FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024**  
**(All amounts in Saudi Riyals unless otherwise stated)**

**5. NEW AND AMENDED STANDARDS AND INTERPRETATIONS (CONTINUED)**

5.2. The Company has not applied the following amendment to IFRS that have been issued but are not yet effective:

<b>Amendments to standard</b>	<b>Description</b>	<b>Effective from accounting period beginning on or after</b>	<b>Summary of amendment</b>
IAS 21	Lack of Exchangeability	01 January 2025	The amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not.

Management anticipates that this amendment will be adopted in the Company's financial statements as and when it is applicable and adoption of this amendments may have no material impact on the financial statements of the Company in the period of initial application.

**6. CASH AND BANK BALANCES**

	<b>Note</b>	<b>30 June 2024 (Unaudited)</b>	<b>31 December 2023 (Audited)</b>
<i>Financial assets carried at amortized cost</i>			
Cash at bank – secured	6.1	46,814,343	10,060,915
Cash in hand		19,796	-
		<b>46,834,139</b>	<b>10,060,915</b>

6.1. The Company's does not earn profits on current accounts with banks and financial institutions in accordance with Shari'a rules and principles.

**7. NET INVESTMENT IN ISLAMIC FINANCING**

	<b>30 June 2024 (Unaudited)</b>	<b>31 December 2023 (Audited)</b>
<i>Financial assets carried at amortized cost - unsecured</i>		
Tawarruq	198,403,143	171,552,722
Murabaha	2,979,394	3,314,234
<i>Investment classified as a finance lease - secured</i>		
Ijara	380,450,674	284,550,330
	<b>581,833,211</b>	<b>459,417,286</b>



**NATIONAL FINANCE HOUSE COMPANY**  
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**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**  
**FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024**  
**(All amounts in Saudi Riyals unless otherwise stated)**

**7. NET INVESTMENTS IN ISLAMIC FINANCING (CONTINUED)**

- 7.2. The Company in the ordinary course of its business holds collateral in respect of Islamic financing (being the title of assets leased out) in order to mitigate the credit risk associated with them. These collaterals are not readily convertible into cash and are intended to be repossessed and disposed of in case the customer defaults.
- 7.3. The Company has assigned Islamic financing receivables amounting to SR 401 million (31 December 2023: 345 million) to local commercial banks for obtaining financial facilities. These Islamic financing receivables have not been derecognized from the statement of financial position as the Company retains substantially all the risks and rewards, primarily credit risk.
- 7.4. The movement in provision for impairment of Islamic financing during the period is as follows:

	<b>For the six-month period ended 30 June 2024 (Unaudited)</b>	<b>For the year ended 31 December 2023 (Audited)</b>
Balance at the beginning of the period / year	19,651,127	2,848,917
Charge for the period / year	8,477,281	16,975,964
Written off during the period / year	-	(173,754)
Balance at the end of period / year	<b>28,128,408</b>	<b>19,651,127</b>

- 7.5. The Company's Islamic financing arrangements do not include variable payments.
- 7.6. The Company is not exposed to foreign currency risk as a result of the financing arrangements, as all financings are denominated in Saudi Riyals.

**8. RESTRICTED CASH DEPOSITS**

The Company has placed these funds in restricted bank account. Out of total deposit, SR 10.8 million has been deposited as margin deposit for certain financing facilities granted to the Company. The Company also earns a profit on this balance. The yield on the restricted cash deposit is 6.07%.

	<b>30 June 2024 (Unaudited)</b>	<b>31 December 2023 (Audited)</b>
<i>Financial assets carried at amortized cost – secured</i>		
Restricted cash deposit	15,189,743	12,903,108
Accrued profit on restricted cash deposit	432,426	100,352
	<b>15,622,169</b>	<b>13,003,460</b>

**9. SHARE CAPITAL**

The Company's subscribed and paid-up share capital of SR. 300,000,000 is divided into 30,000,000 equity shares of SR. 10 each fully subscribed and paid, and distributed among shareholders as follows:

<b>Shareholders</b>	<b>Holding %</b>	<b>No. of Shares</b>	<b>30 June 2024 (Unaudited)</b>	<b>31 December 2023 (Audited)</b>
Balubaid Holding Company Limited (Ultimate Parent Company)	<b>100%</b>	<b>30,000,000</b>	<b>300,000,000</b>	<b>150,000,000</b>

- 9.1. During the period, the Company's shareholders in their first EGA dated 4 Shaban 1445H (corresponding to 14 February 2024) approved the issuance of additional share capital of SR. 75 million at par value of SR. 10 each. The SAMA's non-objection certificate was received on 02 Shaban 1445H (corresponding to 12 February 2024) and the proceeds for additional share capital was received by the Company on 15 Shaban 1445H (corresponding to 25 February 2024).

