

**Tamam Finance Company**  
**(Closed Joint Stock Company – Owned By One Person)**

**INTERIM CONDENSED FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITOR’S REVIEW REPORT**

**FOR THE THREE AND NINE-MONTH PERIODS ENDED 30  
SEPTEMBER 2024**

Tamam Finance Company  
(Closed Joint Stock Company – Owned By One Person)

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INTERIM CONDENSED FINANCIAL STATEMENTS AND INDEPENDENT  
AUDITOR’S REVIEW REPORT  
FOR THE THREE AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2024

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**INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INTERIM CONDENSED  
FINANCIAL STATEMENTS  
TO THE OWNER OF TAMAM FINANCE COMPANY  
(CLOSED JOINT STOCK COMPANY – OWNED BY ONE PERSON)**

**Introduction**

We have reviewed the accompanying interim condensed statement of financial position of Tamam Finance Company ("the Company") as at 30 September 2024, and the interim condensed statement of comprehensive income for the three and nine month periods ended 30 September 2024, and the related interim condensed statements of changes in equity and cash flows for the nine month period then ended, and 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") as 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" as endorsed in the Kingdom of Saudi Arabia. A review of 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 as endorsed in the Kingdom of Saudi Arabia.

for Ernst & Young Professional Services

  
Ahmed Ibrahim Reda  
Certified Public Accountant  
License No. (356)



Riyadh: 25 Rabi Al-Thani 1446H  
(28 October 2024)

**Tamam Finance Company**  
**(Closed Joint Stock Company – Owned By One Person)**

**INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION (UNAUDITED)**

**AS AT 30 SEPTEMBER 2024**

(All amounts in Saudi Riyals)

	<u>Notes</u>	<u>30 September 2024</u> <u>(Unaudited)</u>	<u>31 December 2023</u> <u>(Audited)</u>
<b>ASSETS</b>			
Cash and bank balances		<b>18,620,064</b>	23,232,831
Net Islamic financing and other receivables	4	<b>799,741,239</b>	598,535,745
Property and equipment	5	<b>1,760,948</b>	1,632,551
Intangible assets	6	<b>10,786,245</b>	8,995,715
Right of use asset	7	<b>2,139,629</b>	3,237,684
<b>TOTAL ASSETS</b>		<b>833,048,125</b>	635,634,526
<b>LIABILITIES</b>			
Accruals and other payables		<b>67,652,707</b>	46,495,095
Murabaha facilities	8	<b>120,000,000</b>	-
Due to Owner	9	<b>153,523,378</b>	370,962,796
Lease liability	7	<b>1,754,957</b>	5,014,284
Provision for employees' end of service benefits		<b>1,338,675</b>	879,198
Zakat provision	11	<b>8,858,849</b>	10,022,817
<b>Total liabilities</b>		<b>353,128,566</b>	433,374,190
<b>EQUITY</b>			
Share capital	10	<b>248,000,000</b>	148,000,000
Proposed increase in capital	10	<b>100,000,000</b>	-
Statutory reserve		<b>7,598,464</b>	7,598,464
Other reserve		<b>(75,871)</b>	(75,871)
Retained earnings		<b>124,396,966</b>	46,737,743
<b>Total owner equity</b>		<b>479,919,559</b>	202,260,336
<b>TOTAL LIABILITIES AND OWNER EQUITY</b>		<b>833,048,125</b>	635,634,526



**Mohammed AlFaraj**  
Head of Finance



**Yousef AlMusaileem**  
Chief Executive Officer



**Saad AlSadhan**  
Vice Chairman

The accompany notes 1 to 19 form an integral part of these interim condensed financial statements

