
التقرير السنوي 2022



المحتويات

عن الشركة

3

كلمة رئيس مجلس الإدارة

6

أعمال الشركة خلال عام 2022

8

المراجعة السنوية لفعالية اجراءات الرقابة الداخلية لعام 2022

19

مجلس الإدارة واللجان التابعة

22

الشكر والتقدير

38

القوائم المالية المدققة عن العام المالي المنتهي 2022-12-31

40



عن الشركة

مقدمة

تأسست شركة اليسر للإجارة والتمويل في عام 2004م وهي إحدى شركات مجموعة عبداللطيف العيسى القابضة التي باتت إحدى الخيارات المفضلة في عالم التمويل، لدورها الريادي على مستوى المملكة في خدمات التمويل عبر ابتكار البرامج التمويلية المتنوعة والمتوافقة مع احتياجات الأفراد والشركات. احتلت "اليسر للإجارة والتمويل" مراكز متقدمة بامتياز بين شركات الإجارة والتمويل على مستوى المملكة، وتعد الشركة من أسرع 100 شركة نمواً في المملكة ، وحازت على العديد من الجوائز الوطنية والإقليمية والدولية. وكانت من أوائل الشركات التي حصلت على ترخيص ممارسة أنشطة الإيجار التمويلي وتمويل نشاط المنشآت الصغيرة والمتوسطة وتمويل الأصول الإنتاجية والتمويل الإستهلاكي من قبل مؤسسة النقد السعودي في العام 2014م.

عن الشركة

رؤيتنا

أن نكون مقدّم الخدمات المالية المفضّل

رسالتنا

تعزيز منفعة العملاء وتجربتهم من خلال الاستفادة من مواهبنا وتقنياتنا في تقديم منتجات وخدمات مالية مُبتكرة.

قيمنا

- النزاهة والشفافية والاحترام
- العمل بروح الفريق الواحد
- الابتكار والتنوع
- التوافق مع الممارسات البيئية والاجتماعية وحوكمة الشركات

أنشطة الشركة الرئيسية

توفير خدمات ومنتجات التكنولوجيا المالية الجديدة وذلك بالاعتماد بشكل أكبر على القنوات الرقمية، لتلبية احتياجات الافراد وتغطية احتياجات المؤسسات الصغيرة والمتوسطة بما يتوافق مع الأنشطة التمويلية المصرحة للشركة من قبل مؤسسة النقد العربي السعودي

- الخدمات التمويلية للأفراد كالتمويل الشخصي والإيجار التمويلي، والتمويل الاستهلاكي ومنتج مرابحة السلع

- الخدمات التمويلية للشركات والمنشآت المتوسطة والصغيرة وتمويل الأصول الإنتاجية



كلمة رئيس مجلس الإدارة

بداية أحيي واهني جميع العاملين داخل شركة اليسر وأعضاء مجلس الإدارة على تحقيق و اكتمال تنفيذ التحول الرقمي في الشركة.

أقدم لكم التقرير السنوي الذي يتضمن أهم نتائج وإنجازات شركة اليسر للإجارة والتمويل والحسابات الختامية للعام 2022 م ، ومن أهمها تجاوز التحديات التي واجهتها الشركة خلال السنوات الأخيرة من خلال تنفيذ الخطط والمبادرات المناسبة ضمن مسارات التحول الاقتصادي ، وأبرزها بلا شك التحول الرقمي و التقني والاستمرارية بدعم و استفادة الشركة من فرص برامج التحول الوطني لرؤية المملكة 2030.

الدعم المتواصل للقطاعات المالية والاستثمارية والتجارية من قبل قيادتنا الرشيدة وشراكة القطاع الخاص عززت النمو الاقتصادي بشكل كبير و خلقت فرص استثمارية و نمو إقتصادي مستدام باعتماد خطط تحفيز للقطاع وإزالة العقبات وتوفير الأدوات اللازمة لتنمية قطاع التمويل من خلال برامج دعم كبرنامج بنك المنشآت.

انطلاقاً من رؤية المملكة 2030 التي من أهم ركائزها هو التحول الرقمي، بادرت الشركة بتنفيذ العديد من الخطوات السريعة والفعالة من خلال اعتماد أكثر من 29 مشروع تقني من شأنه تحسين وتطوير رحلة العميل، بالإضافة الى تنويع قنوات التواصل مع العملاء واهمها تطبيق اليسر الالكتروني و التي من شأنه تسهيل واسراع تقديم الطلب بالإضافة الى جعله آمناً إلكترونياً حيث تم ربطه الكترونياً مع أكثر من نظام تقني حكومي. كما تم اطلاق مراكز الخدمة الشاملة وأجهزة الخدمة الذاتية وهو ما تحقق بفضل الله وقيد التنفيذ .

قامت اليسر خلال العام ببناء شراكات إستراتيجية مع قطاعات كبيرة مثل برنامج اعزاز التابع لوزارة الدفاع و بنك المنشآت لتعزيز العلاقة مع عملاءها وتحسين القدرة التنافسية لكي تواكب التطور التقني المحقق في نفس الفترة وهو ما ساعد بشكل مباشر في تحسين الاداء وسرعة الإنجاز.

و من اهم الانجازات ايضا انهاء الخطة الاستراتيجية للشركة و اعادة هيكلة أعمال الشركة في التحول الى نموذج العمل الرقمي و التقني في جميع نشاطات الشركة التي تهدف لتحسين بيئة العمل من خلال تيسير الإجراءات و الاعمال الداخلية،وهو ما يعكس مسار و رؤية الشركة الاستراتيجية الجديدة للسنوات الخمس القادمة.

واستكمالاً لإنجازات الشركة الجوهرية رسخنا مكانتنا ومسؤوليتنا الاجتماعية من خلال تنفيذ مبادرات اجتماعية عديدة من أهمها حملة التبرع بالدم مع مستشفى قوى الأمن وحفل اسر الشهداء مع شريكنا التأمينات الاجتماعية وغيرها من المبادرات العديدة للتحقيق واستكمال الإنجاز ستواصل وتلتزم شركة اليسر ممثلة بمجلس ادارتها ولجانها وقيادتها الادارية بتمكين القيادات الشابة الوطنية وتطويرها بشكل دائم لتحقيق افضل فرص وظيفية وتطوير لكوادرنا البشرية والقيام بدورنا الداعم للاقتصاد الوطني بشكل عام وقطاع خدمات التمويل والعمل المصرفي بشكل خاص .



وفي الختام، فخورون بما تم إنجازه و ما سيتم تحقيقه بإذن الله في رحلة التحسين المستمرة خلال السنوات القادمة وحرص مجلس الإدارة على ذلك من خلال الدعم الكامل للعاملين بالشركة.

نسأل الله التوفيق والسداد
عبدالمحسن بن عبداللطيف العيسى



أعمال الشركة خلال عام 2022

أعمال الشركة خلال عام 2022

ضمن إطار خطة الشركة نحو التحول الرقمي كجزء من إستراتيجيتها الجديدة ومن خلال وحدة تحسين الأعمال ، توجهت الشركة خلال العام نحو تطبيق فكرة مراكز الخدمة الشاملة والذي يمكن العميل من الحصول على الخدمات المتكاملة وإنهاء جميع إجراءات التمويل خلال زيارة واحدة فقط . عملت الشركة على زيادة إيراداتها مع تحديد أهداف جديدة لتطوير وتنويع الخدمات المقدمة للعملاء بالإضافة إلى تحويل فروعها من مراكز البيع إلى منافذ خدمة العملاء الشاملة.

الرؤية الإستراتيجية

تسعى استراتيجية اليسر الى تقديم خدمات متكافئة وتحقيق التميز في رحلة العميل، وذلك لقيادة سوق التمويل والبقاء في صدارة الشركات من مقدمي الحلول التمويلية استناداً على 5 ركائز :

- شركة تمويل ابتكارية وتنافسية
- منظمة متمحورة حول العميل وقائمة على البيانات الرقمية
- منظمة داعمة للمواهب والقوى البشرية
- منظمة مدفوعة بالاستراتيجية
- الاستدامة المالية

وتدعم رحلة التحول من خلال :

تعزيز صورة العلامة التجارية لشركة اليسر بتقديم منتجات وخدمات مالية عبر رحلة عميل مميزة تحول جميع منتجات اليسر وخدماتها الى منصات رقمية وتطوير عملية اتخاذ القرارات من خلال تحليل البيانات والمعلومات توفير بيئة عمل ممكنة وداعمة لتجربة الموظف ، أهداف استراتيجية اليسر لقيادة سوق الشركات التمويلية

بناء علامة تجارية قوية

تقديم منتجات وخدمات ابتكارية

التحول الى شركة رقمية بالكامل

التحول الى منظمة مدفوعة بالبيانات

التميز والريادة في رحلة العميل

التحسين المستمر لبيئة العمل مع التركيز على

إثراء أداء الموظفين وإعادة صياغته

تنفيذ الاستراتيجية بفاعلية

إثراء التعاون والتكامل الداخلي بين الإدارات

تطوير حوكمة الشركة وإدارة المخاطر

النمو المستدام لمواكبة السوق

تقوية المركز المالي وربحية اليسر

تعزيز جودة محفظة القروض

أعمال الشركة خلال عام 2022

التحول الرقمي

تم اطلاق حلول تقنية حديثة في الشركة اهمها تطبيق اليسر للهواتف الذكية و نظام تكنولوجيا المعلومات الأساسية الجديد كاسل الذي كان في مرحلة التطوير خلال سنة 2021م. تم تنفيذ 29 مشروع تقني يهدف الى تحسين الأعمال و تسهيل رحلة العميل لتصبح اكثر سرعة وسلاسة وتم تحقيق زيادة في الحصة السوقية من خلال تطوير خدمات مبتكرة والإستمرار في توسيع قاعدة العملاء وتقديم الخدمات / الحلول المالية من خلال القنوات الرقمية الجديدة.

الخدمات وبرامج التمويل الجديدة

عملت الشركة على تحقيق أهدافها المرتبطة بتوفير خدمات مبتكرة وتوسيع شبكة عملائها و تنويع برامج التمويل من خلال اجهزة الخدمة الذاتية في فروع اليسر التي تمثل قنوات رقمية متطورة ومراكز خدمة شاملة منتشرة في جميع أنحاء المملكة و التي تعمل على مدار الساعة.

المسؤولية الاجتماعية

سعيًا منا لتحقيق رؤية 2030 لدى المملكة والتي تستهدف تطوير جودة الحياة للمواطنين من توفير خدمات ومن مبدأ المسؤولية الإجتماعية فقد شاركت شركة اليسر مع عدة جهات كإلتزام مستمر في تحسين نوعية الحياة للمجتمع المحلي والمجتمع ككل.

التعريف ببرنامج تقدير في وسائل التواصل الاجتماعي

قامت الشركة بالمشاركة بالتعريف ببرنامج تقدير والذي يعتبر من اهم المبادرات الوطنية التي تعني بتقدير المتقاعدين في وسائل التواصل الاجتماعي، من خلال توزيع جوائز قيمة وذلك بهدف التوعية والتثقيف في البرنامج عن طريق مسابقات تنافسية

تاريخ المسابقات :

يونيو 2022 - أكتوبر 2022

أعمال الشركة خلال عام 2022

المسؤولية الاجتماعية

مبادرة سباق المارثون ال 5 كم ومبادرة مستشفى دله ساهمت الشركة من خلال موظفيها في السباق من اجل التوعية بأهمية استخدام أجهزة الإنعاش الرئوي في الأماكن العامة بالشراكة مع الجمعيه السعودي لطب الطوارئ. كما أطلقت الشركة حملة للتوعية بمخاطر الأمراض المزمنة بالتعاون مع مستشفى دله بهدف رفع الوعي بأهمية عمل الفحوصات الدورية الوقائية لتعزيز الصحة والوقاية من الأمراض المزمنة.

تاريخ حملة مستشفى دله : يناير 2022

تاريخ فعالية المارثون : فبراير 2022

مشاركة اليسر في حفل أسر الشهداء مع التأمينات الاجتماعية ، قامت الشركة بالمشاركة في حفل أسر الابطال الشهداء مع شريك اليسر الاستراتيجي التأمينات الاجتماعية، والتي تهدف لتكريم أبطال الوطن الشهداء وأسراهم وتخليد الدور العظيم للشهداء الذين ضحوا بأرواحهم في سبيل الوطن، وقدمت الشركة أكثر من 200 هدية عينية للأطفال وأمهات الشهداء.

تاريخ المشاركة 28 شعبان 1443

مبادرة التبرع مع مستشفى قوى الامن قامت شركة اليسر بالمشاركة مع مستشفى قوى الامن في حملة للتبرع بالدم والتي تهدف لخدمة المرضى و استهدفت اكثر من 200 متبرع
تاريخ الحملة : مارس 2022

الموارد البشرية

إيماننا من الشركة بأهمية الاستثمار في رأس المال البشري فقد حققت الشركة ارتفاعا في عدد ساعات التدريب بنسبة 48% عن عام 2021 م، كما حققت الشركة ارتفاعا في نسبة التوطين وصلت إلى 90% (النطاق البلايني)، وارتفع معدل الكادر النسائي في الشركة ليقتارب 30% محققا توجه المملكة العربية السعودية في رؤية 2030. كما قام القطاع بوضع العديد من الأهداف قصيرة وطويلة المدى تتماشى مع الخطة الإستراتيجية، تتعلق بالكفاءة، والمشاركة، والمنافع، ومعايير الخدمة، والعمليات الداخلية.

أعمال الشركة خلال عام 2022

إدارة الإلتزام

تعد إدارة الإلتزام إحدى الإدارات الإستشارية والرقابية في شركة اليسر و التي تساهم بشكل فعال في حماية الشركة ومنسوبيها وعملاتها من مخاطر عدم الإلتزام بالأنظمة والقوانين الصادرة من الجهات الرسمية لتنظيم القطاع المالي، حيث تقوم بتحديد وتقييم وتقديم النصح والمشورة والمراقبة وإعداد التقارير لرفع مستوى الإلتزام في شركة اليسر ودعم جهود مكافحة غسل الأموال والتي ترفع مستوى إلتزام الشركة في الإلتزام بالأنظمة والضوابط الرقابية أو معايير السلوك والممارسات المهنية السليمة.

وقد تم إنشاء إدارة الإلتزام في شركة اليسر وفقاً لأحدث المعايير المحلية والدولية حيث تتبع إدارياً للرئيس التنفيذي، ووظيفياً للجنة المراجعة والإلتزام المنبثقة عن مجلس الإدارة مما يزيد من إستقلالية قراراتها ومقدرتها وتمكينها. ويتبع إدارة الإلتزام من أداء مهامها بأعلى مستويات الكفاءة عدة وحدات لتقوم بأدوارها ومهامها بفعالية عالية ومنها : وحدة الرقابة والأنظمة - وحدة مكافحة غسل الأموال وتمويل الإرهاب - وحدة الإبلاغ عن المخالفات. - وحدة مكافحة الإحتيال. حيث تمارس إدارة الإلتزام دورها المنوط بها بفاعلية وتقوم بتبليغ النتائج إلى لجنة المراجعة والإلتزام لمشاركتها في عملية الإشراف و لتقديم تأكيدات على مدى الإمتثال بالأنظمة والقوانين السارية بالإضافة إلى مشاركتها بالتقرير الخاص بمتابعة ورصد العمليات المشبوهة ونتائجها للحد من حصول عمليات غسل الأموال وتمويل الإرهاب والإحتيال لاقدّر الله.

السنة المالية الحالية 2022		السنة المالية السابقة 2021		موضوع المخالفة
إجمالي مبلغ الغرامات المالية بالريال السعودي	عدد القرارات التنفيذية	إجمالي مبلغ الغرامات المالية بالريال السعودي	عدد القرارات التنفيذية	
400,000	4	610,000	6	مخالفات تعليمات البنك المركزي السعودي الإشرافية والرقابية
155,000	1	—	—	مخالفات تعليمات البنك المركزي السعودي الخاصة بحماية العملاء
—	—	—	—	مخالفات تعليمات البنك المركزي السعودي الخاصة ببذل العناية الواجبة في مكافحة غسل الأموال وتمويل الإرهاب

أعمال الشركة خلال عام 2022

الهيئة الشرعية

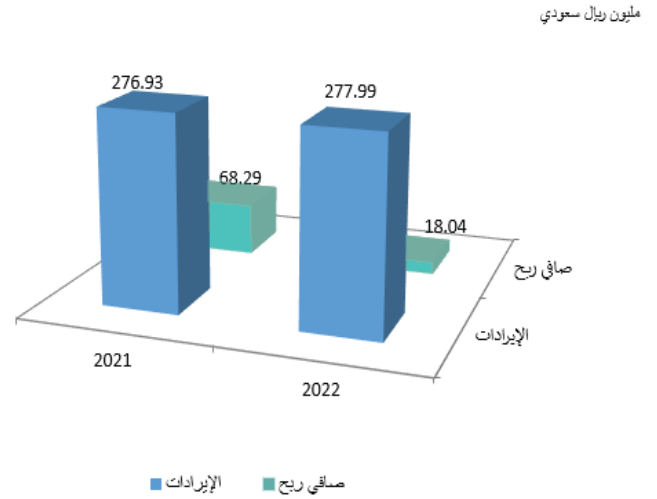
عقدت الهيئة الشرعية للشركة (ثلاثة) إجتماعات خلال عام 2022 م
انعقدت اجتماعات الهيئة الشرعية خلال العام 2022 م بحضور جميع أعضائها، بمقر الهيئة الشرعية بمدينة جدة.
أصدرت الهيئة الشرعية عدد (10) قرارات خلال العام ، كان أهمها :-

م	القرار	رقم القرار
1	إجازة منتج تمويل قسائم شراء	77
2	إجازة منتج تمويل قسائم شراء عبر التورق	78
3	الخطة السنوية للهيئة الشرعية لعام 2022	79
4	بيان الهيئة الشرعية لمجلس الإدارة 2021	80
5	التعديل في عقود الشركة	81
6	إجازة نموذج الإقرار الخاص بتمويل قسائم شراء عبر التورق	78-أ
7	إجازة الهيئة الشرعية على النماذج الرئيسية الخاصة بعقود التمويل	82
8	تقرير الرقابة الشرعية للنصف الأول من العام 2022	83
9	إجازة الهيئة الشرعية نموذج " عقد رهن منقول " الخاص بعقود المرابحة	84
10	تقرير الرقابة الشرعية للربعين الثالث والرابع من العام 2022	85

أعمال الشركة خلال عام 2022

النتائج المالية

تفاصيل حقوق المساهمين



المجموع	احتياطات الآخرى	الأرباح المبقاة (مجموع الخسائر)	الاحتياطي النظامي	رأس المال	
805,328,052	3,173,073	180,791,057	121,363,922	500,000,000	الرصيد في يناير م 2022
15,429,744	-	15,429,744	-	-	صافي الدخل لسنة
2,615,169	2,615,169	-	-	-	الدخل الآخر
18,044,913	2,615,169	15,429,744	-	-	مجموع الدخل الشامل للعام
-	-	(1,542,974)	1,542,974	-	المحول إلى الإحتياطي النظامي
15,261,397	-	15,261,397	-	-	ربح التعديل على إعادة جدولة القرض مع الشركة الأم
838,634,362	5,788,242	209,939,224	122,906,896	500,000,000	الرصيد في ديسمبر 31 م 2022

أعمال الشركة خلال عام 2022

المعايير المحاسبية الدولية المعتمدة

تعد القوائم المالية الموحدة للسنة المنتهية في 31 ديسمبر 2022 طبقاً لمعايير التقارير المالية الدولية المصدرة من المجلس الدولي للمعايير المحاسبية. تم إعداد القوائم المالية الموحدة لتتماشى مع نظام الشركات بالمملكة العربية السعودية والنظام الأساسي للشركة

مكافآت مجلس الإدارة وكبار التنفيذيين
وفقاً للمادة (21) من النظام الأساسي للشركة تم دفع مكافآت وبدل حضور الجلسات لأعضاء مجلس الإدارة وأعضاء اللجان المنبثقة عنه، إضافة إلى دفع رواتب ومكافآت كبار التنفيذيين حسب العقود الموقعة معهم.
هذا وقد بلغ إجمالي المكافآت وبدلات حضور الجلسات المدفوعة لأعضاء مجلس الإدارة للشركة
ريال سعودي وفقاً للتفاصيل المدرجة أدناه: 3,748,348

مكافآت أعضاء المجلس واللجان التابعة ولجنة المراجعة وكبار التنفيذيين لعام 2022

مجلس الإدارة						
م	الاسم	بدل الحضور	مكافآت سنوية / ربحية	مكافآت شهرية	بدلات أخرى	الإجمالي
1	أ. عبدالمحسن عبداللطيف العيسى	18000				18,000
2	أ. خلدون بن عبدالله الفاخري	18000				18,000
3	د. مازن بن إبراهيم حسونة	18000		1,500,000		1,518,000
4	أ. موسى بن عبدالمحسن آل موسى	18000			8,556	26,556
5	أ. هاني بن سليمان الشدوخي	15000				15,000
6	أ. عبدالله بن عبدالمحسن العيسى	18000				18,000
7	أ. عبدالرحمن بن عبدالمحسن بالغنيم	15000				15,000

أعمال الشركة خلال عام 2022

اللجنة التنفيذية						
م	الاسم	بدل الحضور	مكافآت سنوية / ريعية	مكافآت شهرية	بدلات أخرى	الإجمالي
1	أ. موسى بن عبدالمحسن آل موسى	18000	125000		11,792	154,792
2	د. مازن بن إبراهيم حسونة	18000	90000			108,000
3	أ. خلدون بن عبدالله الفاخري	18000	90000			108,000
4	أ. هاني بن سليمان الشدوخي	15000	90000			108,000

لجنة إدارة المخاطر والائتمان						
م	الاسم	بدل الحضور	مكافآت سنوية / ريعية	مكافآت شهرية	بدلات أخرى	الإجمالي
1	أ. خلدون بن عبدالله الفاخري	15000	125000			140,000
2	أ. هاني بن سليمان الشدوخي	9000	90000			99,000
3	أ. سلطان عبدالله السلطان	15000	90000			105,000
4	أ. طارق بن زياد العيسى	15000	90000			105,000
5	أ. سلطان بن محمد بن حميد	15000	90000			105,000

أعمال الشركة خلال عام 2022

لجنة الترشيحات والمكافآت						
م	الاسم	بدل الحضور	مكافآت سنوية / ربحية	مكافآت شهرية	بدلات أخرى	الإجمالي
1	د. فهد بن موسى الزهراني	6000	62500			68,500
2	أ. سعد بن محمد السيارى	9000	107500			116,500
3	أ. إبراهيم بن محمد العامر	12000	90000			102,000
4	أ. صالح بن عبدالله العلي	12000	90000			102,000
5	أ. عبدالله بن عبدالمحسن العيسى	12000	90000			102,000

لجنة المراجعة						
م	الاسم	بدل الحضور	مكافآت سنوية / ربحية	مكافآت شهرية	بدلات أخرى	الإجمالي
1	أ. عبدالرحمن بن عبدالمحسن بالغنيم	21,000	125000			146,000
2	د. محمد عبدالرحمن الجبرين	24,000	90000			114,000
3	أ. وديع احمد صالح احمد	18,000	90000			108,000
4	أ. عمر عبدالعزيز الكروود	24,000	90000			114,000
5	أ. صالح عبدالله اليحيى	24,000	90000			114,000

بدلات ومكافآت أخرى	
د. مازن ابراهيم حسونة	1,500,000
موسى بن عبدالمحسن آل موسى	20,348

أعمال الشركة خلال عام 2022

ترتيبات تنازل أعضاء مجلس الإدارة وكبار التنفيذيين عن الرواتب أو التعويضات

لا يوجد لدى الشركة أي معلومات عن أي ترتيبات أو اتفاقيات بشأن تنازل أي من أعضاء مجلس إدارتها أو أي من كبار التنفيذيين فيها عن أي رواتب ومكافآت أو تعويضات.