Further, in second EGM held on 20 Shawwal 1445H (corresponding to 29 April 2024), the Company's shareholders approved to increase the share capital to SR. 300 million by issuance of additional share capital of SR. 75 million at par value of SR. 10 each. The SAMA's non-objection certificate was received on 13 Shawwal 1445H (corresponding to 22 April 2024) and the proceeds for additional share capital was received by the Company on 05 Dhul-Qi'dah 1445H (corresponding to 13 May 2024).

Accordingly, as of 30 June 2024, the share capital of the Company was adjusted. The legal formalities including updating the commercial registration and articles of association were also completed during the six-months period ended 30 June 2024.

**NATIONAL FINANCE HOUSE COMPANY**  
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**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**  
**FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024**  
**(All amounts in Saudi Riyals unless otherwise stated)**

**10. RELATED PARTY TRANSACTIONS AND BALANCES**

<b>Names of Related Party</b>	<b>Nature of Relationship</b>	<b>Country of incorporation</b>	<b>Aggregate % of shareholding in the Company</b>
Balubaid Holding Company Limited	Shareholder	Saudi Arabia	100%
Furniture Leaders Co.	Affiliate	Saudi Arabia	-
Balubaid Automotive Company	Affiliate	Saudi Arabia	-
Omar Abu Bakr Balubaid Co.	Affiliate	Saudi Arabia	-
Arabian Plant for Lubricants and Greases	Affiliate	Saudi Arabia	-
Awtad Co.	Affiliate	Saudi Arabia	-
Digital Excellence	Affiliate	Saudi Arabia	-
Roots Co.	Affiliate	Saudi Arabia	-
Saudi Finance House Company	Affiliate	Saudi Arabia	-
Aswaq Al-Hijaz	Affiliate	Saudi Arabia	-

**10.1. Transactions during the period**

Following are the related parties including with whom the Company had entered into transactions or have arrangement / agreement in place:

<b>Names of Related Parties</b>	<b>Nature of Relationship</b>	<b>Nature of transactions</b>	<b>For the six-month period ended</b>	
			<b>30 June 2024 (Unaudited)</b>	<b>30 June 2023 (Unaudited)</b>
Furniture Leaders Co.	Affiliate	Purchases for furniture	<b>125,480</b>	-
		Amount repaid to affiliate	<b>(76,962)</b>	-
Balubaid Automotive Company	Affiliate	Purchases for Islamic financing	<b>28,165,484</b>	28,925,843
		Amount repaid to affiliate	<b>(33,466,780)</b>	(35,070,163)
Omar Abu Bakr Balubaid Company	Affiliate	Information Technology Services	<b>857,663</b>	-
		Amount repaid to affiliate	<b>(1,027,356)</b>	-
		Salaries and other short-term employee benefits	<b>3,276,076</b>	1,991,175
Key Management Personnel	Key executive employees	Employees' post-employment benefits	<b>110,127</b>	79,467
		Meeting allowance	<b>39,165</b>	26,000
Key Management Personnel	Audit Committee	Meeting allowance	<b>34,250</b>	43,500
	Board of directors	Meeting allowance	<b>225,000</b>	367,500
	Award Committee	Meeting allowance	<b>25,000</b>	41,000
	Risk Committee	Meeting allowance	<b>50,000</b>	35,000
	Executive Committee	Meeting allowance	<b>20,000</b>	56,000

**Balances as at period-end**

	<b>30 June 2024 (Unaudited)</b>	<b>31 December 2023 (Audited)</b>
<b><u>Financial liabilities at amortized cost - unsecured</u></b>		
<b>Due to related parties</b>		
Balubaid Automotive Company	<b>11,295,544</b>	16,596,841
Omar Abu Bakr Balubaid Company	<b>1,858,208</b>	2,027,901
Furniture Leaders Co.	<b>103,144</b>	54,625
Balubaid Holding Company Limited	<b>2,293</b>	2,293
	<b>13,259,189</b>	18,681,660