**Tamam Finance Company**

**(Closed Joint Stock Company – Owned By One Person)**

**INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME**

**(UNAUDITED)**

**FOR THE THREE AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2024**

**(All amounts in Saudi Riyals)**

	Notes	For the three-month period ended		For the nine-month period ended	
		30 September 2024 (Unaudited)	30 September 2023 (Unaudited)	30 September 2024 (Unaudited)	30 September 2023 (Unaudited)
Income from Islamic financing	12	95,215,909	74,946,581	265,423,160	214,689,382
<b>EXPENSES</b>					
Customer information inquiry fees		(15,471,026)	(15,403,537)	(40,581,142)	(37,108,771)
Business consulting		(35,000)	(379,232)	(655,000)	(606,069)
Employees' salaries and related charges		(5,003,721)	(5,299,323)	(14,260,569)	(12,653,062)
Depreciation and amortization	5,6,7	(1,599,204)	(1,152,017)	(4,647,722)	(3,091,239)
IT related costs		(3,493,937)	(3,677,429)	(10,248,756)	(9,101,006)
Other operating expenses		(15,497,767)	(10,307,936)	(43,074,961)	(29,802,391)
Allowance for expected credit losses	4	(25,414,113)	(26,717,502)	(65,008,360)	(70,871,707)
<b>TOTAL OPERATING INCOME</b>		<b>28,701,141</b>	<b>12,009,605</b>	<b>86,946,650</b>	<b>51,455,137</b>
Financial charges		(1,233,980)	(75,735)	(1,597,048)	(1,118,575)
<b>INCOME BEFORE ZAKAT</b>		<b>27,467,161</b>	<b>11,933,870</b>	<b>85,349,602</b>	<b>50,336,562</b>
Zakat	11	(2,792,630)	(1,230,470)	(7,690,379)	(5,190,069)
<b>NET INCOME FOR THE PERIOD</b>		<b>24,674,531</b>	<b>10,703,400</b>	<b>77,659,223</b>	<b>45,146,493</b>
Other comprehensive income		-	-	-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>24,674,531</b>	<b>10,703,400</b>	<b>77,659,223</b>	<b>45,146,493</b>

  
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**Tamam Finance Company**

**(Closed Joint Stock Company – Owned By One Person)**

**INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)**

**FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024**

(All amounts in Saudi Riyals)

<u>For the nine-month period ended</u> <u>30 September 2024</u>	<i>Share capital</i>	<i>Proposed increase in capital</i>	<i>Statutory reserve</i>	<i>Other reserve</i>	<i>Retained earnings</i>	<i>Total</i>
Balance as at 1 January 2024 (Audited)	148,000,000	-	7,598,464	(75,871)	46,737,743	202,260,336
Capital increase	100,000,000	-	-	-	-	100,000,000
Proposed increase in capital	-	100,000,000	-	-	-	100,000,000
Net income for the period	-	-	-	-	77,659,223	77,659,223
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	77,659,223	77,659,223
<b>Balance as at 30 September 2024 (Unaudited)</b>	<b>248,000,000</b>	<b>100,000,000</b>	<b>7,598,464</b>	<b>(75,871)</b>	<b>124,396,966</b>	<b>479,919,559</b>

<u>For the nine-month period ended</u> <u>30 September 2023</u>						
Balance as at 1 January 2023 (Audited)	148,000,000	-	2,427,849	447,944	200,827	151,076,620
Net income for the period	-	-	-	-	45,146,493	45,146,493
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	45,146,493	45,146,493
<b>Balance as at 30 September 2023 (Unaudited)</b>	<b>148,000,000</b>	<b>-</b>	<b>2,427,849</b>	<b>447,944</b>	<b>45,347,320</b>	<b>196,223,113</b>



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**Tamam Finance Company**

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**INTERIM CONDENSED STATEMENT OF CASH FLOWS (UNAUDITED)**

FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024

(All amounts in Saudi Riyals)