المعاملات مع الأطراف ذات العلاقة

التصويت في إجتماع الجمعية العامة غير العادية رقم 8 المنعقدة في يوم الأربعاء 1444/01/13 الموافق 2022/08/10م :

- على التعاملات المالية التي تمت وستتم مع شركة عبد اللطيف العيسى للسيارات للتجارة بإعتبارها معاملات مع أطراف ذات علاقة والترخيص بها للعام القادم.
- على التعاملات المالية التي تمت وستتم مع شركة العيسى العالمية بإعتبارها معاملات مع أطراف ذات علاقة والترخيص بها للعام القادم.
- على التعاملات المالية التي تمت وستتم مع شركة العيسى القابضة بإعتبارها معاملات مع أطراف ذات علاقة والترخيص بها للعام القادم.
- على التعاملات المالية التي تمت وستتم مع شركة العيسى العمومية بإعتبارها معاملات مع أطراف ذات علاقة والترخيص بها للعام القادم.



المراجعة السنوية لفعالية
إجراءات الرقابة الداخلية
لعام 2022

المراجعة السنوية

يقع تصميم وتطبيق نظام رقابة داخلي ملائم وفعال ضمن مسؤوليات الإدارة التنفيذية وبإشراف من قبل مجلس إدارة الشركة حيث يشمل السياسات والإجراءات والنظم والليات التي تعزز دور المسائلة والشفافية وصحة وسلامة التقارير التشغيلية والمالية على جميع أنشطة الشركة.

وعليه، تم وضع نظام متكامل للرقابة الداخلية يتناسب مع متطلبات الجهات التنظيمية والرقابية ويتماشى مع أفضل الممارسات المعمول بها بهذا الشأن، بدأ من توفير وتفعيل الإطار العام للحوكمة في الشركة بما يكفل تحديد الأدوار والمسؤوليات الموكلة لمجلس الإدارة واللجان المنبثقة منه والإدارة التنفيذية بما يكفل توفير الرقابة المناسبة على مستوى الشركة.

ان مهمة لجنة المراجعة والالتزام تتعلق بمساعدة مجلس الإدارة بالوفاء بالمسؤوليات المنوطة به فيما يتعلق بوجود وكفاية نظام الرقابة الداخلية وتنفيذ بفعالية وتقديم اي توصيات من شأنها تعزيز النظام وتطويره بما يحقق اغراض الشركة ويحمي مصالح المساهمين بتكلفة معقولة.

المراجعة الداخلية

تقوم المراجعة الداخلية - وهي إدارة مستقلة عن الإدارة التنفيذية بتنفيذ مهام مراجعة مبنية على المخاطر وفقا لخطتها السنوية ورفع تقاريرها مباشرة إلى لجنة المراجعة والالتزام المنبثقة من مجلس الإدارة من خلال تقديم تأكيدات معقولة إلى لجنة المراجعة والالتزام والرئيس التنفيذي للشركة حول مدى كفاية وفعالية نظام الرقابة الداخلية تبأشر إدارة المراجعة الداخلية مهامها من خلال تطبيق اسلوب منهجي منظم لتقييم وتحسين فعالية عمليات الحوكمة وإدارة المخاطر والرقابة، كما تقوم الإدارة بمتابعة تصحيح الملاحظات الواردة في تقاريرها للتأكد من تنفيذها حسب الجدول الزمني والإجراءات المحددة لضمان تطبيق وسلامة ضوابط الرقابة الداخلية.

يشمل نطاق عمل إدارة المراجعة الداخلية جميع أنشطة وأقسام الشركة، وتقوم لجنة المراجعة والالتزام بمراقبة كفاية وفعالية نظام الرقابة الداخلية للحد من المخاطر وحماية مصالح الشركة.

قامت إدارة المراجعة الداخلية وفقا لخطتها السنوية بمهام المراجعة على وظائف خط الدفاع الأول وخط الدفاع الثاني وكذلك دورة العمل للأنشطة الرئيسية والفرعية للشركة ، وقد خلُصت عمليات المراجعة الداخلية خلال عام 2022 الى وجود فرص لتحسين نظام الرقابة الداخلي مرتبطة بشكل مباشر بكفاية وفاعلية أنظمة الحوكمة وإدارة المخاطر والرقابة الداخلية المطبقة على أنشطتها الرئيسية والفرعية.

تجدر الإشارة الى ان الإدارة التنفيذية للشركة قامت بعدة إجراءات متسارعة وفقا لتوصيات المراجعة الداخلية لمعالجة أوجه القصور والضعف في النظام الرقابي للشركة في عام 2022م و ذلك من خلال تحسين البيئة الرقابية من حيث تطوير السياسات والإجراءات الداخلية وتعزيز فاعلية الضوابط الرقابية على أنشطتها بالإضافة الى دعمها خطط التحول بدأً بتطوير الخطة الاستراتيجية للشركة وتصميم مؤشرات الأداء و تحديث الهيكل التنظيمي ليتلائم مع متطلبات تنفيذ الاستراتيجية و على سبيل المثال اضافة إدارة الاستراتيجية لأغراض الرقابة والمتابعة والقياس تهدف بدورها الى تحقيق النمو المستدام للشركة على المدى القصير والطويل.

المراجعة السنوية

رأي لجنة المراجعة و الالتزام

اطلعت اللجنة على التقارير الدورية للمراجعة الداخلية و ادارة الالتزام كما اجتمعت مع المراجع الخارجي و اطلعت على التقارير الصادرة من قبله لعام 2022م و تابعت الجنة بشكل دوري جهود الادارة التنفيذية لضمان معالجة كافة الملاحظات التي تم اكتشافها ووضع الضوابط الكفيلة التي تحد من تأثيرها على نظام الرقابة الداخلية . استنادا الى ذلك فان اللجنة ترى بان أن نظام الرقابة الداخلية المعمول به حاليا تحسن بشكل ملحوظ و انه لا يزال هناك عدة فرص للتحسين في عدد من المجالات الأساسية التي لا غني عنها لـ إستدامه وتعزيز كفاءه العناصر الرقابية الداخلية، إضافة إلى ذلك، تسعى الإدارة باستمرار إلى تعزيز نظام الرقابة الداخلية لدى جميع الأقسام بالتعاون مع الجهات الرقابية المتمثلة في إدارة المخاطر وادارة الإلتزام للحد من التجاوزات وتعزيز ثقافة المسؤولية المشتركة لتحقيق رؤيه و أهداف الشركة. وتجدر الإشارة الى ان نظام الرقابة الداخلية لا يقدم تأكيدات مطلقة بل يقدم تأكيدات معقولة عن مدى سلامة و فعالية نظام الرقابة الداخلية.

تأكيدات أعضاء مجلس الإدارة

يؤكد مجلس إدارة الشركة وحسب معرفته لكافة النواحي المادية ما يلي :-

تم إعداد سجلات الحسابات بالشكل الصحيح

إن نظام الرقابة الداخلية أعد على أسس سليمة وتم تنفيذه بفعالية

أنه لا يوجد أي شك في شأن قدرة الشركة على مواصلة انشطتها التمويلية

حوكمة الشركات

بصفة عامة تعمل شركة اليسر للإجارة والتمويل وفقاً لمتطلبات حوكمة الشركات الصادرة عن مؤسسة النقد العربي السعودي باللائحة التنفيذية لنظام مراقبة الشركات ، وقد طبقت إدارة الشركة سياسة حوكمة الشركات ويتم تطويرها بما يتماشى مع التعليمات الصادرة من المؤسسة.



مجلس الإدارة
و اللجان التابعة

أعضاء مجلس الإدارة واللجان التابعة

- تاريخ بداية دورة المجلس
- صفة العضوية
- تاريخ نهاية دورة المجلس

المهندس / عبدالمحسن بن عبداللطيف العيسى

2024/09/08 | 2021/09/09 | غير تنفيذي

المنصب

رئيس مجلس الإدارة

يحمل المهندس / عبدالمحسن العيسى شهادة بكالوريوس هندسة مدنية من جامعة ولاية كاليفورنيا (الولايات المتحدة)

العضويات في الشركات الأخرى

المناصب السابقة

عضو مجلس الإدارة في برنامج كفالة تمويل المنشآت الصغيرة والمتوسطة
عضو مجلس الإدارة في الشركة المتحدة للإلكترونيات (إكسترا)
عضو مجلس الإدارة في بنك البلاد
عضو مجلس الإدارة الشركة العربية لصناعة الورق
عضو مجلس الإدارة في المؤسسة العامة للتأمينات الإجتماعية

المناصب الحالية

مجلس الإدارة في شركة اليسر للإجارة والتمويل
رئيس مجلس الإدارة في شركة مجموعة عبد اللطيف العيسى القابضة
رئيس مجلس الإدارة في شركة الأفضل للتجارة
رئيس مجلس المديرين في الشركة الوطنية العمومية للسيارات
رئيس مجلس الإدارة في شركة المباني الخفيفة "سيوركس"
عضو مجلس الإدارة في شركة شركة ثانيا للمياه
رئيس مجلس الأمناء المؤسسة الشيخ عبد اللطيف العيسى الخيرية
رئيس مجلس النظار في أوقاف الشيخ عبد اللطيف العيسى

الأستاذ / خلدون بن عبدالله الفاخري

2024/09/08 | 2021/09/09 | مستقل

المنصب

نائب رئيس مجلس الإدارة
عضو اللجنة التنفيذية
رئيس لجنة المخاطر والائتمان

يحمل الأستاذ / خلدون الفاخري شهادة الماجستير في المحاسبة من جامعة ولاية كلورادو (الولايات المتحدة)

العضويات في الشركات الأخرى

المناصب السابقة

عضو لجنة المخاطر لشركة نشب العربية للتأمين التعاوني
عضو لجنة المخاطر والالتزام والحوكمة للمؤسسة العامة للتقاعد
عضو مجلس الادارة لشركة الأفضل للتجارة
رئيس لجنة المخاطر والائتمان لشركة الأفضل للتجارة
مدير عام إدارة المخاطر للبنك الثول
مدير عام المخاطر بالنيابة لمصرف الراجحي
رئيس الائتمان للشركات المصرف الراجحي
مسؤول الائتمان المجموعة سامبا المالية

المناصب الحالية

مستشار مجلس الادارة لشركة الأفضل للتجارة
رئيس اللجنة التنفيذية لشركة الأفضل للتجارة
عضو لجنة المخاطر والحوكمة للشركة السعودية للصناعات الدوائية والمستلزمات
عضو في لجنة المخاطر في بنك التصدير والاستيراد السعودي منذ 1 أبريل 2022

أعضاء مجلس الإدارة واللجان التابعة

- تاريخ بداية دورة المجلس
- صفة العضوية
- تاريخ نهاية دورة المجلس

الأستاذ / هاني سليمان الشدوخي

2024/09/08 | 2021/09/09 | غير تنفيذي

المنصب

عضو مجلس الإدارة

يحمل الأستاذ / هاني الشدوخي شهادة البكالوريوس في الإدارة المالية وإدارة العمليات من جامعة الملك فهد للبترول والمعادن

العضويات في الشركات الأخرى

المناصب السابقة

عضو لجنة المراجعة للبنك الأهلي السعودي
الرئيس التنفيذي لشركة مرابحة للتمويل
نائب المدير العام ومدير المخاطر والائتمان لشركة النايفات للتمويل
المدير العام لمؤسسة أبو هاني للتجارة
الرئيس الأول للمخاطر لبنك البلاد

المناصب الحالية

عضو مجلس الإدارة لشركة الأفضل
الرئيس التنفيذي لمكتب ميداء للإستشارات المالية

الأستاذ/ موسى عبدالمحسن آل موسى

2024/09/08 | 2021/09/09 | مستقل

المنصب

رئيس اللجنة التنفيذية
عضو مجلس الإدارة

حاصل على بكالوريوس في الاقتصاد من جامعة ولاية أريزونا في الولايات المتحدة الأمريكية - "وعدد من الشهادات العليا في مجال المصرفية و الائتمان من " سيتي بنك وأتم برنامج الإدارة العليا في "جامعة كولومبيا" - نيويورك - الولايات المتحدة الأمريكية وحاصل أيضا على رخصة الطيران التجاري من بريطانيا والولايات المتحدة الأمريكية السيد موسى لديه خبرة تمتد إلى 39 عاما في مجال التجارة والمالية. يعمل كمستشار لعدد من الشركات الخاصة في الشؤون المالية والإدارية عمل سابقا مستشارا في شركة أمريكية عضو في "IBM المالية" مملوكة لمجموعة برومونتري مجلس المستشارين لأكية الأعمال في جامعة الأمير محمد بن فهد عضو في لجنة دراسة وتطوير الأنشطة الشبابية والرياضية المنشأة بأمر من صاحب السمو الملكي ولي العهد الأمير عبد الله بن عبد العزيز آل سعود المدير الإداري لمجموعة الأعمال المصرفية والاستثمارية ومسؤول أول للائتمان في "مجموعة سامبا المالية" المنطقة الشرقية مساعد طيار في الخطوط السعودية

العضويات في الشركات الأخرى

المناصب السابقة

عضو مجلس مستقل ورئيس لجنة المراجعة للشركة السعودية للتأجير الصلب (شركة مدرجة)
عضو مجلس مستقل ورئيس لجنة المراجعة لشركة الأحساء للتنمية
عضو مجلس مستقل ورئيس لجنة المراجعة للشركة السعودية للورق
عضو مجلس مستقل وعضو في لجنة الترشيحات لشركة

المناصب الحالية

رئيس لجنة المراجعة لشركة الربيع والنصار (شركة مساهمة مغلقة)

أعضاء مجلس الإدارة واللجان التابعة

- تاريخ بداية دورة المجلس
- صفة العضوية
- تاريخ نهاية دورة المجلس

الأستاذ / عبدالله بن عبدالمحسن العيسى

2024/09/08 | 2021/09/09 | غير تنفيذي

المنصب

عضو مجلس الإدارة
عضو لجنة الترشيحات
والمكافآت

يحمل شهادة البكالوريوس في الإدارة المالية

العضويات في الشركات الأخرى

المناصب السابقة

عضو مجلس الإدارة في ألفا المالية
رئيس مجلس الإدارة في شركة عقارات الخليج
العضو في مجلس الإدارة في الشركة الوطنية
العمومية للسيارات
نائب رئيس مجلس الإدارة في شركة نماء للكيماويات
الرئيس التنفيذي في مجموعة عبد اللطيف العيسى القابضة
عضو مجلس الإدارة في مجموعة عبد اللطيف العيسى القابضة
العضو المنتدب في شركة عقار ومعمار الدولية
نائب الرئيس ف شركة مياس للإستثمار
رئيس لجنة المراجعة الداخلية في شركة نماء للكيماويات

المناصب الحالية

العضو المنتدب في مجموعة عبد اللطيف العيسى القابضة
عضو مجلس الإدارة في شركة الأفضل للتجارة
عضو مجلس الإدارة في مجلس الإدارة في الشركة الوطنية
العمومية للسيارات
رئيس لجنة الالتزام والمخاطر في شركة ألفا المالية
عضو اللجنة التنفيذية في شركة ألفا المالية
عضو لجنة الإستثمار في مجموعة عبد اللطيف العيسى القابضة
رئيس مجلس الإدارة في شركة منارات التنمية
عضو مجلس الإدارة في شركة عقارات الخليج
عضو مجلس المديرين في شركة المشروبات والتعبئة المحدودة (تانيا)
عضو مجلس الإدارة في شركة انمائية للتطوير العقاري والسياحي

الأستاذ / عبدالله بن عبدالمحسن العيسى

2024/09/08 | 2021/09/09 | غير تنفيذي

المنصب

عضو مجلس الإدارة
عضو لجنة الترشيحات
والمكافآت

يحمل شهادة البكالوريوس في الإدارة المالية

العضويات في الشركات الأخرى

المناصب السابقة

عضو مجلس الإدارة في ألفا المالية
رئيس مجلس الإدارة في شركة عقارات الخليج
العضو في مجلس الإدارة في الشركة الوطنية
العمومية للسيارات
نائب رئيس مجلس الإدارة في شركة نماء للكيماويات
الرئيس التنفيذي في مجموعة عبد اللطيف العيسى القابضة
عضو مجلس الإدارة في مجموعة عبد اللطيف العيسى القابضة
العضو المنتدب في شركة عقار ومعمار الدولية
نائب الرئيس ف شركة مياس للإستثمار
رئيس لجنة المراجعة الداخلية في شركة نماء للكيماويات

المناصب الحالية

العضو المنتدب في مجموعة عبد اللطيف العيسى القابضة
عضو مجلس الإدارة في شركة الأفضل للتجارة
عضو مجلس الإدارة في مجلس الإدارة في الشركة الوطنية
العمومية للسيارات
رئيس لجنة الالتزام والمخاطر في شركة ألفا المالية
عضو اللجنة التنفيذية في شركة ألفا المالية
عضو لجنة الإستثمار في مجموعة عبد اللطيف العيسى القابضة
رئيس مجلس الإدارة في شركة منارات التنمية
عضو مجلس الإدارة في شركة عقارات الخليج
عضو مجلس المديرين في شركة المشروبات والتعبئة المحدودة (تانيا)
عضو مجلس الإدارة في شركة انمائية للتطوير العقاري والسياحي

أعضاء مجلس الإدارة واللجان التابعة



صفة العضوية



تاريخ بداية دورة المجلس



تاريخ نهاية دورة المجلس

الأستاذ / عبدالرحمن بن عبدالمحسن بالغنيم



2024/09/08



2021/09/09



مستقل

المناصب

عضو مجلس الإدارة
رئيس لجنة المراجعة والالتزام

شهادة الماجستير في الرياضيات التطبيقية من جامعة دييول
الولايات المتحدة الأمريكية

العضويات في الشركات الأخرى

المناصب السابقة

عضو مجلس الإدارة في شركة اكسيليريشن المحدودة
مستشار اقتصاد وأحياء لوزارة الاقتصاد والتخطيط
عبر برنامج الأمم المتحدة
عضو لجنة المخاطر الشركة ولاء للتأمين
محلل إئتمان أول لصندوق التنمية الصناعية السعودي
رئيس مجلس إدارة شركة أيان للإستثمار
عالم بيانات أول لمركز الدراسات الاستراتيجية عبر شركة جال
عضو مجلس إدارة ولاء للتأمين
رئيس لجنة المراجعة الشركة ولاء للتأمين

المناصب الحالية

عضو مجلس الإدارة في شركة اكسيليريشن المحدودة
عضو مجلس إدارة شركة التسارع المحدودة
عضو لجنة المراجعة في شركة وبرة للصناعة والتنمية
شريك اداري لشركة التحليلات المتقدمة

الدكتور / مازن بن ابراهيم حسونة



2024/09/08



2021/09/09



مستقل

المناصب

عضو مجلس الإدارة (العضو المنتدب)
عضو اللجنة التنفيذية

يحمل الدكتور / مازن حسونة شهادة الدكتوراه في التخطيط
من جامعة تورنتو (كندا)

العضويات في الشركات الأخرى

المناصب السابقة

عضو مجلس الإدارة في شركة اكسيليريشن المحدودة
مستشار اقتصاد وأحياء لوزارة الاقتصاد والتخطيط
عبر برنامج الأمم المتحدة
عضو لجنة المخاطر الشركة ولاء للتأمين
محلل إئتمان أول لصندوق التنمية الصناعية السعودي
رئيس مجلس إدارة شركة أيان للإستثمار
عالم بيانات أول لمركز الدراسات الاستراتيجية عبر شركة جال
عضو مجلس إدارة ولاء للتأمين
رئيس لجنة المراجعة الشركة ولاء للتأمين