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**(A Closed Joint Stock Company)**  
**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**  
**FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024**  
**(All amounts in Saudi Riyals unless otherwise stated)**

**10. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)**

**Balances as at period-end (continued)**

	<b>30 June 2024</b> <b>(Unaudited)</b>	<b>31 December 2023</b> <b>(Audited)</b>
<b>Key Management Personnel</b>		
Salaries and other short-term employee benefits	405,360	431,125
Post-employment benefits	480,765	358,374
Board remuneration	393,415	888,500

**11. PROVISION FOR ZAKAT**

The movement in the provision for zakat is as follows:

	<b>For the six-month</b> <b>period ended</b> <b>30 June 2024</b> <b>(Unaudited)</b>	<b>For the year</b> <b>ended</b> <b>31 December 2023</b> <b>(Audited)</b>
Balance at the beginning of the period / year	699,887	145,363
Provided during the period / year	2,400,016	699,887
Payment during the period / year	(473,141)	(145,363)
Excess accrual reversed during the period / year	(226,745)	-
Balance at the end of the period / year	<b>2,400,017</b>	<b>699,887</b>

**STATUS OF ASSESSMENTS**

The Company submitted its Zakat and income tax returns to the ZATCA until the year ended 31 December 2023 and has obtained a certificate from the ZATCA valid until 02 Dhul-Qi'dah 1446H, corresponding to 30 April 2025. There has been no assessment rendered to the Company by ZATCA from the year of registration through to 2023.

**12. FINANCIAL FACILITIES**

	<b>Note</b>	<b>30 June 2024</b> <b>(Unaudited)</b>	<b>31 December 2023</b> <b>(Audited)</b>
<i><u>Financial liabilities at amortized cost – secured</u></i>			
Long-term financial facilities	12.2	257,131,036	250,670,646
Finance cost payable		1,727,875	1,739,383
		<b>258,858,911</b>	<b>252,410,029</b>

**12.1. Movement in financial facilities**

	<b>For the six-month</b> <b>period ended</b> <b>30 June 2024</b> <b>(Unaudited)</b>	<b>For the year</b> <b>ended</b> <b>31 December 2023</b> <b>(Audited)</b>
Opening balance	252,410,029	-
Add: facilities obtained during the period / year	45,234,730	276,060,317
Less: payments made during the period / year	(38,774,340)	(25,389,671)
Finance cost during the period / year	11,447,393	9,470,591
Less: finance cost paid during the period / year	(11,458,901)	(7,731,208)
Closing balance	<b>258,858,911</b>	<b>252,410,029</b>

**12.2. Maturity profile**

	<b>30 June 2024</b> <b>(Unaudited)</b>	<b>31 December 2023</b> <b>(Audited)</b>
Current portion	80,323,761	69,015,079
Non-current portion	176,807,275	181,655,567
	<b>257,131,036</b>	<b>250,670,646</b>

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**12. FINANCIAL FACILITIES (CONTINUED)**

The Company has obtained bank financial facilities from local Islamic banks for the purpose of financing working capital needs. These bank facilities bear finance costs according to the internal lending rates of Saudi banks (SIBOR) in addition to an agreed profit margin which is 2.5% and also have restricted cash deposits.

**13. FINANCE COST**

	<b>For the six-month period ended</b>	
	<b>30 June 2024</b>	<b>30 June 2023</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Islamic financial facilities		
- Murabaha	<b>11,447,393</b>	1,672,968
Facility management fees	<b>730,175</b>	556,264
Bank charges	<b>381,055</b>	16,698
Finance cost on lease liabilities	-	279
	<b>12,558,623</b>	2,246,209

**14. FAIR VALUES 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 to the Company.

The Company's financial assets consist of cash and cash equivalents, other receivables and financial liabilities consist of other payables and accruals and due to related parties.

The fair values of financial assets and liabilities carried at amortized cost are not materially different from their carrying values at the statement of financial position date.

**15. RECLASSIFICATION OF PRIOR YEAR FIGURES**

Certain comparative information has been reclassified to conform the current period presentation.

**16. SUBSEQUENT EVENTS**

There have been no significant subsequent events since the period-end that would require additional disclosure or adjustment in these interim condensed financial statements.

**17. DATE OF AUTHORIZATION FOR ISSUE**

These interim condensed financial statements were approved and authorized for issue on 25 July 2024 (corresponding to 19 Muharram 1446H) by the Board of Directors of the Company.