	Notes	30 September 2024 (Unaudited)	30 September 2023 (Unaudited)
<b>Cash flows from operating activities</b>			
Income before zakat		85,349,602	50,336,562
<b>Adjustments for:</b>			
Allowance for expected credit losses	4	65,008,360	70,871,707
Financial charges		1,597,048	1,118,575
Depreciation and amortization		4,647,722	3,091,239
Provision for employees' end-of-service benefits		491,224	356,913
<b>Operating cash flows before working capital changes</b>		<b>157,093,956</b>	<b>125,774,996</b>
<b>Working capital changes:</b>			
Islamic financing and other receivables		(266,213,854)	(274,077,200)
Accruals and other payables		20,579,698	8,962,441
Due to Owner		(28,932,671)	280,492,614
<b>Net cash (used in) / generated from operating activities</b>		<b>(117,472,871)</b>	<b>141,152,851</b>
Zakat paid		(6,072,913)	(77,228)
Employees' end-of-service benefits paid		(31,747)	(777,763)
<b>Cash flows (used in) / generated from operating activities</b>		<b>(123,577,531)</b>	<b>140,297,860</b>
<b>Cash flows from financing activities</b>			
Proceed from Murabaha Facilities		120,000,000	25,000,000
Payment of Murabaha Facilities		-	(145,000,000)
Financial charges paid		(1,035,236)	(2,729,751)
<b>Net cash generated from / (used in) financing activities</b>		<b>118,964,764</b>	<b>(122,729,751)</b>
<b>Net change in cash and bank balances</b>		<b>(4,612,767)</b>	<b>17,568,109</b>
Cash and bank balances at beginning of the period		23,232,831	29,008,219
<b>Cash and bank balances at end of the period</b>		<b>18,620,064</b>	<b>46,576,328</b>
<b>Non-cash items</b>			
Right of use asset and lease liability		151,087	4,711,344
Purchase of property and equipment		(488,689)	(24,250)
Purchase of intangible assets		(4,819,353)	(4,981,487)
Transfer from due to owner to increase capital		100,000,000	-
Transfer from due to owner to proposed increase in capital		100,000,000	-
Lease liability paid by the owner		(3,570,966)	-
Zakat paid by the owner		(2,781,434)	-



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Chief Executive Officer



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Vice Chairman

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Tamam Finance Company  
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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)  
(CONTINUED)

FOR THE THREE AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2024

(All amounts in Saudi Riyals)

**1 ORGANIZATION AND ACTIVITIES**

The Company is a “Closed Joint Stock Company” registered in Riyadh, Kingdom of Saudi Arabia under Commercial Registration no. 1010573360 dated 9 Shaban 1440 (H) corresponding to 15 April 2019 (G). The Company is wholly owned by Mobile Telecommunications Company Saudi Arabia (“Parent Company”). The ultimate parent company of the Company is Oman Telecommunications Company SAOG, Oman.

The Company is engaged in providing consumer finance services in accordance with the approval of Saudi Central Bank (“SAMA”) numbered 57/A SH/202012 issued on 15 Jamada Awwal 1442 (H) corresponding to 20 December 2020.

The duration of the Company is 49 years starting from the date of registration of the Commercial Registration. The registered address of the Company is P.O. Box 295814, Riyadh 11351, Kingdom of Saudi Arabia.

On 1 Safar 1441 (H) corresponding to 30 September 2019 (G), the Company was converted from Limited Liability Company to Closed Joint Stock Company. During 2020, the name of the Company was changed from “Zain Payments Company Ltd” to “Tamam Finance Company”.

**2 BASIS OF PREPARATION**

These interim condensed financial statements of the Company as at and for the period ended 30 September 2024, 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 endorsed by the Saudi Organization for Chartered and Professional Accountants (“SOCPA”). These interim condensed financial statements do not include all the information and disclosure required in the annual financial statements and should be read in conjunction with the annual audited financial statements for the year ended 31 December 2023. These interim results may not be an indicator of the annual results of the Company.

These interim condensed financial statements have been presented in Saudi Riyals (“SR”), which is also the functional currency of the Company.

The accounting and risk management policies adopted in the preparation of these interim condensed financial statements are consistent with those used in the preparation of the annual audited financial statements for the year ended 31 December 2023.

**3 SUMMARY OF MATERIAL ACCOUNTING POLICIES**

**3.1 Material accounting policies**

The interim condensed financial statements do not contain all information and disclosures required for full financial statements prepared in accordance with International Financial Reporting Standards (“IFRS”) as endorsed in KSA. In addition, results for the three and nine months period ended 30 September 2024 are not necessarily be indicative of the results that may be expected for the financial year ending 31 December 2024.

The accounting policies used in the preparation of these interim condensed financial statements are consistent with those followed in the preparation of the Company’s annual financial statements for the year ended 31 December 2023. The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2023 which had no material impact on Company’s interim condensed financial statements. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.



Tamam Finance Company  
(Closed Joint Stock Company – Owned By One Person)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)  
(CONTINUED)

FOR THE THREE AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2024

(All amounts in Saudi Riyals)

**3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)**

**3.2 Significant accounting judgements, estimates and assumptions.**

The preparation of the Company's interim condensed financial statements require management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities.

Other than above, the accounting estimates and assumptions used in the preparation of these interim condensed financial statements are consistent with those used in the preparation of the annual financial statements for the year ended 31 December 2023.