المناصب الحالية

عضو مجلس إدارة مجموعة عبد اللطيف العيسى القابضة
عضو لجنة الإستثمار لمجموعة عبد اللطيف العيسى القابضة
رئيس لجنة الترشيحات والمكافآت المجموعة
عبد اللطيف العيسى القابضة
رئيس مجلس إدارة شركة شعاع كابيتال السعودية
عضو اللجنة التنفيذية لشركة الأفضل للتجارة
عضو مجلس إدارة شركة سترينغز
عضو لجنة المراجعة لشركة البحر الأحمر الدولية
العضو المنتدب لمجموعة عبد اللطيف العيسى القابضة
رئيس لجنة المراجعة الشركة الوطنية العامة للسيارات
رئيس لجنة الترشيحات والمكافآت لشركة البير للإجارة والتمويل
الرئيس التنفيذي والعضو المنتدب لشركة زنا للاستثمار
عضو مجلس إدارة شركة شعاع كابيتال السعودية

أعضاء مجلس الإدارة واللجان التابعة

- 🕒 تاريخ بداية دورة المجلس
- 👤 صفة العضوية
- ✅ تاريخ نهاية دورة المجلس

الأستاذ / سلطان بن عبدالله السطان

2024/09/08 | 2021/09/09 | مستقل

المنصب

عضو لجنة إدارة المخاطر
والإئتمان

البيكالوريوس في الإدارة المالية من جامعة الملك فهد للبترول والمعادن
المملكة العربية السعودية

العضويات في الشركات الأخرى

المناصب السابقة

مدير إدارة الائتمان والمخاطر في شركة دويتشة الخليج للتمويل العقاري
مدير إدارة الالتزام (المكلف) في شركة دويتشة الخليج للتمويل العقاري
رئيس فريق إئتمان في مصرف الراجحي
رئيس قطاع المنشآت الصغيرة والمتوسطة في الشركة
السعودية للمعلومات الائتمانية (سمة)
رئيس فريق إئتمان في صندوق التنمية الصناعية السعودي

المناصب الحالية

مدير مخاطر العمليات

الدكتور/ فهد بن موسى الزهراني

2024/09/08 | 2021/09/09 | مستقل

المنصب

رئيس لجنة الترشيحات والمكافآت
من 2022/06/16

يحمل شهادة الماجستير في الهندسة الكهربائية من جامعة كولورادو
فورت كولنز - الولايات المتحدة الأمريكية
حمل شهادة الدكتوراه في الهندسة الكهربائية من جامعة كولورادو
فورت كولنز - الولايات المتحدة الأمريكية

العضويات في الشركات الأخرى

المناصب السابقة

نائب أول رئيس تنفيذي في شركة موبيلي
مستشار موارد بشرية في بنك البلاد
عضو لجنة الترشيحات في شركة بن لادن القابضة
نائب رئيس للخدمات المشتركة
عضو لجنة الترشيحات في شركة أكوا باور في شركة حديد الراجحي
عضو لجنة الترشيحات في شركة جبل عمر
عضو لجنة الترشيحات والمكافآت في شركة السبيعي - ماسك
عضو لجنة الترشيحات والمكافآت في شركة البلاد المالية
عضو لجنة الترشيحات والمكافآت في شركة وادي الرياض للتقنية - جامعة الملك سعود

المناصب الحالية

عضو لجنة الترشيحات والمكافآت في شركة السبيعي (ماسك)
عضو لجنة الترشيحات والمكافآت في شركة البلاد المالية
عضو لجنة الترشيحات والمكافآت في شركة وادي الرياض للتقنية - جامعة الملك سعود
عضو لجنة الترشيحات والمكافآت في شركة سحاب - الهلال الأحمر
عضو لجنة الترشيحات والمكافآت في أوقاف سليمان الراجحي
عضو لجنة الترشيحات والمكافآت في هيئة المقيمين
عضو لجنة الترشيحات والمكافآت في شركة الرياض للتعمير

أعضاء مجلس الإدارة واللجان التابعة

تاريخ بداية دورة المجلس   صفة العضوية

تاريخ نهاية دورة المجلس 

الأستاذ / سلطان بن محمد بن حميد

 2024/09/08 |  2021/09/09 |  مستقل

المنصب

عضو لجنة إدارة المخاطر والإلتزام

يحمل شهادة الماجستير في أمن الشبكات والمعلومات والحاسب التلي من جامعة دي بول الولايات المتحدة

العضويات في الشركات الأخرى

المناصب السابقة

رئيس قسم حوكمة أمن المعلومات (المكلف)
في البنك المركزي السعودي
أخصائي أمن المعلومات في البنك المركزي السعودي
أخصائي أجهزة وإدارة نظم في البنك المركزي السعودي
مسؤول أمن الشبكات في شركة الرؤية السعودية الأولى

المناصب الحالية

مدير البنية المؤسسية وحوكمة الأمن السببراني
في هيئة المحتوى المحلي والمشتريات الحكومية

الأستاذ / صالح بن عبدالله العلي

 2024/09/08 |  2021/09/09 |  غير تنفيذي

المنصب

عضو لجنة إدارة المخاطر والإلتزام

يحمل شهادة الماجستير في القانون الدولي والسوق المالي من جامعة ايبست لندن

العضويات في الشركات الأخرى

المناصب السابقة

مسؤول قانوني في مجموعة الفيصلية القابضة
مساعد قانوني في مجموعة الفيصلية القابضة
باحث قانوني في مجموعة عبد اللطيف العيسى القابضة

المناصب الحالية

الرئيس التنفيذي للعمليات في مجموعة عبد اللطيف العيسى القابضة
مدير عام الشؤون القانونية في مجموعة عبد اللطيف العيسى القابضة
عضو اللجنة التنفيذية في شركة الأفضل لتأجير السيارات
مساعد قانوني في مجموعة الفيصلية القابضة
باحث قانوني في مجموعة عبد اللطيف العيسى القابضة
عضو في لجنة الإشراف على تحصيل محفظة المديونية
في مجموعة عبد اللطيف العيسى القابضة

أعضاء مجلس الإدارة واللجان التابعة

- ☑️ تاريخ بداية دورة المجلس
- ☑️ تاريخ نهاية دورة المجلس
- 👤 صفة العضوية

الدكتور / محمد بن عبد الرحمن الجبرين

2024/09/08 | 2021/09/09 | غير تنفيذي

المنصب

عضو لجنة المراجعة

يحمل شهادة الدكتوراه في الإستثمار والتمويل من جامعة ليهاي الولايات المتحدة

العضويات في الشركات الأخرى

المناصب السابقة

الرئيس المالي التنفيذي في شركة رنا للإستثمار
عميد كلية إدارة الأعمال في جامعة الأمير سلطان
نائب الرئيس للشؤون المالية في شركة السيف
محاضر ورئيس قسم في جامعة الملك سعود
عضو لجنة المراجعة في الشركة الوطنية العمومية للسيارات

المناصب الحالية

الوكيل المساعد للشؤون الأكاديمية في جامعة الأمير سلطان
الرئيس التنفيذي في شركة سيوب العربية
عضو اللجنة الاقتصادية في وزارة الشؤون الإسلامية والأوقاف
عضو لجنة الإستثمار في الفرقة التجارية
عضو لجنة المراجعة في شركة الإنماء كابيتال
عضو لجنة المراجعة في شركة وفاء للتأمين ..
عضو لجنة مراجعة لثلاثة صناديق في بيت التمويل الكويتي .
رئيس لجنة المراجعة في مجموعة عبد اللطيف العيسى القابضة.
رئيس لجنة المراجعة في شركة الأفضل للتجارة
رئيس لجنة المراجعة في الشركة الوطنية العمومية للسيارات

الأستاذ / إبراهيم بن محمد العامر

2024/09/08 | 2021/09/09 | مستقل

المنصب

عضو لجنة الترشيحات والمكافآت

يحمل شهادة الماجستير في إدارة الأعمال من جامعة هل المملكة المتحدة

العضويات في الشركات الأخرى

المناصب السابقة

وكيل الوزارة للخدمات المشتركة في وزارة التجارة والإستثمار
عضو مجلس إدارة نادك
نائب الرئيس للموارد البشرية في مجموعة الدكتور سليمان الحبيب الطبية
مدير عام الموارد البشرية في شركة قنوات الإتصال .
عضو لجنة الترشيحات في نادك
عضو لجنة المراجعة في نادك
عضو مجلس الإدارة في شركة معادن
وعد الشمال للفوسفات
نائب الرئيس الأعلى للموارد البشرية في شركة معادن

المناصب الحالية

المؤسس والرئيس التنفيذي لمكتب إبراهيم العامر للاستشارات الإدارية
عضو لجنة المراجعة في نادك
عضو لجنة الترشيحات في نادك
مدير عام الموارد البشرية في شركة قنوات الإتصال
(مستشار لدى الرئيس التنفيذي لشركة اسناد تابعة لوزارة الصناعة)

أعضاء مجلس الإدارة واللجان التابعة

- تاريخ بداية دورة المجلس
- صفة العضوية
- تاريخ نهاية دورة المجلس

الأستاذ / سعد بن محمد السيارى

2024/09/08 | 2021/09/09 | مستقل

المنصب

عضو لجنة الترشيحات والمكافآت
رئيس لجنة الترشيحات والمكافآت
حتى 30/06/2022

يحمل شهادة الماجستير في إدارة الأعمال
من جامعة نورثهامبتون (المملكة المتحدة

العضويات في الشركات الأخرى

المناصب السابقة

مدير عام إدارة الكفاءات المكلف
في شركة موبايلى للإتصالات
مدير عام الموارد البشرية في وزارة التجارة والإستثمار
رئيس لجنة الترشيحات والمكافآت في شركة ماسك للإستثمار
شركة تمكين للموارد البشرية

المناصب الحالية

الرئيس التنفيذي للعمليات في شركة ماسك للإستثمار
عضو لجنة الترشيحات والمكافآت في شركة أوقاف للإستثمار
عضو لجنة الترشيحات والمكافآت في
الشركة السعودية للطاقة النووية

الأستاذ / طارق بن زياد العيسى

2024/09/08 | 2021/09/09 | غير تنفيذي

المنصب

عضو لجنة إدارة المخاطر
والإئتمان

يحمل شهادة الماجستير في الهندسة وإدارة النظم
من جامعة الفيصل المملكة العربية السعودية

العضويات في الشركات الأخرى

المناصب السابقة

المدير التنفيذي - شركة منارات التنمية للاستثمار

المناصب الحالية

مدير الإستثمارات والشراكات التجارية شركة الدرعية
عضو مجلس الإدارة في مجموعة عبد اللطيف العيسى القابضة
عضو لجنة الإستثمار واللجنة الإستراتيجية
في مجموعة عبد اللطيف العيسى القابضة

أعضاء مجلس الإدارة واللجان التابعة

🕒 تاريخ بداية دورة المجلس 👤 صفة العضوية

✅ تاريخ نهاية دورة المجلس

الأستاذ / صالح بن عبدالله اليحيى

🕒 2024/09/08 🕒 2021/09/09 👤 مستقل

المنصب

عضو لجنة المراجعة

يحمل شهادة البكالوريوس في المحاسبة والزمالة المهنية في المحاسبة والمراجعة من جامعة الملك سعود المملكة العربية السعودية

العضويات في الشركات الأخرى

المناصب السابقة

المدير الرئيسي في شركة ارنست ويونج
شريك شركة ارنست ويونج

المناصب الحالية

المدير الرئيسي في شركة ارنست ويونج
شريك في شركة ارنست ويونج
عضو لجنة المراجعة في شركة المبانى الخفيفة
عضو لجنة المراجعة في شركة النندلس العقارية
عضو لجنة المراجعة في شركة تداول العقارية
عضو لجنة المراجعة في شركة صلة الرياضية
عضو لجنة المراجعة في شركة الأفضل لتأجير السيارات
عضو لجنة المراجعة في الشركة العربية للتأجير
عضو لجنة المراجعة منارات التنمية للإستثمار
رئيس لجنة المراجعة في شركة تداول السعودية
رئيس لجنة المراجعة في شركة مركز مقاصة الأوراق المالية
رئيس لجنة المراجعة في شركة باجة
عضو لجنة المراجعة في الشركة السعودية للذكاء الإصطناعي
شريك في شركة الحديد واليحيى محاسبون قانونيون

الأستاذ / وديع بن صالح أحمد صالح

🕒 2024/09/08 🕒 2021/09/09 👤 مستقل

المنصب

عضو مجلس الإدارة

يحمل المهندس/ عبدالمحسن العيسى شهادة بكالوريوس هندسة مدنية من جامعة ولاية كاليفورنيا (الولايات المتحدة)

العضويات في الشركات الأخرى

المناصب السابقة

مدير عام ف شركة الشرق الأوسط للصناعات الدوائية

المناصب الحالية

مدير عام في شركة الشرق الأوسط ل لصناعات الدوائية
مدير عام في شركة النوافذ المتعددة المحدودة
عضو مجلس الإدارة في شركة ماركوم
عضو لجنة المراجعة في الشركة الوطنية العمومية للسيارات
عضو لجنة المراجعة في شركة الأفضل لتأجير السيارات

أعضاء مجلس الإدارة واللجان التابعة

- تاريخ بداية دورة المجلس
- صفة العضوية
- تاريخ نهاية دورة المجلس

الأستاذ / عمر بن عبدالعزيز الكرود

2024/09/08 | 2021/09/09 | مستقل

المُنصب

عضو لجنة المراجعة

يحمل شهادة البكالوريوس في المحاسبة من جامعة الملك فيصل المملكة العربية السعودية

العضويات في الشركات الأخرى

المناصب السابقة

محاسب المحاسبة المالية وإعداد التقارير في سابك
مدقق حسابات في شركة بر ايس ووترهاوس كوبر
أمين لجنة المراجعة الداخلية والمخاطر في هيئة تطوير المنطقة الشرقية

المناصب الحالية

مدير المراجعة الداخلية وإدارة المخاطر في هيئة تطوير المنطقة الشرقية
مدير عام الرقابة والامتثال في هيئة تطوير المنطقة الشرقية

أعضاء مجلس الإدارة واللجان التابعة

المهام و المسؤوليات الرئيسية

وضع الاستراتيجيات الشاملة للشركة وخطط العمل الرئيسية وسياسة إدارة المخاطر ومراجعتها وتوجيهها.
تحديد الهيكل الرأسمالي الأمثل للشركة واستراتيجياتها.
الإشراف على النفقات الرأسمالية الرئيسية للشركة.
وضع نظام حوكمة خاص بالشركة والإشراف العام عليه ومراقبة مدى فعاليته وتعديله عند الحاجة.
وضع أنظمة وضوابط الرقابة الداخلية والإشراف عليها.
وضع أهداف الأداء ومراقبة التنفيذ والأداء الشامل في الشركة.
المراجعة الدورية للهياكل التنظيمية والوظيفية في الشركة واعتمادها.

أعضاء مجلس الإدارة	المنصب	الاجتماع (1) 02-28	الاجتماع (2) 05-22	الاجتماع (3) 07-28	الاجتماع (4) 09-20	الاجتماع (5) 11-9	الاجتماع (6) 12-13
عبدالمحسن بن عبداللطيف العيسى	رئيس المجلس	✓	✓	✓	✓	✓	✓
خلدون بن عبدالله الفاخري	نائب الرئيس	✓	✓	✓	✓	✓	✓
د. مازن ابراهيم حسونة	العضو المنتدب	✓	✓	✓	✓	✓	✓
موسى بن عبدالمحسن آل موسى	عضو	✓	✓	✓	✓	✓	✓
هاني بن سليمان الشدوخي	عضو	✓	✓	✓	✗	✓	✓
عبدالله بن عبدالمحسن العيسى	عضو	✓	✓	✓	✓	✓	✓
عبدالرحمن بن عبدالمحسن بالغنيم	عضو	✓	✓	✗	✓	✓	✓

أعضاء مجلس الإدارة واللجان التابعة

اللجان التابعة لمجلس الإدارة و لجنة المراجعة والالتزام

أولاً : لجنة المراجعة والالتزام

المهام و المسؤوليات الرئيسية

الإشراف فيما يتعلق بسلامة القوائم المالية.

التأكد من مدى فعالية نظام الرقابة الداخلية في ضوء المخاطر التي تواجهها الشركة.

التأكد من كفاءة واستقلالية أداء المراجعين الخارجيين والداخليين.

تحسين وتطوير نظم الرقابة

حماية حقوق المساهمين من خلال المهام الآتية:

دراسة القوائم المالية والسياسات المحاسبية المتبعة ونظام الرقابة الداخلية وإبداء الرأي والتوصية في شأنها.

الإشراف على إدارة المراجعة الداخلية ودراسة تقاريرها والتحقق من مدى فاعليتها واستقلالياتها.

الإشراف على إدارة الالتزام والتحقق من مدى التزام شركة اليسر للإجارة والتمويل بالتعليمات.

التوصية لمجلس الإدارة بتعيين مراجعي الحسابات الخارجيين ودراسة خطتهم وإقالتهم وتحديد أتعابهم

اجتماعات لجنة المراجعة والالتزام في عام 2022 م

أعضاء لجنة المراجعة و الالتزام	المنصب	الاجتماع (1) 03-2	الاجتماع (2) 03-6	الاجتماع (3) 03-29	الاجتماع (4) 04-22	الاجتماع (5) 06-15	الاجتماع (6) 06-20	الاجتماع (7) 07-31	الاجتماع (8) 10-26
عبدالرحمن عبدالمحسن بالغنيم	رئيس اللجنة	✓	✓	✓	✓	✗	✓	✓	✓
محمد عبدالرحمن الجبرين	عضو	✓	✓	✓	✓	✓	✓	✓	✓
وديع احمد صالح احمد	عضو	✓	✓	✓	✓	✓	✓	✗	✗
عمر عبدالعزيز الكروود	عضو	✓	✓	✓	✓	✓	✓	✓	✓
صالح عبدالله يحيى	عضو	✓	✓	✓	✓	✓	✓	✓	✓

أعضاء مجلس الإدارة واللجان التابعة

ثانياً:- لجنة الترشيحات والمكافآت

المهام و المسؤوليات الرئيسية

التوصية لمجلس الإدارة بالترشيح لعضوية المجلس أو اللجان أو لشغل المراكز الشاغرة وفقاً للسياسات والمعايير المعتمدة.

المراجعة السنوية للاحتياجات المطلوبة من المهارات المناسبة لعضوية مجلس الإدارة.

مراجعة هيكل مجلس الإدارة وتحديد جوانب الضعف والقوة ورفع التوصيات بذلك.

وضع سياسات واضحة لتعويضات ومكافآت أعضاء مجلس الإدارة وكبار التنفيذيين في الشركة ورفع اقتراح سنوي لمجلس الإدارة بالميزانية السنوية للمكافآت والحوافز الخاصة بكبار التنفيذيين.

اجتماعات لجنة الترشيحات و المكافآت في عام 2022 م

أعضاء لجنة الترشيحات والمكافآت	المنصب	الاجتماع (1) 03-1	الاجتماع (2) 06-1	الاجتماع (3) 09-14	الاجتماع (4) 11-20
د. فهد بن موسى الزهراني	رئيس اللجنة	لم يكن عضو	لم يكن عضو	✓	✓
سعد بن محمد السيارى	عضو/ رئيس سابقاً	✓	✓	X	✓
ابراهيم بن محمد العامر	عضو	✓	✓	✓	✓
صالح بن عبدالله العلي	عضو	✓	✓	✓	✓
عبدالله بن عبدالمحسن العيسى	عضو	✓	✓	✓	✓

قدم الأستاذ/ سعد السيارى إعتذاره لرئاسة اللجنة بتاريخ 2022/06/30 مع بقائه عضواً فيها. وتم تعيين رئيساً للجنة خلفاً /عنه الدكتور/ فهد الزهراني وفق خطاب عدم الممانعة من البنك المركزي السعودي بتاريخ 08/24

أعضاء مجلس الإدارة واللجان التابعة

ثالثاً:- لجنة إدارة المخاطر والائتمان

المهام والمسؤوليات الرئيسية

التأكد من وجود مراقبة فعالة من الشركة لضمان الممارسة الحكيمة لنشاطات الائتمان وتجنب المخاطر المفرطة المتخذة من قبل الشركة.
مراجعة واعتماد السياسات والاجراءات المتعلقة بمنح الائتمان للأفراد والمؤسسات الصغيرة والمتوسطة

اجتماعات لجنة إدارة المخاطر والائتمان في عام 2022 م

أعضاء لجنة إدارة المخاطر و الائتمان	المنصب	الاجتماع (1) 01-25	الاجتماع (2) 03-30	الاجتماع (3) 05-30	الاجتماع (4) 09-14	الاجتماع (5) 11-30
خلدون عبدالله الفاخري	رئيس اللجنة	✓	✓	✓	✓	✓
هاني سليمان الشدوخي	عضو	✓	✓	✓	X	X
سلطان عبدالله السلطان	عضو	✓	✓	✓	✓	✓
طارق بن زياد العيسى	عضو	✓	✓	✓	✓	✓
سلطان بن محمد بن حميد	عضو	✓	✓	✓	✓	✓

أعضاء مجلس الإدارة واللجان التابعة

رابعاً:- اللجنة التنفيذية

المهام و المسؤوليات الرئيسية
يجب أن تضمن اللجنة التنفيذية أن الأنشطة تتماشى مع الأهداف الاستراتيجية للشركة وأهداف الإدارة على النحو التالي :
مساعدة مجلس إدارة شركة اليسر للقيام بمسؤوليات الرقابة.
للمراجعة والتوصية على سبيل المثال لـ الحصر:

مشروع / خطة / اقتراح جديد، أو تغيير كبير
التحليل المالي الفصلي / السنوي
الميزانية المقترحة
النفقات الرئيسية
تغيير مفاجئ في سياسات الشركة، الهيكل التنظيمي، إلخ

اجتماعات اللجنة التنفيذية في عام 2022 م

أعضاء اللجنة التنفيذية	المنصب	الاجتماع (1) 01-31	الاجتماع (2) 03-28	الاجتماع (3) 06-15	الاجتماع (4) 09-12	الاجتماع (5) 10-25	الاجتماع (6) 12-5
موسى بن عبدالمحسن آل موسى	رئيس اللجنة	✓	✓	✓	✓	✓	✓
د. مازن ابراهيم حسونة	العضو المنتدب	✓	✓	✓	✓	✓	✓
خلدون بن عبدالله الفاخري	عضو	✓	✓	✓	✓	✓	✓
هاني بن سليمان الشدوخي	عضو	✓	✓	✓	✓	✓	✓

الجمعية العامة العادية

عقدت الجمعية العامة العادية اجتماع رقم (8) الاجتماع الدول في يوم الاثنين 1443/08/11 الموافق 2022/03/14م بحضور الشيخ / عبدالمحسن العيسى.