**3.3 New standards, interpretations and amendments adopted by the Company.**

The following new and amended IFRSs, which became effective for annual periods beginning on or after 1 January 2024, have been adopted in these financial statements, however these do not have any material impact on the financial statements for the period unless otherwise stated:

<b>Standard/ interpretation</b>	<b>Description</b>	<b>Effective from periods beginning on or after</b>
Amendment to IFRS 16 – Leases on sale and leaseback	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.	1 January 2024
Amendments to IAS 7 and IFRS 7 on Supplier finance arrangements	These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis.	1 January 2024
Amendment to IAS 1 – Non-current liabilities with covenants	These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions.	1 January 2024

Tamam Finance Company  
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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)  
(CONTINUED)  
FOR THE THREE AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2024  
(All amounts in Saudi Riyals)

**3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)**

**3.4 Material standards issued but not yet effective**

Standard/ interpretation	Description	Effective from periods beginning on or after
Amendment to IFRS 21 – Lack of exchangeability	IASB amended IAS 21 to add requirements to help in determining whether a currency is exchangeable into another currency, and the spot exchange rate to use when it is not exchangeable. Amendment set out a framework under which the spot exchange rate at the measurement date could be determined using an observable exchange rate without adjustment or another estimation technique.	1 January 2025
Amendments to IFRS 10 and IAS 28- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Partial gain or loss recognition for transactions between an investor and its associate or joint venture only apply to the gain or loss resulting from the sale or contribution of assets that do not constitute a business as defined in IFRS 3 Business Combinations and the gain or loss resulting from the sale or contribution to an associate or a joint venture of assets that constitute a business as defined in IFRS 3 is recognized in full.	Effective date deferred indefinitely
IFRS 18- Presentation and Disclosure in Financial Statements	IFRS 18: Presentation and Disclosure in Financial Statements – Replaces IAS (1) Presentation of Financial Statements	1 January 2027

**4 NET ISLAMIC FINANCING AND OTHER RECEIVABLES**

	30 September 2024 (Unaudited)	31 December 2023 (Audited)
Islamic financing receivables	853,439,495	657,254,297
Unearned finance income	(1,709,185)	(1,361,983)
	851,730,310	655,892,314
Less: allowance for expected credit losses	(53,180,208)	(58,787,687)
<b>Islamic financing receivables, net</b>	<b>798,550,102</b>	<b>597,104,627</b>
Other receivables	1,191,137	1,431,118
<b>Islamic financing and other receivables</b>	<b>799,741,239</b>	<b>598,535,745</b>

All the financing facilities provided by Company are Shariah compliant, accordingly they are unconventional in nature. The company conducts credit checks before granting credit to new customers. These procedures are reviewed and updated continuously. There have been no changes to these procedures compared to the previous year.

i) Movement in the allowance for impairment losses were as follows:

	30 September 2024 (Unaudited)	31 December 2023 (Audited)
Balance at the beginning of the period / year	58,787,687	36,354,290
Charge for the period / year	65,008,360	92,163,438
Written-off during the period / year	(80,625,887)	(71,860,497)
Recovery of written-off	10,010,048	2,130,456
At the end of the period / year	53,180,208	58,787,687

Tamam Finance Company  
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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)  
(CONTINUED)

FOR THE THREE AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2024

(All amounts in Saudi Riyals)

**4 NET ISLAMIC FINANCING AND OTHER RECEIVABLES (CONTINUED)**

- ii) The allowance for impairment of Islamic financing receivables, charged to the interim condensed statement of comprehensive income comprise of the following:

	30 September 2024 (Unaudited)	30 September 2023 (Unaudited)
Charge for the period	75,018,408	72,242,402
Recovery of written off financing for the period	(10,010,048)	(1,370,695)
Provision charged for the period	65,008,360	70,871,707

In determining the recoverability of an Islamic financing receivable, the Company considers any change in the credit quality of the Islamic financing receivable from the date credit was initially granted up to the end of the reporting period. The concentration of credit risk is limited due to the fact that the customer base is large and unrelated. The Company does not hold any collateral over the impaired Islamic financing receivables.

- iii) Analysis of credit quality of Islamic financing receivables is as follows:

	30 September 2024 (Unaudited)	31 December 2023 (Audited)
Neither past due nor impaired	496,391,577	362,722,560
Past due but not impaired	250,327,163	158,598,539
Past due and impaired	105,011,570	134,571,215
	851,730,310	655,892,314

Management classifies Islamic financing receivables that are either not yet due or otherwise past due but for 90 days or less as “performing” while all receivables that are past due for more than 90 days are classified as “non-performing”. Below is the breakdown of performing and non-performing Islamic financing receivables:

	30 September 2024 (Unaudited)	31 December 2023 (Audited)
Performing	746,718,740	521,321,099
Non-performing	105,011,570	134,571,215
	851,730,310	655,892,314

- iv) The movement in allowances for Islamic financing receivables is as follows:

30 September 2024 (Unaudited)	Expected credit loss allowance (SR)			Total
	Stage 1 (12-month ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit impaired)	
At 1 January 2024	681,864	11,586,830	46,518,993	58,787,687
Transfers:				
Transfer to 12-months	2,850,105	(510,850)	(2,339,255)	-
Transfer to lifetime not credit-impaired	(271,186)	7,699,976	(7,428,790)	-
Transfer to lifetime credit-impaired	(827)	(4,850,341)	4,851,168	-
Charge for the period / (reversal)	(2,037,473)	1,231,361	75,824,520	75,018,408
Write-offs	-	-	(80,625,887)	(80,625,887)
At 30 September 2024	1,222,483	15,156,976	36,800,749	53,180,208

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)  
(CONTINUED)

FOR THE THREE AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2024

(All amounts in Saudi Riyals)

**4 NET ISLAMIC FINANCING AND OTHER RECEIVABLES (CONTINUED)**

iv) The movement in allowances for Islamic financing receivables is as follows: (continued)

<u>31 December 2023 (Audited)</u>	<i>Expected credit loss allowance (SR)</i>			<i>Total</i>
	<i>Stage 1</i> <i>(12-month ECL)</i>	<i>Stage 2</i> <i>(lifetime ECL for SICR)</i>	<i>Stage 3</i> <i>(lifetime ECL for credit impaired)</i>	
At 1 January 2023	458,953	8,837,888	27,057,449	36,354,290
Transfers:				
Transfer to 12-months	295,460	(215,925)	(79,535)	-
Transfer to lifetime not credit-impaired	(80,187)	401,724	(321,537)	-
Transfer to lifetime credit-impaired	(97,548)	(2,528,279)	2,625,827	-
Charge for the year / (reversal)	105,186	5,091,422	89,097,286	94,293,894
Write-offs	-	-	(71,860,497)	(71,860,497)
At 31 December 2023	681,864	11,586,830	46,518,993	58,787,687

30 September 2023 (Unaudited)

At 1 January 2023	458,953	8,837,888	27,057,449	36,354,290
Transfers:				
Transfer to 12-months	1,703,196	(733,303)	(969,893)	-
Transfer to lifetime not credit-impaired	(155,600)	853,599	(697,999)	-
Transfer to lifetime credit-impaired	(63,915)	(5,374,321)	5,438,236	-
New business / other movements	(1,233,491)	10,046,079	63,429,814	72,242,402
Write-offs	-	-	(33,987,873)	(33,987,873)
At 30 September 2023	709,143	13,629,942	60,269,734	74,608,819

v) The movement of Islamic financing receivables at gross exposure by stages is as follows:

<u>30 September 2024 (Unaudited)</u>	<i>Gross carrying amount (SR)</i>			<i>Total</i>
	<i>Stage 1</i> <i>Exposure</i>	<i>Stage 2</i> <i>Exposure</i>	<i>Stage 3</i> <i>Exposure</i>	
<b><i>Murabaha Financing Receivables</i></b>				
At 1 January 2024	362,722,560	158,598,539	134,571,215	655,892,314
Transfers:				
Transfer to 12-months	14,382,368	(7,926,518)	(6,455,850)	-
Transfer to lifetime not credit-impaired	(108,549,344)	129,382,068	(20,832,724)	-
Transfer to lifetime credit-impaired	(154,803)	(55,778,835)	55,933,638	-
New business / other movements	227,990,796	26,051,909	22,421,178	276,463,883
Write-offs	-	-	(80,625,887)	(80,625,887)
At 30 September 2024	496,391,577	250,327,163	105,011,570	851,730,310