شكر وتقدير

شكر و تقدير

في الختام يعبر مجلس الإدارة عن سروره واعتزازه بما قدمته الشركة من نتائج إيجابية خلال العام 2022 م والشكر موصول لأعضاء اللجان المنبثقة من مجلس الإدارة وأعضاء الهيئة الشرعية في الشركة على جهودهم المخلصة ومساهماتهم البناءة والمتعلقة بالأعمال والأنشطة التي تقدمها الشركة لعملائها. كما ينتهز المجلس هذه الفرصة ليعبر عن شكره وتقديره للأخوة المساهمين وعملاء الشركة على دعمهم وثقتهم وتعاونهم الذي كان له الأثر الكبير في تحقيق مزيد من التقدم و الإزدهار، كما ينقل شكره وتقديره لكل العاملين في الشركة على جهودهم المخلصة وتفانيهم في تأدية واجبهم ومهام عملهم و لكل من ساهم في تقدم الشركة.



القوائم المالية
المدققة عن العام
المالي المنتهى في
2022/12/31

AL YUSR LEASING AND FINANCING COMPANY
(A SAUDI CLOSED JOINT STOCK COMPANY)

FINANCIAL STATEMENTS

**FOR THE YEAR ENDED DECEMBER 31, 2022 AND
INDEPENDENT AUDITOR'S REPORT**

AL YUSR LEASING AND FINANCING COMPANY
(A Saudi Closed Joint Stock Company)
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

	Page
Independent auditor's report	1-2
Statement of financial position	3
Statement of profit or loss and other comprehensive income	4
Statement of changes in equity	5
Statement of cash flows	6
Notes to the financial statements	7-72



Independent auditor's report to the shareholders of Al Yusr Leasing and Financing Company, A Saudi Closed Joint Stock Company

Report on the audit of the financial statements

Our opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Al Yusr Leasing and Financing Company (the "Company") as at December 31, 2022, and its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting Standards, that are endorsed in the Kingdom of Saudi Arabia, and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA").

What we have audited

The Company's financial statements comprise:

- the statement of financial position as at December 31, 2022;
- the statement of profit or loss and other comprehensive income for the year ended December 31, 2022;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

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

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

Independence

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards), endorsed in the Kingdom of Saudi Arabia (the "Code"), that is relevant to our audit of the financial statements and we have fulfilled our other ethical responsibilities in accordance with the Code's requirements.

Responsibilities of the Board of Directors and those charged with governance for the financial statements

The Board of Directors is responsible for the preparation and fair presentation of the financial statements in accordance with the International Financial Reporting Standards, that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA, and the applicable requirements of the Regulations for Companies and the Company's By-laws, and for such internal control as directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Independent auditor's report to the shareholders of Al Yusr Leasing and Financing company, A Saudi Closed Joint Stock Company (continued)

Auditor's responsibilities for the audit of the financial statements

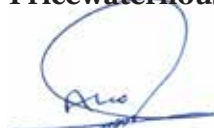
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the International Standards on Auditing, that are endorsed in the Kingdom of Saudi Arabia, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the International Standards on Auditing, that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

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

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

PricewaterhouseCoopers



Ali H. Al Basri
License Number 409



March 05, 2023

AL YUSR LEASING AND FINANCING COMPANY
(A Saudi Closed Joint Stock Company)
STATEMENT OF FINANCIAL POSITION
(All amounts in Saudi Riyals unless otherwise stated)

	Notes	As at December 31, 2022	As at December 31, 2021
ASSETS			
Cash at banks and short-term deposits	5	186,887,752	14,846,580
Prepayments, advances and other receivables	7	87,750,385	62,807,152
Repossessed assets held for sale	10	2,558,650	30,098,836
Due from related parties	8.1.1	516,559,447	556,138,324
Margin deposits – restricted	6	15,270,395	92,893,882
Investment in Islamic financings, net	9	1,702,552,058	1,710,571,093
Investment in equity instruments carried at fair value through other comprehensive income ("FVOCI")	11	892,875	892,875
Intangible assets	14	13,932,931	9,239,339
Right-of-use assets	13.1	20,533,101	25,086,813
Investment properties	12	8,550,087	8,851,500
Property and equipment	15	5,640,804	6,996,639
Total assets		2,561,128,485	2,518,423,033
LIABILITIES AND SHAREHOLDERS' EQUITY			
Liabilities			
Borrowings payable on demand	19	-	647,903,436
Trade payables		35,513,814	36,421,191
Accruals, provisions and other liabilities	16	49,128,504	80,360,368
Due to related parties	8.1.2	7,931,794	21,966,162
Zakat payable	17.3	26,957,665	44,872,051
Lease liabilities	13.2	22,289,358	26,101,890
Employees' post-employment benefits	18.1	12,133,000	16,489,000
Borrowings	19	1,568,539,988	838,980,883
Total liabilities		1,722,494,123	1,713,094,981
Shareholders' equity			
Share capital	20	500,000,000	500,000,000
Statutory reserve	21	122,906,896	121,363,922
Retained earnings		209,939,224	180,791,057
End of service benefits reserve		5,788,242	3,173,073
Total shareholders' equity		838,634,362	805,328,052
Total liabilities and shareholders' equity		2,561,128,485	2,518,423,033


Chief Financial
Officer


Managing Director


Chairman

The accompanying notes from 1 to 34 are an integral part of these financial statements.

AL YUSR LEASING AND FINANCING COMPANY
(A Saudi Closed Joint Stock Company)
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
(All amounts in Saudi Riyals unless otherwise stated)

		For the year ended December 31,	
	Notes	2022	2021
Revenue			
Income from investment in Islamic financing, net	22	252,839,160	254,722,821
Other income	23	25,151,264	22,206,675
Total revenue		277,990,424	276,929,496
Operating expenses			
Salaries, wages and other employee related costs	24	(105,303,906)	(110,509,922)
Depreciation and amortization	25	(9,733,216)	(10,267,424)
Other operating expenses	26	(72,096,570)	(98,713,337)
(Charge for) / reversal of impairment on financial assets, net	9.7	(731,731)	117,528,257
Total operating expenses		(187,865,423)	(101,962,426)
Operating profit		90,125,001	174,967,070
Finance costs, net	28	(70,686,198)	(88,195,294)
Profit before zakat		19,438,803	86,771,776
Zakat expense	17.3	(4,009,059)	(16,370,198)
Net profit for the year		15,429,744	70,401,578
Other comprehensive income / (loss)			
<i>Items of other comprehensive income that will not be reclassified subsequently to profit or loss</i>			
Gain / (loss) on the re-measurements of employees' end of service termination benefits obligation	18.2	2,615,169	(2,109,305)
Other comprehensive income / (loss) for the year		2,615,169	(2,109,305)
Total comprehensive income for the year		18,044,913	68,292,273



Chief Financial
Officer



Managing Director




Chairman

The accompanying notes from 1 to 34 are an integral part of these financial statements.

AL YUSR LEASING AND FINANCING COMPANY
(A Saudi Closed Joint Stock Company)
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
 (All amounts in Saudi Riyals unless otherwise stated)

	Notes	Share capital	Statutory reserve	Retained earnings	End of service benefit reserve	Total shareholders' equity
Balance at January 1, 2021		500,000,000	114,331,750	117,421,651	5,282,378	737,035,779
Net profit for the year		-	-	-	-	-
Other comprehensive loss for the year		-	-	70,401,578	-	70,401,578
Total comprehensive income / (loss) for the year		-	-	-	(2,109,305)	(2,109,305)
Transfer to statutory reserve	21	-	7,032,172	(7,032,172)	-	-
Balance as at December 31, 2021		500,000,000	121,363,922	180,791,057	3,173,073	805,328,052
Net profit for the year		-	-	15,429,744	-	15,429,744
Other comprehensive income for the year		-	-	-	2,615,169	2,615,169
Total comprehensive income for the year		-	-	15,429,744	2,615,169	18,044,913
Transfer to statutory reserve	21	-	1,542,974	(1,542,974)	-	-
Modification gain on rescheduling the loan with the Parent Company		-	-	15,261,397	-	15,261,397
Balance as at December 31, 2022		500,000,000	122,906,896	209,939,224	5,788,242	838,634,362


 Chief Financial Officer


 Managing Director


 Chairman

The accompanying notes from 1 to 34 form an integral part of these financial statements.

AL YUSR LEASING AND FINANCING COMPANY
(A Saudi Closed Joint Stock Company)
STATEMENT OF CASH FLOWS

(All amounts in Saudi Riyals unless otherwise stated)

For the year ended December 31,

	Notes	2022	2021
Cash flows from operating activities			
Profit before zakat		19,438,803	86,771,776
Adjustments to reconcile profit before zakat to net cash flows provided by operating activities:			
Depreciation and amortisation	25	9,733,216	10,267,424
Charge for / (reversal of) ECL allowance on financial assets	9.7	18,629,995	(105,248,700)
Charge for / (reversal of) ECL allowance on other receivables	9.7	1,501,951	(4,578,936)
Finance income against fair value of margin deposits	23	(2,029,606)	(794,960)
Finance (income) / loss on receivable against portfolio sold to the Parent Company	29	(9,459,833)	2,931,291
(Gain)/ loss on profit free borrowings		(4,840,912)	2,418,628
Finance loss on transfer of receivable to related party	8.3	9,084,164	-
Provision on credit-impaired income		-	10,396,487
Fair value loss / (gain) on investment properties	12	301,413	(632,250)
Finance costs	28	70,686,198	88,195,294
Income from reversal of long outstanding unidentified deposits and unclaimed insurance recoveries	16	(4,818,228)	(2,876,521)
Gain on modification of investment in Islamic financing, net		(994,359)	(10,008,272)
Gain on derecognition of lease liabilities		(143,866)	(102,650)
Provision for employees' post-employment benefits	18.1	2,270,000	2,482,000
Changes in working capital:		109,358,936	79,220,611
<i>Change in operating assets and liabilities</i>			
Prepayments, advances and other receivables		(26,445,184)	(14,817,039)
Repossessed assets held for sale		27,540,186	10,951,890
Due from related parties		55,215,943	52,855,529
Margin deposit – restricted		79,653,093	30,163,372
Investment in Islamic financing, net		(9,616,601)	364,256,138
Trade payables		(907,377)	13,667,762
Accruals, provisions, and other liabilities		(26,413,636)	1,337,401
Due to related parties		(14,034,368)	(61,516,090)
Cash generated from operating activities before zakat and employees' post-employment benefits paid		194,350,992	476,119,574
Employees' post-employment benefits paid	18.1	(4,473,831)	(6,351,305)
Zakat paid	17	(21,923,445)	(9,180,703)
Net cash generated from operating activities		167,953,716	460,587,566
Cash flows from investing activities			
Purchase of property and equipment	15	(1,647,121)	(3,963,908)
Purchase of intangible assets	14	(7,273,402)	(8,550,651)
Net cash used in investing activities		(8,920,523)	(12,514,559)
Cash flows from financing activities			
Proceeds from borrowings		1,025,475,176	585,315,377
Repayment of borrowings		(909,517,914)	(1,074,534,483)
Repayment of lease liabilities	13.2	(3,266,624)	(2,794,000)
Finance cost paid		(60,081,169)	(111,770,613)
Net cash generated from / (used in) financing activities		52,609,469	(603,783,719)
Net increase / (decrease) in cash and cash equivalents		211,642,662	(155,710,712)
Cash and cash equivalents at beginning of the year		(34,704,686)	121,006,026
Cash and cash equivalents at end of the year	5	176,937,976	(34,704,686)
Non-cash transactions			
Reversal of net present value discounting on receivable against portfolio sold to the Parent Company	29	(15,261,397)	-
Right-of-use assets		-	24,199,800
Lease liabilities		-	24,199,800

The accompanying notes on page 1 to 34 form an integral part of these financial statements.

AL YUSR LEASING AND FINANCING COMPANY**(A Saudi Closed Joint Stock Company)****Notes to the financial statements for the year ended December 31, 2022**

(All amounts in Saudi Riyals unless otherwise stated)

1 Legal status and operations

Al-Yusr Leasing and Financing Company (the "Company") is a Saudi closed joint stock Company registered in Riyadh in the Kingdom of Saudi Arabia under commercial registration ("CR") number 1010192058 issued on 20 Shawal 1424H corresponding to December 14, 2003.

The main activities of the Company are to engage in Islamic finance lease, financing of small and medium-sized enterprises, financing of productive assets and consumer finance under the Saudi Central Bank ("SAMA") license No. (10/AO/201403) issued on 27 Rabi' al-Thani 1435H corresponding to February 28, 2014.

The Company's Head Office is located at the following address;

Salah Uddin Ayubi Street, Al Malaz
P.O. Box 25773
Riyadh 11476
Kingdom of Saudi Arabia

The Company has the following active branches and the results thereof are included in the accompanying financial statements:

Branch name	CR number	Date of issuance or cancelation of CR	Status of Branch as at December 31,	
			2022	2021
Riyadh-Damman Road	1010404025	9 Rabi' al-Thani 1435H	Closed	Active
Riyadh-Exit 5	1010404022	9 Rabi' al-Thani 1435H	Active	Active
Riyadh-Exit 10	1010404068	9 Rabi' al-Thani 1435H	Active	Active
Hafr Al Baten	2511020230	12 Thul-Qi'dah 1434H	Active	Active
Hail	3350037814	25 Safar 1434H	Active	Active
Sekaka/Aljouf	3400017706	13 Rabi' al-Thani 1435H	Active	Active
Tabouk	3550033063	5 Rabi' al-Thani 1435H	Active	Active
Dammam	2050098038	11 Rabi' al-Thani 1435H	Active	Active
Al Ihsaa	2252034974	12 Jumada al-Ula 1428H	Active	Active
Jeddah – Rowdah	4030170831	22 Jumada al-Akhirah 1428H	Active	Active
Makkah	4031060371	01 Thul-Qi'dah 1431H	Active	Active
Madinah Monawarah-Aziziah	4650055494	02 Jumada al-Ula 1433H	Active	Active
Khamis Mshait	5855044025	24 Jumada al-Akhirah 1433H	Active	Active
Jazan	5900027559	17 Rabi' al-Thani 1435H	Active	Active
Riyadh	1010442499	14 Jumada al-Ula 1437H	Closed	Active
Buraidah	1131051618	13 Rabi' al-Thani 1435H	Active	Active

AL YUSR LEASING AND FINANCING COMPANY
(A Saudi Closed Joint Stock Company)

Notes to the financial statements for the year ended December 31, 2022

(All amounts in Saudi Riyals unless otherwise stated)

2 Basis of preparation

2.1 Statement of compliance

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

2.2 Basis of measurement

These financial statements have been prepared on a historical cost basis, except for the following:

- Certain financial assets and liabilities, investment properties – measured at fair value;
- Assets held for sale – measured at the lower of carrying amount and fair value less costs to sell; and
- End of service benefits – measured using projected unit credit method under IAS-19.

2.3 Functional and presentation currency

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

3 Critical accounting judgments, estimates and assumptions

The preparation of the financial statements in conformity with IFRS as endorsed in the KSA and other standards and pronouncements issued by SOCPA, requires the use of certain critical accounting judgements, estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Such judgements, estimates, and assumptions are continually evaluated and are based on historical experience and other factors, including obtaining professional advices and expectations of future events that are believed to be reasonable under the circumstances.

The significant accounting estimates impacted by these forecasts and associated uncertainties are predominantly related to the following judgments, estimates and assumptions.

3.1 Derecognition of financial assets

For transactions that qualify for derecognition of financial assets, management assesses the contractual terms of the agreement to determine whether the transaction meets derecognition criteria under IFRS 9. The Company derecognise the financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. The management exert judgment in assessing the above derecognition criteria.

3.2 Determination of discount rate for present value calculations

Discount rate represents the current market assessment of the risks specific to the Company, taking into consideration the tenure of the agreement and the individual risks of the underlying assets. The discount rate calculation is based on the specific circumstances of the Company. The discount rate is an estimate of the weighted average cost of capital of the Company based on market rates adjusted to reflect management's estimate of the specific risks relating to its operations.

AL YUSR LEASING AND FINANCING COMPANY
(A Saudi Closed Joint Stock Company)

Notes to the financial statements for the year ended December 31, 2022

(All amounts in Saudi Riyals unless otherwise stated)

3 Critical accounting judgments, estimates and assumptions (continued)

3.3 Actuarial valuation of employee benefits liabilities

The cost of the employees' post-employment benefits ("employee benefits") under defined benefits plan is determined annually based on actuarial valuation by independent actuaries using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, employee turnover rates and mortality rates. Due to the complexity of the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All these assumptions are reviewed on an annual basis or more frequently, if required, as part of overall assessment of employees' end-of-service termination benefits obligations.

3.4 Economic useful lives of property, equipment, and intangible assets

The Company's management determines the estimated useful lives of its property, equipment and intangible assets which are depreciated/amortised on a straight-line basis over their economic useful lives. This estimate is determined after considering the expected usage of the asset or physical wear and tear. Management reviews the residual value and useful lives annually and future depreciation/amortisation charges would be adjusted where the management believes the economic useful lives differ from previous estimates.

3.5 Right-of-use assets and lease liabilities

Extension and termination options are included in a number of leases across the Company. These are used to maximise operational flexibility in terms of managing the assets used in the Company operations. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

AL YUSR LEASING AND FINANCING COMPANY
(A Saudi Closed Joint Stock Company)

Notes to the financial statements for the year ended December 31, 2022

(All amounts in Saudi Riyals unless otherwise stated)

3 Critical accounting judgments, estimates and assumptions (continued)

3.6 Measurement of expected credit loss allowance

The measurement of expected credit loss allowance for the financial assets measured at amortised cost is the area that requires the use of models and significant assumptions about future economic conditions and credit behavior (such as the likelihood of customer defaulting and resulting losses). Explanation of inputs, assumptions, and estimation techniques used in measuring expected credit loss ("ECL") is further detailed in the notes, which also sets out the key sensitivities of the ECL to changes in these elements.

Three-stage approach

The ECL model contains a three-stage approach that is based on the change in the credit quality of financial assets since initial recognition. The ECL model is forward-looking and requires the use of reasonable and supportable forecasts of future economic conditions in the determination of significant increases in credit risk and measurement of ECL.

Stage 1: 12-month ECL applies to all financial assets that have not experienced a significant increase in credit risk ("SICR") since origination and are not credit impaired. The ECL will be computed using a factor that represents the Probability of Default (PD) occurring over the next 12 months and Loss Given Default ("LGD") while the income on these financial assets is calculated on gross basis.

Stage 2: Stage 2 applies to all the financial assets wherein there has been a SICR since initial recognition, but the financial instruments are not considered credit impaired. An amount equal to the lifetime ECL will be recorded which is computed using lifetime PD, LGD and Exposure at Default ("EAD") while the income on these financial assets is calculated on gross basis. The provisions for ECL allowance are expected to be higher in this stage because of an increase in risk and the impact of a longer time horizon being considered compared to 12 months ECL in Stage 1.

Stage 3: Stage 3 applies to all those financial assets wherein there is objective evidence of impairment at the reporting date. These financial assets will be classified as credit-impaired and an amount equal to the lifetime ECL will be recorded for the financial assets. The income on these financial assets is henceforth calculated on net basis (i.e., net of ECL).

A number of significant judgments are also required in applying accounting requirements for measuring the ECL, such as:

- Determining the criteria for a significant increase in credit risk.
- Choosing appropriate models and assumptions for measurement of ECL.
- Establishing the number and relative weighting of forward-looking scenarios for each type of industrial sector and associated ECL.
- Establishing a group of similar financial assets for the purpose of measuring ECL.

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Company's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks, and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relates to the Company's core business operations.

AL YUSR LEASING AND FINANCING COMPANY
(A Saudi Closed Joint Stock Company)

Notes to the financial statements for the year ended December 31, 2022

(All amounts in Saudi Riyals unless otherwise stated)

3 Critical accounting judgments, estimates and assumptions (continued)

3.6 Measurement of expected credit loss allowance (continued)

Macroeconomic variables

The output of the PD model is through the cycle PD. These PDs are converted into Point-in-time PD by applying forward looking scenarios. This is done through deriving a Composite Index ("CI"). Correlation Analysis is used to create CI for input into models.

Portfolio Segmentation

The portfolio has been sliced into retail and non-retail segment. The retail portfolio is segmented on the basis of product type, nationality, and employment type. The non-retail portfolio is segmented on the basis of customer type (i.e., SMEs) and type of facility (i.e., construction and non-construction). The segmentation has been done considering shared risk characteristics of exposures.

3.7 Fair value measurement and valuation process

Some of the Company's assets and liabilities are measured at fair value for the purpose of financial reporting. The Company's Chief Financial Officer is responsible to determine the appropriateness of the valuation techniques and inputs for the fair value measurements.

In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Company engages third party qualified valuers to perform the valuation. The management works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs for the fair value model.

3.8 Going concern

Based on its analysis, the Company's management is satisfied that the Company has the resources to continue in business for the foreseeable future. Furthermore, the management of Company is not aware of any material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

4 Summary of significant accounting policies

The significant accounting policies adopted in the preparation of these financial statements are set out below.

4.1 Change in accounting policies

The accounting policies used in the preparation of these financial statements are consistent with those used in the preparation of the annual financial statements for the year ended December 31, 2021 except for the new accounting policies introduced as part of adoption of the following amendments to IFRS explained below which became applicable for annual reporting periods commencing on or after January 1, 2022 replacing, amending or adding to the corresponding accounting policies set out in 2021 annual audited financial statements. The management has assessed that the below amendments have no significant impact on the Company's financial statements.