Tamam Finance Company  
(Closed Joint Stock Company – Owned By One Person)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)  
(CONTINUED)

FOR THE THREE AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2024

(All amounts in Saudi Riyals)

**4 NET ISLAMIC FINANCING AND OTHER RECEIVABLES (CONTINUED)**

v) The movement of Islamic financing receivables at gross exposure by stages is as follows: (continued)

	Gross carrying amount (SR)			
31 December 2023 (Audited)	Stage 1 Exposure	Stage 2 Exposure	Stage 3 Exposure	Total
Murabaha Financing Receivables				
At 1 January 2023	196,976,991	101,787,403	69,457,969	368,222,363
Transfers:				
Transfer to 12-months	3,007,619	(2,782,448)	(225,171)	-
Transfer to lifetime not credit-impaired	(30,891,915)	31,778,197	(886,282)	-
Transfer to lifetime credit-impaired	(26,768,338)	(29,016,348)	55,784,686	-
New business / other movements	220,398,203	56,831,735	82,300,510	359,530,448
Write-offs	-	-	(71,860,497)	(71,860,497)
At 31 December 2023	362,722,560	158,598,539	134,571,215	655,892,314

**5 PROPERTY AND EQUIPMENT**

	<i>30 September 2024 (Unaudited)</i>				<i>31 December 2023</i>
	<i>Leasehold Improvements</i>	<i>Computers</i>	<i>Furniture &amp; Office Equipment</i>	<i>Total</i>	<i>Total</i>
<i>Cost</i>					
Balance as at beginning of the period / year	917,912	112,238	726,664	1,756,814	87,988
Additions	35,763	355,320	97,606	488,689	1,668,826
<b>Balance as at the end of the period / year</b>	<b>953,675</b>	<b>467,558</b>	<b>824,270</b>	<b>2,245,503</b>	<b>1,756,814</b>
<i>Accumulated depreciation</i>					
Balance as at beginning of the period / year	30,597	69,444	24,222	124,263	18,703
Charge for the Period / year	141,862	99,670	118,760	360,292	105,560
<b>Balance as at the end of the period / year</b>	<b>172,459</b>	<b>169,114</b>	<b>142,982</b>	<b>484,555</b>	<b>124,263</b>
<b>Net book value</b>	<b>781,216</b>	<b>298,444</b>	<b>681,288</b>	<b>1,760,948</b>	<b>1,632,551</b>

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**6 INTANGIBLE ASSETS**

Intangible assets include software and mobile application of the Company. These intangible assets are amortized over 5 years based on useful economic life.

	<b>30 September 2024 (Unaudited)</b>			<b>31 December 2023 (Audited)</b>
	<i>Computer software and IT systems</i>	<i>Capital work in progress</i>	<i>Total</i>	<i>Total</i>
<b>Cost</b>				
Balance as at beginning of the period / year	<b>14,910,013</b>	<b>1,920,510</b>	<b>16,830,523</b>	11,802,838
Additions during the period / year	<b>4,348,470</b>	<b>470,883</b>	<b>4,819,353</b>	5,027,685
Transfer from CWIP to Software	<b>1,802,385</b>	<b>(1,802,385)</b>	<b>-</b>	-
<b>Balance as at end of the period / year</b>	<b>21,060,868</b>	<b>589,008</b>	<b>21,649,876</b>	16,830,523
<b>Accumulated amortization</b>				
Balance as at beginning of the period / year	<b>7,834,808</b>	<b>-</b>	<b>7,834,808</b>	5,137,033
Charge for the period / year	<b>3,028,823</b>	<b>-</b>	<b>3,028,823</b>	2,697,775
<b>Balance as at end of the period / year</b>	<b>10,863,631</b>	<b>-</b>	<b>10,863,631</b>	7,834,808
<b>Balance as at end of the period / year</b>	<b>10,197,237</b>	<b>589,008</b>	<b>10,786,245</b>	8,995,715

**7 RIGHT OF USE ASSET AND LEASE LIABILITY**

The Company has lease contracts for building used in its operations. Leases of building has lease terms of 3 years. Set out below is the carrying amount of right-of-use asset and the movements during the period:

	<b>30 September 2024 (Unaudited)</b>	<b>31 December 2023 (Audited)</b>
Balance as at beginning of the period / year	<b>3,237,684</b>	-
Additions during the period / year	<b>-</b>	4,711,344
Adjustment	<b>160,552</b>	-
Depreciation for the period / year	<b>(1,258,607)</b>	(1,473,660)
<b>Balance as at end of the period / year</b>	<b>2,139,629</b>	3,237,684

The movements in lease liability during the period / year are as follows:

	<b>30 September 2024 (Unaudited)</b>	<b>31 December 2023 (Audited)</b>
Balance as at beginning of the period / year	<b>5,014,284</b>	-
Addition during the period / year	<b>-</b>	4,711,344
Adjustment	<b>228,691</b>	-
Interest on lease liability	<b>82,948</b>	302,940
Lease payments	<b>(3,570,966)</b>	-
<b>Balance as at end of the period / year</b>	<b>1,754,957</b>	5,014,284
Non-current portion	<b>-</b>	1,473,661
Current portion	<b>1,754,957</b>	3,540,623
	<b>1,754,957</b>	5,014,284

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**8 MURABAHA FACILITIES**

On 27 September 2020, the parent company (including its subsidiaries) entered a Murabaha agreement for working capital facilities amounting to 1 billion Saudi Riyals. The financing expenses, as defined under the agreement, are due in quarterly installments over 5 years. The facility is partially secured by a guarantee from the Mobile Telecommunications Company K.S.C., a pledge of the parent company's shares owned by certain founding shareholders, the assignment of certain contracts and receivables, and a lien on fixed assets. The Company utilized only SAR 120 million during the period ended 30 September 2024, which will be due in full on 27 November 2024.

**9 RELATED PARTY TRANSACTIONS AND BALANCES**

Related parties represent the Shareholder, directors and key management personnel of the Company, and entities controlled or significantly influenced by such parties. In the ordinary course of business, the Company transacts business with related parties at agreed terms between the management. The nature and balances resulting from such transactions are as follows:

i) During the period, the Company had the following transactions with related parties:

			<b>30 September 2024</b>	<b>30 September 2023</b>
<b>Related party</b>	<b>Relationship</b>	<b>Nature</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Mobile Telecommunications Company Saudi Arabia	Parent Company	Expenses paid on behalf of the Company	<b>(82,732,137)</b>	(110,492,613)
		Transfer of property and equipment and Intangible assets	<b>(5,308,040)</b>	5,005,738
		Funds transfer to/(from) related party	<b>(105,479,595)</b>	170,000,000
		Proposed increase in capital	<b>100,000,000</b>	-
		Transfer for capital increase	<b>100,000,000</b>	-
Key management personnel	Executives	Compensation – salaries and other incentives	<b>6,369,716</b>	4,825,353
		Provision of employees' defined benefit liabilities	<b>166,515</b>	169,279

ii) The Company had following related party balance during the period / year:

<b><u>Due to Owner</u></b>	<b>30 September 2024 (Unaudited)</b>	<b>31 December 2023 (Audited)</b>
Mobile Telecommunications Company Saudi Arabia*	<b>153,523,378</b>	370,962,796

\*This balance is interest free and repayable on demand.

**Board of Directors remuneration**

The Company has paid remuneration SAR 1,000,000 to its Board of Directors and Audit Committee members during the period ended 30 September 2024 (30 September 2023: SAR 512,500).

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**10 SHARE CAPITAL**

Share capital is divided into 24,800,000 shares (31 December 2023: 14,800,000 shares) of SAR 10 each.

During the period, the Board of Directors resolved to increase the share capital of the Company from SAR 148 million to SAR 248 million through transfer from amount due to Owner. The increase in capital was approved by the Saudi Central Bank via letter 45051557 dated 9 Sha'ban 1445H (corresponding to 19 February 2024). The extraordinary General Assembly have met on 25 Thul-Qidah 1445H (corresponding to 2 June 2024) and approved the capital increase recommended by the Board of Directors. The Company's By-Laws and Commercial Registration has been amended accordingly.

Furthermore, during the period, the Board of Directors proposed an additional increase in the Company's share capital by SAR 100 million through the transfer from due to owner. The proposed increase in capital was approved by the Saudi Central Bank via letter 46023610 dated 14 Rabi Al-Akhar 1446H (corresponding to 17 October 2024).