AL YUSR LEASING AND FINANCING COMPANY
(A Saudi Closed Joint Stock Company)
Notes to the financial statements for the year ended December 31, 2022
(All amounts in Saudi Riyals unless otherwise stated)

4 Summary of significant accounting policies (continued)

4.1 Change in accounting policies (continued)

New standards, interpretations and amendments adopted by the Company

Standard, interpretation, amendments	Description	Effective date
Amendment to IFRS 16, 'Leases' – COVID-19 related rent concessions Extension of the practical expedient	As a result of the coronavirus (COVID-19) pandemic, rent concessions have been granted to lessees. In May 2020, the IASB published an amendment to IFRS 16 that provided an optional practical expedient for lessees from assessing whether a rent concession related to COVID-19 is a lease modification. On 31 March 2021, the IASB published an additional amendment to extend the date of the practical expedient from 30 June 2021 to 30 June 2022. Lessees can select to account for such rent concessions in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concession as variable lease payments in the period(s) in which the event or condition that triggers the reduced payment occurs.	Annual periods beginning on or after 1 April 2021
A number of narrow-scope amendments to IFRS 3, IAS 16, IAS 37 and some annual improvements on IFRS 1, IFRS 9, IAS 41 and IFRS 16	Amendments to IFRS 3, 'Business combinations' update a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations. Amendments to IAS 16, 'Property, plant and equipment' prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in statement of income. Amendments to IAS 37, 'Provisions, contingent liabilities and contingent assets' specify which costs a company includes when assessing whether a contract will be loss-making. Annual improvements make minor amendments to IFRS 1, 'First-time Adoption of IFRS', IFRS 9, 'Financial instruments', IAS 41, 'Agriculture' and the Illustrative Examples accompanying IFRS 16, 'Leases'.	Annual periods beginning on or after 1 January 2022.

Accounting standards issued but not yet effective

The accounting standards, amendments and revisions which have been published and are mandatory for compliance for the Company's accounting year beginning after January 01, 2022 are listed below. The Company has opted not to early adopt these pronouncements and they do not have a significant impact on the financial statements.

AL YUSR LEASING AND FINANCING COMPANY
(A Saudi Closed Joint Stock Company)
Notes to the financial statements for the year ended December 31, 2022
(All amounts in Saudi Riyals unless otherwise stated)

4 Summary of significant accounting policies (continued)

4.1 Change in accounting policies (continued)

Accounting standards issued but not yet effective (continued)

Standard, interpretation, amendments	Description	Effective date
IFRS 17, 'Insurance contracts', as amended in December 2021	This standard replaces IFRS 4, which currently permits a wide variety of practices in accounting for insurance contracts. IFRS 17 will fundamentally change the accounting by all entities that issue insurance contracts and investment contracts with discretionary participation features.	Annual periods beginning on or after 1 January 2023.
Amendments to IAS 1, 'Presentation of financial statements', on classification of liabilities	These narrow-scope amendments to IAS 1, 'Presentation of financial statements', clarify that liabilities are classified as either current or noncurrent, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (for example, the receipt of a waiver or a breach of covenant). The amendment also clarifies what IAS 1 means when it refers to the 'settlement' of a liability. Note that the IASB has issued a new exposure draft proposing change to this amendment.	Deferred until accounting periods starting not earlier than 1 January 2024
Amendment to IAS 12- deferred tax related to assets and liabilities arising from a single transaction	These amendments require companies to recognise deferred tax on transactions that, on initial recognition give rise to equal amounts of taxable and deductible temporary differences.	Annual periods beginning on or after 1 January 2023.
Amendments to IFRS 10 and IAS 28	Sale or contribution of Assets between an Investor and its Associate or Joint Ventures	Available for optional adoption/effective date deferred indefinitely

IBOR Transition (Interest Rate Benchmark Reforms):

A fundamental review and reform of major interest rate benchmarks is being undertaken globally. The International Accounting Standards Board ("IASB") is engaged in a two-phase process of amending its guidance to assist in a smoother transition away from IBOR.

Phase (1) - The first phase of amendments to IFRS 9 Financial Instruments, IAS 39 Financial Instruments: Recognition and Measurement and IFRS 7 Financial Instruments: Disclosures focused on hedge accounting issues. The final amendments, issued in September 2019, amended specific hedge accounting requirements to provide relief from the potential effects of the uncertainty caused by IBOR reform. The amendments are effective from January 1, 2020 and are mandatory for all hedge relationships directly affected by IBOR reform.

Phase (2) - The second phase relates to the replacement of benchmark rates with alternative risk-free rates. Currently, there is uncertainty as to the timing and the methods of transition for phase 2. As a result of these uncertainties, IBOR continues to be used as a reference rate in financial markets and is used in the valuation of instruments with maturities that exceed the expected end date for IBOR.

The LIBOR administrator, Intercontinental Exchange (ICE) Benchmark Administration, is consulting on ceasing publication of all sterling LIBOR settings at the end of 2021, leaving just one year for firms to remove their remaining reliance on these benchmarks.

AL YUSR LEASING AND FINANCING COMPANY
(A Saudi Closed Joint Stock Company)

Notes to the financial statements for the year ended December 31, 2022

(All amounts in Saudi Riyals unless otherwise stated)

4 Summary of significant accounting policies (continued)

4.1 Change in accounting policies (continued)

IBOR Transition (Interest Rate Benchmark Reforms) (continued):

On 5 March 2021, the Financial Conduct Authority (FCA), the UK regulator, announced that all LIBOR settings for all currencies will either cease or no longer be representative immediately after the following dates:

- December 31, 2021, for Sterling, Euro, Swiss Franc and Japanese Yen LIBOR settings in all tenors and US Dollar LIBOR 1-week and 2-month settings; and
- June 30, 2023, for US Dollar Overnight, 1-month, 3-month, 6-month and 12-month settings.

The Company does not carry any financial instruments using IBORs as a reference rates and do not expect any impact on the Company's financial statements from the IBOR reforms.

4.2 Cash and cash equivalents

Cash and cash equivalents include cash in hand, at banks and other short-term highly liquid investments, with original maturities of three months or less from the purchase date, if any, which are available to the Company without any restrictions. Restricted cash and cash equivalents are not available for immediate use by the Company at its disposal and henceforth, are excluded from cash and cash equivalents for the purposes of the statement of cash flows. Restricted cash and cash equivalents are related to cash margin deposits with banks (note 4.3).

4.3 Margin deposits

Margin deposits are held with banks against borrowing facilities obtained and the tenor of such deposits is as per the maturity of the facility ranging up.

4.4 Leases

4.4.1 Lease arrangements where the Company is a lessor

Leases for which the Company is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Amounts due from lessees under finance leases are recognised as receivables at an amount equal to the net investment in the lease. Finance lease income is allocated to accounting periods to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of the leases.

4.4.2 Lease arrangements where the Company is a lessee

The Company leases certain buildings for its leasing and financing operations throughout the Kingdom of Saudi Arabia. Rental agreements are typically entered for fixed terms ranging from 1 upto 5 years but may have extension options.

Lease terms are negotiated on an individual lease agreement basis which contain a wide range of different terms and conditions. The lease agreements do not impose any financial covenants but the underlying leased assets cannot be pledged or used as collateral or security for the issuance of financing transactions.

At the lease commencement date, the Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (leases with a lease term of 12 months or less) and leases of low-value assets, for which the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

AL YUSR LEASING AND FINANCING COMPANY

(A Saudi Closed Joint Stock Company)

Notes to the financial statements for the year ended December 31, 2022

(All amounts in Saudi Riyals unless otherwise stated)

4 Summary of significant accounting policies (continued)

4.4 Leases (continued)

4.4.2 Lease arrangements where the Company is a lessee (continued)

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate. In general, the Company uses its incremental borrowing rate as the discount rate which has been used to measure all the lease liabilities recognised.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the statement of financial position, classified as current and non-current within the notes.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest rate method) and by reducing the carrying amount to reflect the lease payments made.

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- a lease contract is modified, and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of the lease term or the economic useful life of the underlying asset.

If a lessor transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the economic useful life of the underlying asset. The depreciation starts at the commencement date of the lease. The right-of-use assets are presented as a separate line in the statement of financial position.

Variable rents that do not depend on an index or rate are not included in the measurement the lease liability and the right-of-use asset, and the related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs.

AL YUSR LEASING AND FINANCING COMPANY
(A Saudi Closed Joint Stock Company)

Notes to the financial statements for the year ended December 31, 2022

(All amounts in Saudi Riyals unless otherwise stated)

4 Summary of significant accounting policies (continued)

4.4 Leases (continued)

4.4.2 Lease arrangements where the Company is a lessee (continued)

Extension and termination options

Extension and termination options are included in a number of lease contracts for buildings in which the Company is lessee. These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the Company and not by the respective lessor.

4.5 Revenue recognition

4.5.1 Income from Islamic financing

Income from Islamic financing receivables is recognised in statement of profit or loss and other comprehensive income using effective profit rate ("EPR"), on the outstanding balance over the term of the contract.

The calculation of the EPR includes transaction costs, fees and commission income received that are an integral part of the EPR. Transaction costs include incremental costs that are directly attributable to the acquisition of the financial asset.

Income from Islamic financing is calculated by applying the EPR to the carrying amount of financial assets, except for:

- Purchased or originated credit-impaired ("POCI") financial assets, for which the original credit-adjusted EPR is applied to the amortised cost of the financial asset;
- Financial assets that are not 'POCI' but have subsequently become credit-impaired (or 'stage 3'), for which income is calculated by applying the EPR to their amortised cost (i.e. net of the expected credit loss provision) starting from the subsequent reporting period.

4.5.2 Processing fee

Processing fees and other operating income represent administration fees which include lease initiation and customer risk assessment. Processing fee income is recognised over the period of the lease using the effective profit rate method, which results in a constant periodic rate of return over the net investment outstanding over the term of the contract.

4.5.3 Other operating income

Other operating income is recorded as when incurred.

4.6 Investment in Islamic financing

The investment in Islamic financing includes receivables against the following categories of the financial assets:

4.6.1 Ijara receivables

Ijara finance is an agreement where the gross amounts due under originated Ijara include the total of future payments on Ijara finance, plus estimated residual amounts receivable (against an option to purchase the asset by the lessee from the Company at the end of the respective lease term through an independent sale contract).

The difference between the Ijara contracts receivable and the cost of the Ijara assets is recorded as unearned Ijara finance income and, for presentation purposes, is deducted from the gross amounts due under Ijara finance.

AL YUSR LEASING AND FINANCING COMPANY
(A Saudi Closed Joint Stock Company)
Notes to the financial statements for the year ended December 31, 2022
(All amounts in Saudi Riyals unless otherwise stated)

4 Summary of significant accounting policies (continued)

4.6 Investment in Islamic financing (continued)

4.6.2 Murabaha receivables

Murabaha is an agreement whereby the Company sells to a customer an asset, which the Company has purchased or acquired based on a promise received from the customer to buy. The selling price comprises the cost plus an agreed profit margin. The gross amounts due under the Murabaha sale contract include the total of future installment receipts under the Murabaha agreement (i.e., Murabaha sale contract receivable). The difference between the Murabaha sale contract receivable and the cost of the sold asset is recorded as unearned Murabaha profit and for presentation purposes, is deducted from the gross amounts due under the Murabaha sale contract receivable.

4.6.3 Tawarruq receivables

Tawarruq is an agreement whereby the Company sells to a customer an asset, which the Company has purchased and after such sale, arranges to sell the underlying asset and disburses the sale proceeds to the customer. The selling price comprises the cost plus an agreed profit margin. Gross amounts due under the Tawarruq sale contract include the total sale payments on the Tawarruq agreement (Tawarruq sale contract receivable). The difference between the Tawarruq sale contract receivable and the cost of the sold asset is recorded as unearned Tawarruq profit and for presentation purposes, is deducted from the gross amounts due under the Tawarruq sale contract receivable.

4.7 Financial instruments

The Company initially recognise the financial assets and liabilities when it becomes a party to the contractual provisions of the financial instrument.

4.7.1 Financial assets

4.7.1.1 Initial measurement

At initial recognition, the Company recognises all the financial assets at their fair value plus, in the case of a financial asset not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to the acquisition of financial asset. Transaction costs of financial assets carried at FVTPL are expensed in the profit or loss.

4.7.1.2 Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured at amortised cost; and
- those to be measured subsequently at fair value either fair value through other comprehensive income ("FVOCI"); or
- those to be measured subsequently at fair value either fair value through profit or loss ("FVTPL")

Debt instruments

Classification and subsequent measurement of debt instruments depend on:

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

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

SPPP test: Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Company assesses whether the financial instruments' contractual cash flows represent solely payment of principal and profit (the "SPPP" test).

AL YUSR LEASING AND FINANCING COMPANY
(A Saudi Closed Joint Stock Company)

Notes to the financial statements for the year ended December 31, 2022

(All amounts in Saudi Riyals unless otherwise stated)

4 Summary of significant accounting policies (continued)

4.7 Financial instruments (continued)

4.7.1 Financial assets (continued)

4.7.1.2 Classification (continued)

In making this assessment, the Company considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. profit (or special commission income) includes only consideration for the time value of resources, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at FVTPL.

Based on these factors, the Company classifies its debt instruments into either amortised cost or FVTPL model for subsequent measurement.

Equity instruments

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

4.7.1.3 Business model assessment

The Company assesses the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management.

The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual profit revenue, maintaining a particular profit rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated- e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume, and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Company's stated objective for managing the financial assets is achieved and how cash flows are realised.
- the business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Company's original expectations, the Company does not change the classification of the remaining financial assets held in that business model but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

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

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

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

In assessing whether the contractual cash flows are solely payments of principal and profit, the Company considers the contractual terms of the instrument.

AL YUSR LEASING AND FINANCING COMPANY
(A Saudi Closed Joint Stock Company)

Notes to the financial statements for the year ended December 31, 2022

(All amounts in Saudi Riyals unless otherwise stated)

4 Summary of significant accounting policies (continued)

4.7 Financial instruments (continued)

4.7.1 Financial assets (continued)

4.7.1.4 Assessments whether contractual cash flows are solely payments of principal and profit (continued)

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

- Contingent events that would change the amount and timing of cash flows;
- Leverage features;
- Prepayment and extension terms;
- Terms that limit the Company's claim to the cash flows from specified assets (e.g. non-recourse asset arrangements); and
- Features that modify consideration of the time value of money- e.g. periodical reset of profit rates.

4.7.1.5 Subsequent measurement

After initial recognition, the financial assets can be measured at amortised cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL").

Subsequent measurement of debt instrument

It depends on the Company's business model for managing the assets and the cash flow characteristics of the assets. The Company classifies its debt instruments into three measurement categories:

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payment of principal and profit are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of the hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Profit from these financial assets is calculated based on the effective yield method. Accordingly, net investment in leases and investment in Islamic financings has been classified as financial assets under amortised cost.
- **Fair value through other comprehensive income ("FVOCI"):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and profit, are measured at fair value through other comprehensive income ("FVOCI"). Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses, profit on financial instruments (finance income) and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss.
- **Fair value through profit or loss ("FVTPL"):** Financial assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. A gain or loss on a debt investment, that is subsequently measured at FVTPL and is not part of a hedging relationship, is recognised in profit or loss.

Subsequent measurement of equity instruments

The Company subsequently measures all equity investments at FVTPL, except where the Company has elected, at initial recognition, to irrevocably designate an equity investment at FVOCI. The Company's policy is to designate equity investments as FVOCI when those investments are held for purposes other than to trade.

When this election is opted for at the time of initial recognition, fair value gains or losses against such financial assets are recognised in other comprehensive income and are not subsequently reclassified to profit or loss, including on disposal. Impairment losses (and reversal of impairment losses) are not reported separately from other changes in fair value. Dividends, when representing a return on such investments, continue to be recognised in profit or loss when the Company's right to receive payments is established. Financial assets are not reclassified subsequent to their initial recognition, except in the year after the Company changes its business model for managing financial assets.

AL YUSR LEASING AND FINANCING COMPANY

(A Saudi Closed Joint Stock Company)

Notes to the financial statements for the year ended December 31, 2022

(All amounts in Saudi Riyals unless otherwise stated)

4 Summary of significant accounting policies (continued)

4.7 Financial instruments (continued)

4.7.1 Financial assets (continued)

4.7.1.6 Derecognition of financial assets

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

On derecognition of a financial asset in its entirety, the difference between:

- the carrying amount (measured at the date of derecognition); and
- the consideration received (including any new asset obtained less any new liability assumed) shall be recognised in profit or loss.

4.7.1.7 Modification of financial assets

When the contractual cash flows of a financial asset are renegotiated or otherwise modified and the renegotiation or modification does not result in the derecognition of that financial asset, the Company recalculates the gross carrying amount of the financial asset and recognises a modification gain or loss in profit or loss. The gross carrying amount of the financial asset is recalculated as the present value of the renegotiated or modified contractual cash flows that are discounted at the financial asset's original EPR (or credit adjusted effective EPR for purchased or originated credit-impaired financial assets) or, when applicable, the revised EPR. Any costs or fees incurred adjust the carrying amount of the modified financial asset are amortised over the remaining term of the modified financial asset.

4.7.1.8 Reclassification

Financial assets are reclassified when the Company changes its business model for managing financial assets. For example, when there is a change in management's intention to hold the asset over a short term or long term basis.

4.7.1.9 Impairment of financial assets

The Company assesses on a forward-looking basis, the expected credit losses associated with its financial assets. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For net investment in Islamic financing, the Company applies the three-stage model ('general model') for impairment based on changes in credit quality since initial recognition.

Performing (Stage 1) includes financial instruments that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date. For these assets, 12-month expected credit losses ('ECL') are recognised and income is calculated on the gross carrying amount of the asset (that is, without deduction for credit allowance). 12-month ECL is the ECL that result from default events that are possible within 12 months after the reporting date. It is not the expected cash shortfalls over the 12-month period but the entire credit loss on an asset, weighted by the probability that the loss will occur in the next 12 months.

Underperforming (Stage 2) includes financial instruments that have had a significant increase in credit risk since initial recognition unless they have low credit risk at the reporting date, but that does not have objective evidence of impairment. For these assets, lifetime ECL is recognised, but income is still calculated on the gross carrying amount of the asset. Lifetime ECL is the ECL that result from all possible default events over the maximum contractual period during which the Company is exposed to credit risk. ECL is the weighted average credit losses, with the respective risks of a default occurring as the weights.

AL YUSR LEASING AND FINANCING COMPANY
(A Saudi Closed Joint Stock Company)

Notes to the financial statements for the year ended December 31, 2022

(All amounts in Saudi Riyals unless otherwise stated)

4 Summary of significant accounting policies (continued)

4.7 Financial instruments (continued)

4.7.1 Financial assets (continued)

4.7.1.9 Impairment of financial assets (continued)

Non-performing (Stage 3) includes financial assets that have objective evidence of impairment at the reporting date. For these assets, lifetime ECL is recognised and income is calculated on the net carrying amount (that is, net of credit allowance) starting from the subsequent reporting period.

The Company, when determining whether the credit risk on a financial instrument has increased significantly, considers reasonable and supportable information available, to compare the risk of a default occurring at the reporting date with the risk of a default occurring at initial recognition of the financial instrument.

Measurement of ECL

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

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

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred

Evidence that a financial asset is credit-impaired includes the following observable data:

- the significant financial difficulty of the customer or issuer;
- a breach of contracts such as a default or past due event;
- the restructuring of financing or advance by the Company on terms that the Company would not consider otherwise;
- it is becoming probable that the customer will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for security because of financial difficulties.

Financing that has been renegotiated due to deterioration in the customer's condition is usually considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment. In addition, financing that is overdue for 90 days or more is considered credit-impaired.

4.7.1.10 Presentation of allowance for ECL in the statement of financial position

Loss allowances for ECL, for financial assets measured at amortised cost, are presented in the statement of financial position as a deduction from the gross carrying amount of the financial assets.

Financial assets are written off only when:

- (i) the debt is at least one year past due;
- (ii) the Company has attempted to recover and engaged in all relevant legal enforcement activities,
- (iii) it is concluded that there is no reasonable expectation of recovery, and
- (iv) the write-off is approved by the Board of Directors, or management to the extent delegated by the Board of Directors, at the recommendation of collections department based on conclusion above.

Where financial assets are written off, the Company continues to engage in enforcement activities to attempt to recover the amount due from customers. The recoveries made, after the respective financial assets has been write-off, are recognised as 'other income' in profit or loss in the period in which the said recoveries are made.

AL YUSR LEASING AND FINANCING COMPANY
(A Saudi Closed Joint Stock Company)
Notes to the financial statements for the year ended December 31, 2022
(All amounts in Saudi Riyals unless otherwise stated)

4 Summary of significant accounting policies (continued)

4.7 Financial instruments (continued)

4.7.1 Financial assets (continued)

4.7.1.11 Regular way contracts

All regular way purchase and sales of financial assets are recognised and derecognised on the trade date i.e. the date on which the Company commits to purchase or sell the assets. Regular way purchase or sales of financial assets require delivery of those assets within the time frame generally established by regulation or convention in the market place.

4.7.2 Financial liabilities

4.7.2.1 Classification of financial liabilities

The Company designates a financial liability at fair value through profit or loss if doing so eliminates or significantly reduces measurement or recognition inconsistency or where a group of financial liabilities is managed and its performance is evaluated on a fair value basis.

These amounts represent liabilities for goods and services provided to the Company before the end of the year which are unpaid. The amounts are unsecured and are usually paid within 12 months of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period.

4.7.2.2 Initial measurement

At initial recognition, the Company recognises the financial liability at its fair value

4.7.2.3 Subsequent measurement

After initial recognition, financial liabilities are subsequently measured at amortised cost using the EPR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the amortisation process.

4.7.2.4 Derecognition of financial liabilities

Financial liabilities are derecognised when the obligations specified in the contract is discharged, canceled or expires. A substantial change in the terms of a debt instrument is considered as an extinguishment of the original liability and the recognition of a new financial liability. If an exchange of debt instruments or modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment.