**11 ZAKAT PROVISION**

	<i>30 September 2024</i>	<i>31 December 2023</i>
	<i>(Unaudited)</i>	<i>(Audited)</i>
Balance at the beginning of the period / year	<b>10,022,817</b>	2,908,636
Charge for the period / year	<b>7,690,379</b>	7,191,409
Payment during the period / year	<b>(8,854,347)</b>	(77,228)
Balance at the end of the period / year	<b>8,858,849</b>	10,022,817

**Status of assessment**

Till the year ended 31 December 2020, the Company had submitted its information related to zakat returns through the Parent Company as the Parent Company had filed a consolidate zakat return which includes the Company's accounts. The Parent Company had submitted its Zakat returns up to 31 December 2020 and obtained the certificates. The Company has filed Zakat return for the years ended 31 December 2021 through 2023 by itself and obtained the certificates for the respective years. Final assessments have not been raised by Zakat, Tax and Customs Authority ("ZATCA") yet.

**12 INCOME FROM ISLAMIC FINANCING**

	<i>For the three-month period ended</i>		<i>For the nine-month period ended</i>	
	<i>30 September</i>	<i>30 September</i>	<i>30 September</i>	<i>30 September</i>
	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Islamic financing income	<b>93,224,018</b>	73,633,758	<b>259,248,555</b>	210,848,937
Fee income	<b>1,991,891</b>	1,312,823	<b>6,174,605</b>	3,840,445
	<b>95,215,909</b>	74,946,581	<b>265,423,160</b>	214,689,382

All the income is from financing products which are Shariah compliant.



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**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)**  
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**13 FAIR VALUE 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 by the Company.

Financial instruments comprise financial asset and financial liabilities. Financial assets of the Company includes bank balances and Murabaha receivables. Financial liabilities of the Company include borrowings and accruals.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities
- Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly
- Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

All the financial assets and liabilities of the Company are classified within level 3 of the fair value hierarchy.

For assets and liabilities that are recognized in the interim condensed financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. The Company's management determines the policies and procedures for both recurring fair value measurement and for non-recurring measurement. There have been no transfers between various fair value hierarchy level during the current or prior period.

**Carrying amount versus fair value**

The Company considers that the carrying amount of the following financial assets and financial liabilities are a reasonable approximation of their fair value:

- Bank Balances
- Islamic financing and other receivables
- Accruals and other payables
- Due to Owner
- Murabaha Facilities

**14 CAPITAL MANAGEMENT**

The Company's policy is to maintain a strong capital base to maintain creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholder. The Company's objectives for managing capital are to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholder and benefits for other stakeholders and to provide an adequate return to shareholders by pricing the services commensurately with the level of risk.

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**15 FINANCIAL RISK MANAGEMENT**

The Company's activities expose it to a variety of financial risks: market risk (including profit rate risk and foreign currency risk), credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance. Risk management is carried out by management. The most important types of risk are summarized below.

***Credit risk***

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and will cause the other party to incur a financial loss. The Company seeks to manage its credit risk with respect to customers by setting credit limits for individual customers and by monitoring outstanding receivables.

The Company's maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets as disclosed in the table below:

	<b>30 September 2024 (Unaudited)</b>	<b>31 December 2023 (Audited)</b>
Cash and bank balances	<b>18,620,064</b>	23,232,831
Net Islamic financing receivables and other receivables	<b>799,741,239</b>	598,535,745
Total	<b>818,361,303</b>	621,768,576

**16 CONTINGENCIES AND COMMITMENTS**

There were no contingencies and commitments for the Company at any of the reporting dates.

**17 EVENTS AFTER THE REPORTING PERIOD**

The proposed increase in capital was approved by the Saudi Central Bank via letter 46023610 dated 14 Rabi Al-Thani 1446H (corresponding to 17 October 2024), other than that there have been no significant subsequent events since the nine-month period ended 30 September 2024 that would have material impact on the interim condensed financial statements of the Company.

**18 COMPARATIVE FIGURES**

Certain prior period amounts have been reclassified to conform to the presentation in the current period. However, there is no material change to report.

**19 APPROVED INTERIM CONDENSED FINANCIAL STATEMENTS**

These interim condensed financial statements were approved by the Board of Directors on 24 Rabi Al-Thani 1446H (corresponding to 27 October 2024).