4.7.2.5 Off-setting of financial assets and financial liabilities

Financial assets and liabilities are offset so that the net amount reported in the statement of financial position where the Company currently has a legally enforceable right to offset the recognised amounts, and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

4.7.3 Effective profit rate ("EPR")

The effective profit rate method is a method of calculating the amortised cost of financial asset and liability and of allocating income and expense over the relevant period. The effective profit rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective profit rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

AL YUSR LEASING AND FINANCING COMPANY
(A Saudi Closed Joint Stock Company)

Notes to the financial statements for the year ended December 31, 2022

(All amounts in Saudi Riyals unless otherwise stated)

4 Summary of significant accounting policies (continued)

4.8 Investment properties

The investment properties are initially recognised at the fair value. Subsequent to the initial recognition, the Company continues to account for its investment properties at fair value. Any fair value gain or loss arising from a change in the fair value of investment property shall be recognised in profit or loss for the period in which it arises.

The fair value of investment properties (as measured in the financial statements) is based on a valuation by an independent valuer, as engaged by the Company, who holds a recognised and relevant professional qualification and has recent experience in the location and category of the investment property being valued.

Investment properties are derecognised either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. If an investment property becomes owner-occupied, it is reclassified as property and equipment. The gains or losses arising from the retirement or disposal of investment property are determined as the difference between the net disposal proceeds and the carrying amount of the asset and shall be recognised in profit or loss in the period of the retirement or disposal.

4.9 Intangible assets

Intangible assets having definite lives are stated at cost less accumulated amortisation and accumulated impairment losses if any. Amortisation is charged as disclosed in note 14 applying the straight-line method over the useful life of 4 years. Amortisation is charged from the month in which the asset is available for use, while no amortisation is charged for the month in which the asset is disposed-off.

The residual values and useful lives are reviewed and adjusted, if appropriate, at each statement of financial position date.

Subsequent costs are included in the asset's carrying amounts or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Gains and losses on disposals, if any, are taken to profit or loss in the period in which they arise.

4.10 Property and equipment

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The cost incurred to replace a component of an item of property and equipment is capitalised and the asset so replaced is retired from use. All other repairs and maintenance expenditures are charged to profit or loss account during the period in which they are incurred.

Depreciation is charged using the straight-line method over its estimated useful life as mentioned below, after taking into account residual value.

Furniture & fixtures	5 years
Office equipment	5 years
Leasehold improvements	3 to 5 years
Office equipment – IT	4 years
Vehicles	3 years

AL YUSR LEASING AND FINANCING COMPANY
(A Saudi Closed Joint Stock Company)
Notes to the financial statements for the year ended December 31, 2022
(All amounts in Saudi Riyals unless otherwise stated)

4 Summary of significant accounting policies (continued)

4.10 Property and equipment (continued)

Depreciation on additions is charged from the month the assets are available for the intended use. No depreciation is charged in the month of disposal.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains/losses on disposal of fixed assets, if any, are taken to profit or loss account in the period in which they arise.

Assets having an indefinite useful life are stated at acquisition cost less accumulated impairment losses, if any.

The assets residual values, useful lives and methods are reviewed and adjusted, if appropriate, at each reporting date.

4.11 Impairment of non-financial assets

At each statement of financial position date, the carrying amounts of non-financial assets are reviewed regularly to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the assets is estimated to determine the extent of the impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the assets or cash-generating unit is reduced to its recoverable amount. The impairment loss is recognised as an expense in profit or loss immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the assets or cash-generating unit in the prior year. The reversal of an impairment loss is recognised in profit or loss immediately.

4.12 Trade payables

Trade payable includes the amounts against liabilities for goods and services provided to the Company before the end of the financial year which are unpaid at the period end. The amounts are unsecured and non-profit-bearing against the purchase of assets and associated services received thereof in the ordinary course of business. Trade payables are presented as current liabilities unless payment is not due within 12 months after the reporting period.

4.13 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation to its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

AL YUSR LEASING AND FINANCING COMPANY
(A Saudi Closed Joint Stock Company)
Notes to the financial statements for the year ended December 31, 2022
(All amounts in Saudi Riyals unless otherwise stated)

4 Summary of significant accounting policies (continued)

4.14 Zakat and value added tax

Zakat is provided in accordance with the Zakat, Tax and Customs Authority ("ZATCA") in the Kingdom of Saudi Arabia and on an accruals basis. Zakat charge for the year is charged directly to profit or loss with a corresponding liability recognised in the financial position.

Value added tax

The Company is subject to VAT in accordance with the regulations in the Kingdom of Saudi Arabia. Output VAT related to revenue is payable to tax authorities on the earlier of (a) collection of receivables from customers or (b) delivery of assets / services to customers or (c) the invoice date. Input VAT is recoverable to the extent of taxable supplies and upon receipt of the VAT invoice. The tax authorities permit the settlement of VAT on a net basis. VAT receivable or VAT payable is recognised in the statement of financial position on a net basis and disclosed as an asset or a liability. Input VAT that is not recoverable is charged to profit or loss.

4.15 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss of the period of the financial facilities using the EPR. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the drawdown occurs.

To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, canceled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

4.16 Employees' end-of-service benefits

This represents the end of service benefits plan. Employees' post-employment benefits, as required by Saudi Arabian Labor Law, are required to be provided based on the employees' length of service with the Company.

The Company's net obligations in respect of defined benefit plans (post-employment benefits obligations) are calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods. The liability recognised in the statement of financial position, in respect of the defined post-employment benefits obligation, is the present value of the employees' post-employment benefits obligation at the end of the reporting period. The discount rate used to determine present value is the market yield on government bonds at the reporting date that have maturity dates approximating the terms of the Company's obligations. The cost of providing benefits under the defined benefit plans is calculated annually by independent actuaries using the projected unit credit method.

AL YUSR LEASING AND FINANCING COMPANY
(A Saudi Closed Joint Stock Company)
Notes to the financial statements for the year ended December 31, 2022
(All amounts in Saudi Riyals unless otherwise stated)

4 Summary of significant accounting policies (continued)

4.16 Employees' end-of-service benefits (continued)

The defined benefit liability comprises the present value of defined benefit obligation as adjusted for any past service cost not yet recognised and any unrecognised actuarial gains/losses. The finance cost is calculated by applying the discount rate to the net balance of the employees' post-employment benefits obligations. This cost is included in employee benefit expense in profit or loss. Changes in the present value of the employees' end-of-service termination benefits obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service costs. Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income within equity under end of service benefits reserve.

4.17 Other operating expenses

Other operating expenses includes all the expenses incurred during the period which are directly or indirectly associated with business and operational activities other than employees' related cost as well as periodic cost recognised either based on depreciation, amortisation or on the basis of EPR method.

4.18 Proposed dividend and transfer between reserves

Dividends and appropriations to reserves, except appropriations which are required by law, made subsequent to the statement of financial position date are considered as non-adjusting events and are recorded in the financial statements in accordance with the requirements of International Accounting Standard ("IAS") 10, 'Events after the Reporting Period' in the year in which they are approved / transfers are made.

4.19 Government grants

The Company recognises a government grant related to income, if there is a reasonable assurance that it will be received and the Company will comply with the conditions associated with the grant. The benefit of a government deposit at a below-market rate of interest is treated as a government grant related to income. The below-market rate deposit is recognised and measured in accordance with IFRS 9 Financial Instruments. The benefit of the below-market rate of interest is measured as the difference between the initial fair value of the deposit determined in accordance with IFRS 9 and the proceeds received. The benefit is accounted for in accordance with IAS 20. Government grant is recognised in profit or loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants is intended to compensate.

4.20 Fair value measurement

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 fair value of an asset/liability is measured using the assumptions that market participants would use when pricing those assets, with the assumption that market participants act in their economic best interest.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

AL YUSR LEASING AND FINANCING COMPANY

(A Saudi Closed Joint Stock Company)

Notes to the financial statements for the year ended December 31, 2022

(All amounts in Saudi Riyals unless otherwise stated)

4 Summary of significant accounting policies (continued)

4.20 Fair value measurement (continued)

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

To measure the fair value of investment properties, the Company engages an independent valuer who holds a recognised and relevant professional qualification and has recent experience in the location and category of the asset being valued. Management reviews valuer's report and assesses appropriateness of assumptions and valuation techniques and the overall reasonableness of valuation. For the purpose of fair value disclosures, the Company has determined classes of assets based on the nature, characteristics and risks of the asset and the level of the fair value hierarchy, as explained above.

4.21 Current vs. non-current classification

The presentation of assets and liabilities in the statement of financial position is driven by liquidity. As per the management assessment, the Company does not supply goods or services within a clearly identifiable operating cycle and such presentation provides the information that is reliable and is more relevant in the circumstances of the Company. Therefore, all the assets and liabilities are presented broadly in order of liquidity.

However, the Company discloses the amounts that are expected to be recovered or settled within 12 months of the reporting period (current portion) and the amounts expected to be recovered or settled after more than 12 months (non-current portion) within the respective disclosures of respective financial statements line items.

An asset is current when it is:

1. Expected to be realised or intended to be sold or consumed in the normal operating cycle;
2. Held primarily for the purpose of trading;
3. Expected to be realised within twelve months after the reporting period; or
4. Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

1. It is expected to be settled in the normal operating cycle;
2. It is held primarily for the purpose of trading;
3. It is due to be settled within twelve months after the reporting period; or
4. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

4.22 Repossessed assets held for sale

The Company, in the ordinary course of business, acquires certain vehicles in settlement of due financing. Such vehicles are considered as assets held for sale and are initially stated at the lower of carrying amount of due financing and the current fair value of the related properties, less any costs to sell. No depreciation is charged on such vehicles.

Subsequent to initial recognition, any write down to fair value, less costs to sell, is charged to profit or loss. Any subsequent revaluation gains in the fair value less costs to sell of these assets to the extent this does not exceed the cumulative write down is recognised in profit or loss. Gains or losses on disposal are recognised in profit or loss.

AL YUSR LEASING AND FINANCING COMPANY
(A Saudi Closed Joint Stock Company)
Notes to the financial statements for the year ended December 31, 2022
(All amounts in Saudi Riyals unless otherwise stated)

4 Summary of significant accounting policies (continued)

4.22 Repossessed assets held for sale (continued)

Collateral valuation

To mitigate its credit risks on financial assets, the Company seeks to use collateral, where possible. The collateral comes in various forms, such as real estate, vehicles. Collateral, unless repossessed, is not recorded on the Company's statement of financial position. However, the fair value of collateral affects the calculation of ECLs. It is generally assessed, at a minimum, at inception and re-assessed on a periodic basis.

To the extent possible, the Company uses active market data for valuing financial assets held as collateral. Non-financial collateral, such as real estate and vehicles are valued based on data provided by third parties such as professional valuers or based on housing price indices.

Collateral repossessed

The Company's policy is to determine whether a repossessed asset can be best used for its internal operations or should be sold.

Assets determined to be useful for the internal operations are transferred to their relevant asset category at the lower of their repossessed value or the carrying value of the original secured asset. Assets for which selling is determined to be a better option are transferred to assets held for sale at their fair value (if financial assets) and fair value less cost to sell for non-financial assets at the repossession date in line with the Company's policy.

4.22 Net servicing asset or liability

Servicing asset or liabilities are initially recognised as either a net servicing asset or a net servicing liability for that servicing contract at its fair value.

The fair value of net servicing asset/liability is determined based on the present value of estimated future cash flows related to contractually specify servicing fees less servicing costs. The primary determinants of the fair value of net servicing asset/liability are discount rates, estimates of servicing costs and the fixed servicing fees.

Discount rates

Discount rate represents the current market assessment of the risks specific to the Company, taking into consideration the expectation of an investor's return and the individual risks of the underlying assets.

Servicing costs

The management assesses the cost of servicing including salaries and other direct costs. The annual change in the servicing cost represents the increment to the servicing cost as a result of inflation. Also, the calculation of discount rate and servicing cost is sensitive to the expected default rate and prepayment risk, which are expected to be minimal.

Variations in one or a combination of these assumptions could materially affect the estimated values of net servicing assets. Evaluation of impairment is performed on periodic basis taking into consideration historical trends, past experience and forecasts of defaults and prepayments.

AL YUSR LEASING AND FINANCING COMPANY**(A Saudi Closed Joint Stock Company)****Notes to the financial statements for the year ended December 31, 2022**

(All amounts in Saudi Riyals unless otherwise stated)

5 Cash and cash equivalents*Cash at banks and short-term deposit:*

	2022	2021
Cash at banks	88,387,752	14,846,580
Short term deposits	98,500,000	-
	186,887,752	14,846,580

During the year, the Company placed a short-term deposit of SR 98.5 million with National Bank of Kuwait having profit rate of 4.5% with 7 days maturity. The deposit has been matured and renewed subsequent to the year.

The Company does not earn profits on current accounts with banks in accordance with Sharia rules and principles.

Cash and cash equivalents - For the purpose of statement of cash flows:

	2022	2021
Cash at banks	88,387,752	14,846,580
Short term deposits	98,500,000	-
Less: bank overdrafts (note 19)	(9,949,776)	(49,551,266)
	176,937,976	(34,704,686)

6 Margin deposits – restricted

	Notes	2022	2021
Margin deposits with banks	6.1	15,322,282	94,975,375
Less: Effect of discounting	6.2	(51,887)	(2,081,493)
		15,270,395	92,893,882

6.1 This amount represents the margin deposits placed by the Company according to certain securitisation and agency agreements entered into with banks as borrowings (note 19) amounting SR 7.2 million as at December 31, 2022 (2021: SR 84.8 million). These margin deposits also include cash margin amounted to SR 8 million as at December 31, 2022 (2021: SR 8 million) with a bank against a letter of guarantee provided to Zakat, Tax and Customs Authority against a disputed VAT assessment related to prior years.

6.2 The movement in the effect of discounting in respect of present value margin deposits is as follow:

	Note	2022	2021
Opening balance		2,081,493	2,876,453
Income during the year	23	(2,029,606)	(794,960)
		51,887	2,081,493

AL YUSR LEASING AND FINANCING COMPANY
(A Saudi Closed Joint Stock Company)
Notes to the financial statements for the year ended December 31, 2022
(All amounts in Saudi Riyals unless otherwise stated)

7 Prepayments, advances and other receivables

	Note	2022	2021
Other receivables from customers	7.1	83,094,087	78,515,888
Insurance receivables		14,505,608	8,924,185
Service assets		3,497,826	3,566,913
VAT receivable		9,725,886	6,936,878
Advance to suppliers – unsecured		4,342,715	5,587,383
Advances to employees		644,051	622,677
Prepaid rentals		660,717	562,033
Prepaid insurance		8,061,325	-
Other prepayments and receivables		10,462,892	3,833,966
		134,995,107	108,549,923
Less: ECL allowance on other receivables from customers	7.1	(47,244,722)	(45,742,771)
Total		87,750,385	62,807,152

7.1 Other receivables from customers represent receivables against additional services provided by the Company to its customers such as payment of legal charges, traffic violations, extra mileage, insurance on expired financing etc. on their behalf. Based on the aging of the other receivables from customers and their respective ECL staging classification, the Company provides for ECL allowance on these balances. The movement in the provision for ECL allowance against other receivables from customers during the year is as follows:

	Note	2022	2021
As at January 1		45,742,771	50,321,707
Charge for / (reversal of) ECL allowance	9.7	1,501,951	(4,578,936)
As at December 31		47,244,722	45,742,771

AL YUSR LEASING AND FINANCING COMPANY
(A Saudi Closed Joint Stock Company)
Notes to the financial statements for the year ended December 31, 2022
(All amounts in Saudi Riyals unless otherwise stated)

8 Related parties balances and transactions

8.1 Related party balances

In the ordinary course of the company's activities, the company enters into business transactions with related parties. The following balances are outstanding at the years ended December 31, 2022 and 2021 in relation to transactions with related parties:

	Notes	Nature of relationship	2022	2021
8.1.1 Due from related parties				
Abdullatif Alissa Group Holding Company	29	Parent Company	423,341,228	453,619,998
Abdullatif Alissa Automotive Company	8.3	Affiliate	-	99,671,727
Best Trading Company		Affiliate	629,747	629,747
National Automotive Trading Company		Affiliate	264,651	264,651
Alissa Universal Motor Company	8.3	Affiliate	90,831,289	181,198
General Automotive Company (GACO)		Affiliate	1,492,532	1,771,003
			516,559,447	556,138,324
8.1.2 Due to related parties				
Abdullatif Alissa Group Holding Company	29	Parent Company	7,311,129	21,645,497
Aqar and Memar Real Estate Company		Affiliate	620,665	320,665
			7,931,794	21,966,162
8.1.3 Key management personnel (KMP)*				
<i>(No. of KMP in 2022: 14 (2021: 12))</i>				
Prepayments and other receivables		Advance to key management personnel	-	142,777
Accruals, provisions and other liabilities		Accrued directors' meeting attendance fee	439,856	1,107,641

AL YUSR LEASING AND FINANCING COMPANY
(A Saudi Closed Joint Stock Company)
Notes to the financial statements for the year ended December 31, 2022
(All amounts in Saudi Riyals unless otherwise stated)

8 Related parties balances and transactions (continued)

8.2 Related party transactions made during the year

				For the year ended December 31,		
Name of related party			Nature of relationship	Nature of transaction	2022	2021
Abdullatif Alissa Group Holding Company			Parent Company	Net collections against the portfolio sold to the Parent Company	(46,352,780)	(96,645,877)
				IT cost allocated by the Parent Company and expensed out during the year	(1,350,000)	(3,206,518)
				Expense incurred by the Company on behalf of the Parent Company	1,475,381	2,509,397
				Expenses incurred by the Parent Company on behalf of the Company	(1,309,426)	(4,202,697)
				Finance cost charged	(1,000,000)	-
				Modification gain (note 29.1)	15,261,397	-
				Finance income / (loss) during the year (note 29)	9,459,833	(2,931,256)
Abdullatif Company	Alissa	Automotive	Affiliate	Bank borrowings related to the affiliate assumed by the Company during the year	-	60,000,000
				Expenses incurred by the affiliate on behalf of the Company	-	(315,249)
				Transfer of related party receivable (note 8.3)	(99,734,255)	-
				Modification loss on transfer of related party balances (note 8.3)	(9,084,164)	-
Alissa Universal Motor Company			Affiliate	Expenses incurred by affiliate on behalf of the Company	62,527	82,629
				Transfer of related party receivable (note 8.3)	99,734,255	-

AL YUSR LEASING AND FINANCING COMPANY
(A Saudi Closed Joint Stock Company)
Notes to the financial statements for the year ended December 31, 2022
(All amounts in Saudi Riyals unless otherwise stated)

8 Related parties balances and transactions *(continued)*

8.2 Related party transactions made during the year *(continued)*

Name of related party	Nature of relationship	Nature of transaction	For the year ended December 31,	
			2022	2021
General Automotive Company	Affiliate	Vehicles purchased from the affiliate for Islamic financing to the customers	280,500	476,000
		Sales of repossessed vehicles assets through the affiliate	-	6,748,406
		Expenses incurred by the Company on behalf of the affiliate	-	437,322
Key management personnel*	-	Salaries and other short-term employee benefits	10,431,442	7,160,134
		Post-employment benefits (end of service benefits charged to profit or loss)	1,777,157	543,965
Key management personnel*	-	Directors' meeting attendance fee	2,262,571	4,133,215

8.3 During the year, the Company has entered into three parties agreement whereby the parties agreed to transfer the receivable amounting to SR 99.73 million from Abdullatif Alissa Automotive Company to Alissa Universal Motor Company with no profit payable semi-annually over 8 years with first installment due on July 31, 2023. The Company used the discount rate of 2.2% which is preferable profit rate to arrive at the present value of the transaction.

* Key management personnel of the Company include all members of the board of directors, chief executive officer and senior management. Short-term employee benefits of the Company's key management personnel include salaries, allowances, cash and non-cash benefits, bonuses, and contributions to General Organization for Social Insurance.

AL YUSR LEASING AND FINANCING COMPANY**(A Saudi Closed Joint Stock Company)****Notes to the financial statements for the year ended December 31, 2022**

(All amounts in Saudi Riyals unless otherwise stated)

9 Investment in Islamic financings, net

	Note	2022	2021
Gross investment in Islamic financings		2,449,124,038	2,579,930,537
Unearned Islamic financing income		(456,169,017)	(404,971,974)
Unearned origination fee		-	(3,580,821)
	9.1	1,992,955,021	2,171,377,742
Less: Provision for ECL allowance		(290,402,963)	(460,806,649)
		1,702,552,058	1,710,571,093

9.1 Product-wise classification of investment in Islamic financing

	2022	2021
Financial assets carried at amortised cost		
Murabaha	417,436,953	692,671,497
Tawarruq	1,053,585,084	576,190,308
Ijara	521,932,984	902,515,937
	1,992,955,021	2,171,377,742

AL-YUSR LEASING AND FINANCING COMPANY

(A Saudi Closed Joint Stock Company)

Notes to the financial statements for the year ended December 31, 2022

(All amounts in Saudi Riyals unless otherwise stated)

9 Investment in Islamic financings, net (continued)

9.2 Details of investment in Islamic financings, net:

	Murabaha		Tawarruq		Ijara		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
Gross investment in Islamic financing	438,989,560	779,284,007	1,448,617,500	791,235,895	561,516,978	1,009,410,635	2,449,124,038	2,579,930,537
Unearned Islamic financing income	(21,552,607)	(84,969,342)	(395,032,416)	(215,045,587)	(39,583,994)	(104,957,045)	(456,169,017)	(404,971,974)
	417,436,953	694,314,665	1,053,585,084	576,190,308	521,932,984	904,453,590	1,992,955,021	2,174,958,563
Unearned origination fees	-	(1,643,168)	-	-	-	(1,937,653)	-	(3,580,821)
Total	417,436,953	692,671,497	1,053,585,084	576,190,308	521,932,984	902,515,937	1,992,955,021	2,171,377,742
Provision for ECL							(290,402,963)	(460,806,649)
Investment in Islamic financing, net							1,702,552,058	1,710,571,093
Current portion							878,501,894	1,002,870,067
Non-current portion							824,050,164	707,701,026
							1,702,552,058	1,710,571,093

9 Investment in Islamic financings, net (continued)

9.3 The maturity of the investment classified as an Ijara (lease receivable) is as follows:

	2022	2021
Year 1	436,847,285	700,763,047
Year 2	101,883,571	181,227,211
Year 3	17,125,089	106,633,031
Year 4	4,380,264	16,171,701
Year 5 onwards	1,280,769	4,615,645
Gross investment in Ijara	561,516,978	1,009,410,635
Less: unearned income	(39,583,994)	(104,957,045)
Less: Unearned origination fees	-	(1,937,653)
Net investment in Ijara	521,932,984	902,515,937

9.4 Portfolio provision analysis for gross investment in Islamic financing:

December 31, 2022	Investment in Islamic financing	Expected credit losses	Expected loss rates
Not yet due	736,581,166	14,465,271	2%
1-90 days	636,517,402	58,128,958	9%
91-180 days	31,544,691	10,156,053	32%
181-365 days	42,011,943	18,314,311	44%
Above 365 days	546,299,819	189,338,370	35%
	1,992,955,021	290,402,963	15%

December 31, 2021	Investment in Islamic financing	Expected credit losses	Expected loss rates
Not yet due	789,128,703	29,409,078	4%
1-90 days	540,584,375	105,896,100	20%
91-180 days	42,870,838	13,331,053	31%
181-365 days	85,288,619	39,054,231	46%
Above 365 days	713,505,207	273,116,187	38%
	2,171,377,742	460,806,649	21%

9.5 Stage wise analysis of Islamic financing receivables for each product is as follows:

9.5.1 Murabaha:

December 31, 2022	Performing (Stage 1)	Under-performing (Stage 2)	Non-performing (Stage 3)	Total
Investment in Islamic financing receivables	94,674,754	21,248,538	301,513,661	417,436,953
Less: Provision for ECL allowance	10,773,719	8,919,025	101,638,835	121,331,579
Investment in Islamic financing receivables, net	83,901,035	12,329,513	199,874,826	296,105,374

AL YUSR LEASING AND FINANCING COMPANY
(A Saudi Closed Joint Stock Company)

Notes to the financial statements for the year ended December 31, 2022

(All amounts in Saudi Riyals unless otherwise stated)

9 Investment in Islamic financings, net (continued)

9.5 Stage wise analysis of Islamic financing receivables for each product is as follows:
(continued)

9.5.1 Murabaha (continued)

December 31, 2021	Performing (Stage 1)	Under- performing (Stage 2)	Non- performing (Stage 3)	Total
Investment in Islamic financing receivables	122,520,727	154,941,348	415,209,422	692,671,497
Less: Provision for ECL allowance	22,674,845	67,675,099	151,962,032	242,311,976
Investment in Islamic financing receivables, net	99,845,882	87,266,249	263,247,390	450,359,521

9.5.2 Tawarruq:

December 31, 2022	Performing (Stage 1)	Under- performing (Stage 2)	Non- performing (Stage 3)	Total
Investment in Islamic financing receivables	927,686,200	72,950,277	52,948,607	1,053,585,084
Less: Provision for ECL allowance	23,938,768	20,900,421	24,695,043	69,534,232
Investment in Islamic financing receivables, net	903,747,432	52,049,856	28,253,564	984,050,852

December 31, 2021	Performing (Stage 1)	Under- performing (Stage 2)	Non- performing (Stage 3)	Total
Investment in Islamic financing receivables	514,625,697	33,709,488	27,855,123	576,190,308
Less: Provision for ECL allowance	16,842,058	12,254,232	11,160,662	40,256,952
Investment in Islamic financing receivables, net	497,783,639	21,455,256	16,694,461	535,933,356

9.5.3 Ijara finance lease:

December 31, 2022	Performing (Stage 1)	Under- performing (Stage 2)	Non- performing (Stage 3)	Total
Investment in Islamic financing receivables	211,670,517	44,868,283	265,394,184	521,932,984
Less: Provision for ECL allowance	5,039,774	3,022,522	91,474,856	99,537,152
Investment in Islamic financing receivables, net	206,630,743	41,845,761	173,919,328	422,395,832

AL YUSR LEASING AND FINANCING COMPANY
(A Saudi Closed Joint Stock Company)

Notes to the financial statements for the year ended December 31, 2022

(All amounts in Saudi Riyals unless otherwise stated)

9 Investment in Islamic financings, net (continued)

9.5 Stage wise analysis of Islamic financing receivables for each product is as follows (continued):

9.5.3 Ijara finance lease (continued):

December 31, 2021	Performing (Stage 1)	Under- performing (Stage 2)	Non- performing (Stage 3)	Total
Investment in Islamic financing receivables	422,934,329	80,981,488	398,600,120	902,515,937
Less: Provision for ECL allowance	8,871,067	6,987,877	162,378,777	178,237,721
Investment in Islamic financing receivables	414,063,262	73,993,611	236,221,343	724,278,216

9.6.1 The movement in Investment in Islamic financing receivables is as follows:

	Performing (Stage 1)	Under- performing (Stage 2)	Non-performing (Stage 3)	Total
As at January 1, 2022	1,060,080,754	269,632,324	841,664,664	2,171,377,742
Transfers from performing	(103,988,113)	72,549,201	31,438,912	-
Transfers from under-performing	59,091,660	(88,406,466)	29,314,806	-
Transfer from non-performing	22,799,042	7,612,335	(30,411,377)	-
Financial assets settled	(319,754,893)	(140,487,614)	(62,072,454)	(522,314,961)
Financial assets originated	688,574,837	47,840,078	15,511,653	751,926,568
Changes in PDs/LGDs/EADs	(170,230,932)	(29,910,015)	(5,145,219)	(205,286,166)
Financial assets - written off	-	-	(202,748,162)	(202,748,162)
As at December 31, 2022	1,236,572,355	138,829,843	617,552,823	1,992,955,021
	Performing (Stage 1)	Under- performing (Stage 2)	Non-performing (Stage 3)	Total
As at January 1, 2021	1,032,868,387	250,319,725	1,272,536,334	2,555,724,446
Transfers from performing	(93,374,443)	64,978,341	28,396,102	-
Transfers from under-performing	74,037,239	(100,731,260)	26,694,021	-
Transfer from non-performing	68,081,931	76,223,145	(144,305,076)	-
Financial assets settled	(300,243,215)	(82,531,486)	(303,129,631)	(685,904,332)
Financial assets originated	512,837,666	99,599,762	16,088,175	628,525,603
Changes in PDs/LGDs/EADs	(234,126,811)	(38,225,903)	(54,615,261)	(326,967,975)
As at December 31, 2021	1,060,080,754	269,632,324	841,664,664	2,171,377,742

AL YUSR LEASING AND FINANCING COMPANY
(A Saudi Closed Joint Stock Company)

Notes to the financial statements for the year ended December 31, 2022

(All amounts in Saudi Riyals unless otherwise stated)

9.6.2 The movement in allowance for ECL for Islamic financing receivables is as follows:

	Performing (Stage 1)	Under- performing (Stage 2)	Non-performing (Stage 3)	Total
As at January 1, 2022	47,728,499	86,592,920	326,485,230	460,806,649
Transfer from performing	(5,058,007)	2,512,236	2,545,771	-
Transfer from under- performing	7,653,998	(11,884,875)	4,230,877	-
Transfer from non-performing	4,920,318	1,322,641	(6,242,959)	-
Financial assets - settled	(20,436,001)	(66,015,781)	(15,824,401)	(102,276,183)
Financial assets – written off	-	-	(202,748,162)	(202,748,162)
Financial assets originated	18,355,948	14,043,496	13,510,628	45,910,072
Changes in PDs/LGDs/EADs	(13,806,157)	5,947,043	52,681,047	44,821,933
ECL Overlays	-	-	50,074,681	50,074,681
ECL on income written-off	-	-	(6,186,027)	(6,186,027)
As at December 31, 2022	39,358,598	32,517,680	218,526,685	290,402,963

	Performing (Stage 1)	Under- performing (Stage 2)	Non-performing (Stage 3)	Total
As at January 1, 2021	69,171,028	51,983,010	434,504,826	555,658,864
Transfer from performing	(7,277,592)	5,019,180	2,258,412	-
Transfer from under- performing	14,454,001	(19,291,243)	4,837,242	-
Transfer from non-performing	20,775,417	16,416,427	(37,191,844)	-
Financial assets - settled	(2,1904,440)	(1,4671,216)	(99,275,312)	(135,850,968)
Financial assets originated	26,889,052	49,839,996	7,499,413	84,228,461
Changes in PDs/LGDs/EADs	(54,378,967)	(2,703,234)	(4,472,021)	(61,554,222)
ECL Overlays	-	-	11,931,011	11,931,011
ECL on income	-	-	6,393,503	6,393,503
As at December 31, 2021	47,728,499	86,592,920	326,485,230	460,806,649

9.7 (Charge for) / reversal of ECL allowance on financial assets during the year, net

		For the year ended December 31, 2022	For the year ended December 31, 2021
	Note		
Reversal of ECL allowance - investment in Islamic financing	9.7.2	31,444,686	117,179,711
Management overlay		(50,074,681)	(11,931,011)
(Charge for) / reversal of ECL allowance - other receivables from customers	7.1	(1,501,951)	4,578,936
Recoveries after write-off	9.7.1	19,400,215	7,700,621
Net reversal		(731,731)	117,528,257

AL YUSR LEASING AND FINANCING COMPANY
(A Saudi Closed Joint Stock Company)

Notes to the financial statements for the year ended December 31, 2022

(All amounts in Saudi Riyals unless otherwise stated)

9 Investment in Islamic financings, net (continued)

9.7 (Charge for) / reversal of ECL allowance on financial assets during the year, net (continued)

9.7.1 This includes recoveries from written-off balances in the previous years. The effect of 'recoveries after write-off', on calculating the LGD and consequently on the loss factor, has been considered consistently in the expected credit loss model. Considering the recoveries from previously written off balances, write-off to the extent of 0.0029% from outstanding balance which was past due for more than 2 years of respective contracts was recorded during the year ended December 31, 2022.

9.7.2 This included full provision on remaining exposure over and above the expected recovery through disposal of repossessed cars.

9.8 Assignment of Islamic financing receivables

The Company assigned Islamic financing receivables amounting to SR 1,529 million (December 31, 2021: SR 1,863 million) to local commercial banks for obtaining Islamic bank financing. The carrying amount of associated Islamic bank financing amounts to SR 1,180 million (December 31, 2021: SR 1,007 million). These Islamic financing receivables have not been derecognised from the statement of financial position as the Company retains substantially all the risks and rewards, primarily credit risk. The Company is liable to the repayments of its assigned receivables to local commercial banks in case of customers' default. The amount received on assignment of Islamic financing receivables has been recognised as Borrowing in the statement of financial position.

Pursuant to the terms of the transfer agreement, the Company is not allowed to repledge those receivable and the financial institution has recourse only to the receivables in the event the Company defaults its obligation. The carrying value of these receivables and its liability ("the related liability") approximate their fair value.

9.9 Amounts written off still subject to enforcement activity

As of December 31, 2022, the receivables amounting to SR 202.7 million (2021: SR Nil) written off still subject to enforcement activity. These written off were approved by the Board of Directors.

9.10 Reconciliation of gross receivables:

The movement in gross receivables for Islamic financing receivables is as follows:

	2022	2021
Gross carrying amount as at January 1	2,579,930,537	3,004,647,540
Financial assets originated during the year (all stage 1)	1,089,501,590	754,728,460
Financial assets collections	(1,014,441,427)	(1,179,445,463)
Written off during the period	(205,866,662)	-
Gross carrying amount as at December 31	2,449,124,038	2,579,930,537

AL YUSR LEASING AND FINANCING COMPANY
(A Saudi Closed Joint Stock Company)
Notes to the financial statements for the year ended December 31, 2022
(All amounts in Saudi Riyals unless otherwise stated)

9 Investment in Islamic financings, net (continued)

9.10 Reconciliation of gross receivables (continued):

During the year ended December 31, 2022, gross receivables of SR 1.45 million were transferred from stage 1 to stage 2 (2021: SR 2.15 million) and SR 6.80 million were transferred from stage 2 to stage 3 (2021: SR 4.53 million). An amount of SR 9.90 was transferred from stage 2 to stage 1 (2021: SR 9.41 million) and an amount of SR 2.94 million was transferred from stage 3 to stage 1 (2021: SR 16.6 million).

9.11 Changes in assumptions including incorporation of forward looking information

The Company incorporates forward-looking information into both its assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL. The Company has used GDP and Crude Oil growth rates as key macroeconomic factors giving a weight of 42% to GDP growth rate and 58% to Crude Oil growth rate factors. The macroeconomic factors have been updated based on the latest available information (as issued by IMF Oct'22 forecasts), where the average GDP and Crude Oil growth rates for the next three years are expected to be 0.78% and -2.07% respectively). The Company has incorporated the forecasts from IMF which are representatives of the current and projected macro-economic outlook.

Further, the Company has also considered different scenarios with the different weightage for macroeconomic scenarios as adopted by SAMA for IFRS9 ECL computation, where scenario weightages of 40% to Baseline scenario, 30% to upturn scenario, and 30% to downturn scenario were considered

Sensitivity analysis:

The increase or decrease of 10% change in macroeconomic factors will result in SR 7.89 million decrease or SR 20.86 million increase in the ECL provision.

The increase or decrease of 10% change in loss rates (PDs and LGDs) assuming macroeconomic factors remain the same will result in SR 37.69 million increase or SR 36.08 million decrease in the ECL provision.

9.12 Collateral

The Company in the ordinary course of its business holds collateral in respect of the Islamic financing (being the title of assets leased out) 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. As at December 31, 2022, the Company held vehicles as collateral amounting to SR 283.9 million (2021: SR 754 million) and real estate collateral of SR 283.8 million (2021: SR 229.5 million).

9.13 Finance leases agreements

The title of the assets sold under finance leases agreements is held in the name of the Company. Further, all investments in finance leases are secured through personal guarantees.

AL YUSR LEASING AND FINANCING COMPANY
(A Saudi Closed Joint Stock Company)

Notes to the financial statements for the year ended December 31, 2022

(All amounts in Saudi Riyals unless otherwise stated)

10 Repossessed assets held for sale

	Notes	As at December 31, 2022	As at December 31, 2021
Vehicles repossessed against investment in Islamic financing (Ijarah)			
Gross investment in Islamic financing	10.1	5,932,962	43,983,776
Less: Provision for impairment on financial assets	10.2	(2,204,139)	(9,547,275)
Net carrying amount		3,728,823	34,436,501
Fair value of vehicles repossessed	10.3	2,558,650	27,106,227
Additional provision for impairment on financial assets	10.4	1,170,173	7,330,274
Vehicles repossessed against other receivables			
Other receivables	10.5	-	892,679
Less: Fair value of vehicles repossessed	10.6	-	2,992,609
Other liabilities related to customers	10.7	-	(2,099,930)
Repossessed vehicles held for sale	10.3/10.6	2,558,650	30,098,836

10.1 This represents gross investment in Islamic financing receivables pertaining to customers whose past due balances (principal plus profit) exceed 150 days without any payments. These gross amounts include the unpaid principal amount due under the contract plus unpaid income.

10.2 These represent provisions for expected credit loss allowance determined and accounted in the financial statements till the date of repossession of the vehicles and classification as held-for-sale.

10.3 These amounts represent the fair value of repossessed vehicles which are based on the independent valuations by an independent valuer, as engaged by the Company, who hold a recognised and relevant professional qualification and have recent experience in the category of the vehicles being valued. These fair values are determined at the date of initial recognition as vehicles which are subsequently classified as held-for-sale will be recovered principally through a sale transaction rather than through continuing use by the Company.

10.4 These amounts represent the additional provision for ECL allowance against the remaining exposures under the contracts with those customers from whom these vehicles, which are classified as held-for-sale, are repossessed as a consequence of foreclosures.

10.5 This represents other receivables pertaining to the customers whose past due balances (related to other income) exceed 150 days without any payments. These customers have already settled the balances due under their respective financing arrangement. However, other receivables like traffic violations, additional insurance cost, legal charges, vehicle registration charges, extra mileage etc. are not being settled yet.

10.6 This represents fair value of repossessed assets pertaining to the other receivables customers.

10.7 This represents liabilities towards customers wherein the fair value of repossessed vehicles exceeds the related other receivables balances and the Company is liable to refund all the extra sales proceeds after recovering its due balances as per the leasing agreements.

11 Investment in equity investments at FVOCI

During 2017, in accordance with instructions issued by Saudi Central Bank ("SAMA"), the Company has made an investment of SR 892,875 in 89,288 shares of Saudi Financial Lease Contract Registry Company (SIJIL) at the rate of SR 10 per share. This investment is not held for trading. Instead, it is held for the medium to long-term purposes. Accordingly, the Company has elected to designate this investment in equity instruments as at FVOCI. Due to the non-availability of the financial information relating to SIJIL in order to determine the fair value of investment in the aforementioned investee, the cost of the investment is considered to be the reasonable estimate of its fair value. As at December 31, 2022, the Company still holds 89,288 numbers of shares (December 31, 2021: 89,288 shares).

AL YUSR LEASING AND FINANCING COMPANY
(A Saudi Closed Joint Stock Company)

Notes to the financial statements for the year ended December 31, 2022

(All amounts in Saudi Riyals unless otherwise stated)

12 Investment properties

	Note	Real estate
Balance as of January 1, 2021		8,219,250
Fair value gains during the year	23	632,250
Balance as of December 31, 2021		8,851,500
Fair value loss during the year	23	(301,413)
Balance as of December 31, 2022		8,550,087

12.1 These amounts represent fair values of two real estate properties which were acquired through as a partial settlement of a due financing from one customer. These properties are held by the Company for unintended use. The fair value of investment properties is based on a valuation performed by an independent valuer who holds a recognised and relevant professional qualification and has recent experience in the location and category of the investment properties being valued. The Company has accounted for fair value loss of SR 0.3 million in profit or loss for the year ended December 31, 2022 (2021: fair value gain of SR 0.63 million).

13 Right-of-use assets and lease liabilities

13.1 Right-of-use assets

	Note	Buildings
Cost		
Balance as at January 1, 2021		20,057,993
Additions during the year		24,199,800
Right-of-use assets derecognized		(928,822)
Balance as at December 31, 2021		43,328,971
Right-of-use assets derecognized		(547,128)
Balance as at December 31, 2022		42,781,843
Accumulated Depreciation		
Balance as at January 1, 2021		(12,368,104)
Depreciation charge for the year	25	(5,976,703)
Accumulated depreciation on right-of-use assets derecognized		102,649
Balance as at December 31, 2021		(18,242,158)
Depreciation charge for the year	25	(4,150,450)
Accumulated depreciation on right-of-use assets derecognized		143,866
Balance as at December 31, 2022		(22,248,742)
Net book value as at December 31, 2021		25,086,813
Net book value as at December 31, 2022		20,533,101

*During the year 2021, the Company renewed its headquarters lease agreement for a period of 10 years with a yearly lease amount of SR 2.5 million.

13.2 Lease liabilities

The following table set outs the carrying amounts of lease liabilities and the movements during the year including changes arising from financing activities:

	2022	2021
Balance as at January 1	26,101,890	4,898,582
Additions	-	24,199,800
Interest on lease liabilities	944,596	726,331
Payments against lease liabilities (principal)	(3,266,624)	(2,065,101)
Payments against lease liabilities (Interest)	(943,376)	(728,899)
Derecognition	(547,128)	(928,823)
Balance as at December 31	22,289,358	26,101,890

AL YUSR LEASING AND FINANCING COMPANY

(A Saudi Closed Joint Stock Company)

Notes to the financial statements for the year ended December 31, 2022

(All amounts in Saudi Riyals unless otherwise stated)

13 Right-of-use assets and lease liabilities (continued)

The liabilities and deferred financing cost resulting from these contracts is as follows:

	2022		
	Current	Non-current	Total
Lease contracts obligations	5,990,000	19,020,000	25,010,000
Deferred financing cost	(700,067)	(2,020,575)	(2,720,642)
	5,289,933	16,999,425	22,289,358

	2021		
	Current	Non-current	Total
Lease contracts obligations	6,964,000	22,818,000	29,782,000
Deferred financing cost	(864,985)	(2,815,125)	(3,680,110)
	6,099,015	20,002,875	26,101,890

The minimum future lease payments as at the date of the statement of financial position as a whole are as follows:

	2022	2021
Minimum lease payments		
Year		
Year 1	5,990,000	6,964,000
Year 2	3,390,000	3,644,000
Year 3	3,130,000	3,544,000
Year 4	2,500,000	3,130,000
Year 5 and onwards	10,000,000	12,500,000
Finance cost	(2,720,642)	(3,680,110)
	22,289,358	26,101,890

13.3 The Company has charged short-term and low values leases amounted to SR 1.5 million as lease expenses directly to the statement of profit or loss and other comprehensive income during the year ended December 31, 2022(2021: SR 5.97 million).

14 Intangible assets

	Note	Computer Softwares
Cost		
Balance as at January 1, 2021		11,970,044
Additions		8,550,651
Balance as of December 31, 2021		20,520,695
Additions		7,273,402
Balance as of December 31, 2022		27,794,097
Accumulated amortisation		
Balance as at January 1, 2021		(10,014,201)
Charge for the year	25	(1,267,155)
Balance as of December 31, 2021		(11,281,356)
Charge for the year	25	(2,579,810)
Balance as of December 31, 2022		(13,861,166)
As of December 31, 2021		9,239,339
As of December 31, 2022		13,932,931

AL YUSR LEASING AND FINANCING COMPANY

(A Saudi Closed Joint Stock Company)

Notes to the financial statements for the year ended December 31, 2022

(All amounts in Saudi Riyals unless otherwise stated)

15 Property and equipment

	Note	Furniture & Fixture	Office equipment	Leasehold improvements	Office Equipment – IT	Vehicles	Total
Cost							
Balance as at January 1, 2021		7,927,916	7,155,742	9,989,969	11,208,175	198,690	36,480,492
Additions during the year		169,353	329,150	695,270	2,770,135	-	3,963,908
Balance as of December 31, 2021		8,097,269	7,484,892	10,685,239	13,978,310	198,690	40,444,400
Additions during the year		74,227	613,992	-	958,902	-	1,647,121
Balance as of December 31, 2022		8,171,496	8,098,884	10,685,239	14,937,212	198,690	42,091,521
Accumulated Depreciation							
Balance as at January,1 2021		(7,561,177)	(6,706,412)	(9,407,830)	(6,633,142)	(115,634)	(30,424,195)
Charge for the year	25	(198,325)	(254,837)	(422,587)	(2,090,806)	(57,011)	(3,023,566)
Balance as of December 31, 2021		(7,759,502)	(6,961,249)	(9,830,417)	(8,723,948)	(172,645)	(33,447,761)
Charge for the year	25	(153,351)	(239,255)	(205,133)	(2,379,172)	(26,045)	(3,002,956)
Balance as of December 31, 2022		(7,912,853)	(7,200,504)	(10,035,550)	(11,103,120)	(198,690)	(36,450,717)
Net book value:							
As of December 31, 2021		337,767	523,643	854,822	5,254,362	26,045	6,996,639
As of December 31, 2022		258,643	898,380	649,689	3,834,092	-	5,640,804

AL YUSR LEASING AND FINANCING COMPANY
(A Saudi Closed Joint Stock Company)

Notes to the financial statements for the year ended December 31, 2022

(All amounts in Saudi Riyals unless otherwise stated)

16 Accruals, provisions and other liabilities

		2022	2021
	Notes		
Liabilities related to customers	16.1	31,866,512	50,400,249
Accrued salaries, wages and other benefits		6,604,360	6,909,614
Accrued insurance		-	5,502,261
VAT accrual		1,299,872	1,729,934
Accrued key management bonus and board remuneration	8.1.3	439,856	1,107,641
Other accruals, provisions and liabilities	16.2	8,917,904	14,710,669
		49,128,504	80,360,368

16.1 'Liabilities related to customers' include unclaimed recoveries against insurance, advances from customers, as well as unidentified deposits from customers. The Company recognised balances outstanding for a long period of time as other income with an amount of SR 4.82 million as at December 31, 2022 (2021: SR 2.87 million).

16.2 These include legal provision of SR 3 million as at December 31, 2022 (2021: SR 7.58 million) made against the legal cases filed against the Company.

17 Zakat payable

Zakat is calculated at 2.5% on the higher of approximate zakat base or adjusted net income. Zakat is calculated based on the financial statements of the Company.

17.1 Component of zakat base

The components of the zakat base of the Company under zakat regulations are as follows:

	2022	2021
Additions- balance at beginning of the year:		
Share capital	500,000,000	500,000,000
Equity and its equivalent and internal fund sources	375,894,071	334,861,655
Long-term loans and its equivalent	524,885,926	422,850,278
Sources of funds	1,400,779,997	1,257,711,933
Deductions- balances at the end of the year		
Property and equipment	5,640,804	6,996,639
Intangible assets	13,932,931	9,239,338
Investments properties	8,550,087	8,851,500
Right-of-use assets	20,533,101	25,086,813
Long-term debts and its equivalent	1,326,781,388	1,198,795,879
Non-Zakatable assets	1,375,438,311	1,248,970,169
Total assets	2,561,128,485	2,518,423,033
Zakatable assets ("Total assets" less "Non-Zakatable assets")	1,185,690,174	1,269,452,864
Zakat base (Sources of funds * Zakatable assets / Total assets)	648,499,709	633,996,053
Zakat due AT 2.578% "Provision for zakat during the year"	4,009,059	16,370,198

In accordance with zakat regulations applicable to zakat years starting from January 1, 2019, zakat base, excluding the adjusted net income element, is subject to zakat at 2.5% adjusted by ratio of Gregorian to Hijri year number of days (e.g. 2.5% * 365/354). Zakat is calculated at 2.5% on the adjusted net income element.

AL YUSR LEASING AND FINANCING COMPANY
(A Saudi Closed Joint Stock Company)

Notes to the financial statements for the year ended December 31, 2022

(All amounts in Saudi Riyals unless otherwise stated)

17 Zakat payable (continued)

17.2 Adjusted net income

	2022	2021
Income before zakat and income tax	19,438,803	86,771,776
<u>Adjustments:</u>		
Provisions during the year	2,482,000	2,977,000
Adjusted net income for the year	21,920,803	89,748,776

17.3 The movement in the zakat provision for the year is as follows:

	2022	2021
Balance at the beginning of the year	44,872,051	37,682,556
Charge for the year	4,009,059	25,811,393
Reversal for prior years	-	(9,441,195)
Provision for zakat during the year	4,009,059	16,370,198
Payment during the year	(21,923,445)	(9,180,703)
Balance at the end of the year	26,957,665	44,872,051
Less: non-current portion	6,650,344	6,650,344
Current portion	20,307,321	38,221,707

17.4 Status of zakat assessments

The Zakat, Tax and Customs Authority ("ZATCA") has finalised the assessments for the years till 2013, and there are no outstanding zakat dues. In 2018, the Company received zakat assessments from ZATCA for the years 2014 to 2017 where ZATCA raised demand of SR 170.45 million as compared to zakat paid for those years.

The Company objected to those assessments and filed an appeal letter in due time. Early 2019, the Company has entered into a settlement agreement with ZATCA whereby ZATCA has reduced the assessed zakat liability for 2013 until 2017 (as mentioned above) to SR 41.6 million. This amount, as per settlement agreement, is agreed to be paid in installments with 1st installment, being 20% of the above agreed amount due within 5 days of the settlement agreement while rest of the amount is payable in 5 equals annually installments falling due from December 1, 2019 until December 1, 2023.

Until the year end December 31, 2022, the Company has made total agreed payments of SR 34.95 million (2021: SR 28.3 million) against the above-mentioned liability.

The Company has filed the Zakat return with ZATCA for the year ended December 31, 2021 on May 8, 2022 and the Company has received zakat certificate for the year 2021.

18 Employees' post-employment benefits

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

AL YUSR LEASING AND FINANCING COMPANY
(A Saudi Closed Joint Stock Company)

Notes to the financial statements for the year ended December 31, 2022

(All amounts in Saudi Riyals unless otherwise stated)

18 Employees' post-employment benefits (continued)

18.1 Amounts recognised in the statement of financial position

The amounts recognised in the statement of financial position and the movements in the employees' end of service termination benefits obligation over the year are as follows:

	For the year ended December 31,	
	2022	2021
As at January 1	16,489,000	17,754,000
Current service cost	2,270,000	2,482,000
Finance cost	463,000	495,000
Total amount recognised in profit or loss	2,733,000	2,977,000
(Loss) / Gain from change in financial assumptions	(1,575,000)	130,000
(Loss) / Gain resulting from experience adjustments	(1,040,169)	1,979,305
(Loss) / Gain attributable to the re-measurements of employees' end of service termination benefits obligation	(2,615,169)	2,109,305
Settlements during the year	(4,473,831)	(6,351,305)
As at December 31	12,133,000	16,489,000

18.2 Amount recognized in the statement of other comprehensive income

	Year ended December 31, 2022	Year ended December 31, 2021
Loss attributable to the re-measurements of employees' end of service termination benefits obligation	(2,615,169)	2,109,305

18.3 Significant actuarial assumptions

The significant actuarial assumptions used in determining employees' end of service benefits obligation were as follows:

	December 31, 2022	December 31, 2021
Discount rate	4.40%	2.80%
Salary increase rate	2.00%	2.00%
Mortality table	Saudi life table	Saudi life table
Mortality rate	0.26%	0.29%
Employee turnover rate	20.14%	19.61%

AL YUSR LEASING AND FINANCING COMPANY**(A Saudi Closed Joint Stock Company)****Notes to the financial statements for the year ended December 31, 2022**

(All amounts in Saudi Riyals unless otherwise stated)

18 Employees' post-employment benefits (continued)**18.4 Sensitivity analysis**

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	Sensitivity level % increase	Impact on termination benefit obligation	Sensitivity level % decrease	Impact on termination benefit obligation
December 31, 2022				
Discount rate	1%	(822,000)	1%	953,000
Salary increase rate	1%	967,000	1%	847,000
Mortality rate	+ 1 year	3,000	- 1 year	3,000
Employee turnover rate	1%	(68,000)	1%	85,000
December 31, 2021				
Discount rate	1%	(1,262,000)	1%	1,482,000
Salary increase rate	1%	1,479,000	1%	(1,283,000)
Mortality rate	+ 1 year	(846)	- 1 year	169
Employee turnover rate	1%	(63,000)	1%	60,000

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the employees' end of service termination benefit obligation to significant actuarial assumptions the same method (present value of the employees' end of service termination benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the employees' end of service termination benefit obligation recognised in the statement of financial position.

18.5 Effect of employees' end of service termination benefits obligation on entity's future cash flows

The weighted average duration of the employees' end of service termination benefits obligation is 7 years. The expected maturity analysis of undiscounted employees' end of service termination benefits obligation is as follows:

	December 31, 2022	December 31, 2021
Year 1	1,844,675	1,988,000
Year 2	1,777,950	2,098,000
Year 3	1,514,331	2,231,000
Year 4	1,540,857	1,891,000
Year 5	1,893,636	1,821,000
Year 6 and thereafter	44,482,738	48,142,000
Total	53,054,187	58,171,000

AL YUSR LEASING AND FINANCING COMPANY
(A Saudi Closed Joint Stock Company)

Notes to the financial statements for the year ended December 31, 2022

(All amounts in Saudi Riyals unless otherwise stated)

19 Borrowings

		2022	2021
	Notes		
Bank borrowings		1,555,079,288	1,439,122,024
Bank overdrafts		9,949,776	49,551,266
Accrued finance cost		13,050,593	2,909,786
Present value gain on profit free borrowings	19.5	(9,539,669)	(4,698,757)
		1,568,539,988	1,486,884,319
Borrowings payable on demand	19.7	-	647,903,436
Current portion		587,156,115	539,136,030
Non-current portion		981,383,873	299,844,853
Total borrowings		1,568,539,988	838,980,883

The Company has long-term financing facilities with banks to finance current and long-term funding needs, primarily to finance Islamic finance receivables, amounting to SR 2,460 million (2021 SR 3,615 million) of which SR 1,568 million was utilised as of December 31, 2022 (December 31, 2021: SR 1,487 million). These financing facilities, the majority of these financing facilities are repayable in three to four years in monthly, quarterly or six monthly installments. The Company is required to maintain margin deposits (as disclosed in note 6). The cash cannot be withdrawn or used by the Company for liquidity purposes whilst the borrowing is still outstanding.

19.1 The movement schedule of borrowings is as follows:

	2022	2021
Borrowings balance as at January 1	1,486,884,319	1,954,931,883
Additions to bank borrowings during the year	1,096,336,626	707,440,424
Payments made during the year	(1,009,840,045)	(1,177,906,616)
Finance (income) / cost on profit free borrowings	(4,840,912)	2,418,628
Borrowings balance as at December 31	1,568,539,988	1,486,884,319

19.2 Maturity profile

	2022	2021
Year 1	587,156,115	1,089,257,399
Year 2	494,128,332	229,903,674
Year 3	314,515,541	121,303,246
Year 4	120,656,667	26,420,000
Year 5 and onwards	52,083,333	20,000,000
	1,568,539,988	1,486,884,319

19.3 Unsecured financial facilities at amortised cost

	2022	2021
Profit free deposits / loans	170,515,057	115,821,344

19.4 Secured financial facilities at amortised cost

	2022	2021
Secured financial facilities at amortised cost	97,175,974	325,646,355

AL YUSR LEASING AND FINANCING COMPANY
(A Saudi Closed Joint Stock Company)

Notes to the financial statements for the year ended December 31, 2022

(All amounts in Saudi Riyals unless otherwise stated)

19 Borrowings (continued)

19.5 Gain / (loss) on profit free borrowings

	2022	2021
As at January 1	4,698,757	7,117,385
Additional - Government grant income	11,144,352	3,494,877
Finance cost incurred during the period	(6,303,440)	(5,913,505)
As at December 31	9,539,669	4,698,757

19.5.1 SAMA programs and initiatives launched

In response to COVID-19, SAMA launched the Private Sector Financing Support Program ("PSFSP") in March 2020 to provide the necessary support to the Micro Small and Medium Enterprises ("MSME"). Under the program, the Company was required to defer repayments for a total of 24.5 months on lending and leasing facilities to eligible MSMEs. The initial deferment was announced for six months (March 2020 to September 2020) and subsequently extended several times for each quarter till March 2022.

The payment reliefs were considered as short-term liquidity support to address the borrower's potential cash flow issues. The Company effected the payment reliefs for deferral by extending the tenure of the finance facilities with no additional costs to the customers. The accounting impact of changes in terms of the leasing facilities has been assessed and were as per the requirements of IFRS 9 as modification in terms of arrangement.

During December 2021, SAMA announced an extension of deferral program for an additional three-months for qualifying MSMEs that are still affected by the COVID-19 precautionary measures for the period from January 1, 2022 to March 31, 2022. The implementation of new deferral is in the process and the modification impact is expected to be immaterial to these financial statements.

The Company has received in total SR 130 million as profit-free deposit in various tranches with varying maturities from SAMA for the deferral program from March 2020 to Dec 2021. Based on the communication with SAMA, the management had determined that the deposits are primarily for the compensation of modification loss incurred on the deferral of payments. The benefit of the subsidised funding rate has been accounted for on a systematic basis, in accordance with accounting requirements for government grant. This resulted in recognition of grant income amounting to SR7.4 million for the whole deferment program from March 2020 to December 2021, based on certain judgements exercised by the management in the recognition and measurement of this grant income. During the year ended December 31, 2022, SR 4.8 million (December 2021: SR 2.9 million) has been charged to the statement of profit or loss and other comprehensive income as finance income related to profit-free deposit from SAMA.

19.5.2 SDB Loan

In order to provide the necessary support to the Micro Small and Medium Enterprises ("MSME") by SDB and Monsha'at, The Company has received profit free loans from SDB amounting to SR 500 million during 2018 and SR 500 million during 2019 which qualify as government grants. These profit free loans would be settled over 36 monthly installments starting from March 2020 and August 2020 over a period of three year, respectively.

19.6 Working capital financing

The Company has obtained bank financial facilities from Islamic banks for the purpose of financing working capital needs. These bank facilities bear finance costs at market prevailing rates ranging from 3.4% to 9.6% per annum.

AL YUSR LEASING AND FINANCING COMPANY
(A Saudi Closed Joint Stock Company)

Notes to the financial statements for the year ended December 31, 2022

(All amounts in Saudi Riyals unless otherwise stated)

19 Borrowings (continued)

19.7 Breach of covenants

The facility agreements include covenants which, among other things, require the Company to maintain certain financial ratios. The Company breached the net worth covenant during the current year with one bank (2021: three banks) for which a waiver for the year 2022 was obtained prior to the year end. Accordingly, the balances payable on demand as of December 31, 2022 were presented to their original maturity. However, the Company was in breach of covenants with three banks as of December 31, 2021. Accordingly, the borrowings from those banks were classified as payable on demand, the details of which are as follows:

Banks	2022	2021
Gulf International Bank	-	5,874,215
National Bank of Kuwait	-	89,062,500
Saudi Kuwaiti Finance House	-	253,650,000
	-	<u>348,586,715</u>

Borrowing payable on demand also include an amount SR Nil (2021: SR 299.3 million) relating to borrowing with cross default clauses.

19.8 These facilities are collateralised against the guarantees of Abdullatif Alissa Group Holding Company.

20 Share capital

The Company's subscribed, issued and paid-up share capital of SR 500,000,000 is divided into 50,000,000 equity shares of SR 10 each which are fully subscribed, issued and paid, and are distributed among shareholders as follows:

	2022			2021		
	Holding %	No. of Shares	Amount	Holding %	No. of Shares	Amount
Abdullatif Alissa Group Holding Company ("Parent Company")	99.8%	49,900,000	499,000,000	99.8%	49,900,000	499,000,000
Gulf Development Company	0.2%	100,000	1,000,000	0.2%	100,000	1,000,000
Total	100%	50,000,000	500,000,000	100%	50,000,000	500,000,000

21 Statutory reserve

In accordance with the Regulations for Companies in the Kingdom of Saudi Arabia, the Company is required to transfer 10% of its net income to a statutory reserve until such reserve equals to 30% of its share capital. Accordingly, SR 2.75 million (2021: SR 7 million) has been transferred from the net income for the year to the statutory reserve. This reserve is currently not available for distribution to the shareholders of the Company.

22 Income from Islamic financing, net

	2022	2021
Income from Murabaha	53,947,892	37,159,508
Income from Ijara	67,622,186	139,855,084
Income from Tawarruq	130,893,375	68,865,990
Modification gain on receivable against portfolio sold to Parent Company	9,459,871	8,842,239
Modification loss on receivable transferred to related party	(9,084,164)	-
	<u>252,839,160</u>	<u>254,722,821</u>

AL YUSR LEASING AND FINANCING COMPANY
(A Saudi Closed Joint Stock Company)

Notes to the financial statements for the year ended December 31, 2022

(All amounts in Saudi Riyals unless otherwise stated)

23 Other income

		2022	2021
	Notes		
Income from legal charges, net		11,220,567	7,055,518
Reversal of provision , net		-	4,000,002
Commission on transfer of vehicles ownership		2,580,550	6,545,765
Reversal of long outstanding unidentified deposits		4,818,228	2,876,521
Income from margin deposits	6	2,029,606	794,960
Administration fee on additional services to customers, net		483,987	744,123
Fair value (loss) / gain on investment properties	12	(301,413)	632,250
Others *		4,745,507	1,708,366
Additional other insurance cost, net of collections		(425,768)	(2,150,830)
		25,151,264	22,206,675

* Others includes miscellaneous fee income such as vehicles valuation fees and ownership transfer fees

24 Salaries, wages and other employee benefits

		2022	2021
	Note		
Salaries, wages and other employee related costs		103,041,335	106,376,707
Chairman, Directors and Board committee fees	8	2,262,571	4,133,215
		105,303,906	110,509,922

25 Depreciation and amortisation

		2022	2021
	Notes		
Depreciation on right-of-use assets	13	4,150,450	5,976,703
Depreciation on property and equipment	15	3,002,956	3,023,566
Amortisation of intangible assets	14	2,579,810	1,267,155
		9,733,216	10,267,424

26 Other operating expenses

		2022	2021
Insurance cost		29,483,965	46,056,984
Repair and maintenance		4,621,581	10,042,211
Legal, professional and consultancy fees		5,934,896	9,899,058
Telephone and postage		7,395,704	5,892,579
Professional expenses		4,862,812	4,147,612
Collection service expenses		885,602	1,825,490
Non-refundable VAT expenses		7,401,078	6,110,736
Outsourcing - security & others		2,596,977	4,098,803
IT cost allocation		1,350,000	4,049,936
Rent expense		2,241,317	1,897,756
Advertising expenses		963,294	1,093,111
Stationery and printing		698,251	462,756
Other operating expenses		3,661,093	3,136,305
		72,096,570	98,713,337

AL YUSR LEASING AND FINANCING COMPANY
(A Saudi Closed Joint Stock Company)

Notes to the financial statements for the year ended December 31, 2022

(All amounts in Saudi Riyals unless otherwise stated)

27 Impairment on financial assets

		For the year ended December 31, 2022	For the year ended December 31, 2021
	Note		
(Charge for) / reversal of ECL allowance - investment in Islamic financing		(18,629,995)	105,248,700
(Charge for) / reversal of ECL allowance - Other receivables from customers	9.7.1	(1,501,951)	4,578,936
Recoveries after write-off		19,400,215	7,700,621
Net (charge for) / reversal of ECL allowance		(731,731)	117,528,257

During 2022 and 2021, the Company has gone through a significant collection drive on its portfolio of assets which has resulted in SR 939 million and SR 1,124 of collections in 2022 and 2021, respectively.

28 Finance costs, net

	Notes	2022	2021
Finance costs on borrowings		52,780,083	53,551,075
Finance cost on borrowings secured by Islamic financing receivables		12,838,115	28,054,281
Finance charges on overdraft		4,522,929	4,759,497
Finance cost charged by related parties		1,000,000	-
Accretion of finance cost on lease liabilities	13.2	944,596	726,331
Finance cost on end of service benefits' obligations	18.1	463,000	495,000
Other finance cost		2,978,387	3,027,738
Finance income on profit free deposits		(4,840,912)	(2,418,628)
		70,686,198	88,195,294

29 Transaction with Parent Company

During the year ended December 31, 2020, the Company sold Islamic financing receivables with no recourse to Abdullatif Alissa Group Holding Company (the "Parent Company") amounting to the net of SR 536 million (gross receivables sold amounted to SR 903 million less provision of ECL allowance against the sold portfolio of SR 362 million). As per the agreement, the Parent Company is required to settle SR 536 million over ten monthly instalments starting from March 2021 over a period of five years. As a result, the Company has incurred a loss of SR 27.9 million from the transaction sale date. Furthermore, the Company has collected two instalments amounting to SR 55 million during the year ended December 31, 2022 (2021: SR 60 million).

The discount rate used to arrive at the fair value of the service liabilities and service assets of 2.2%, is adjusted for defaults and prepayment rates based on publicly available market data.

		2022	2021
Balance as at January 1		453,619,998	516,551,254
Modification gain	29.1	15,261,397	-
Finance income / (loss) during the period		9,459,833	(2,931,256)
Collection during the period		(55,000,000)	(60,000,000)
Balance as at December 31	8	423,341,228	453,619,998

AL YUSR LEASING AND FINANCING COMPANY
(A Saudi Closed Joint Stock Company)

Notes to the financial statements for the year ended December 31, 2022

(All amounts in Saudi Riyals unless otherwise stated)

29 Transaction with Parent Company (continued)

29.1 During the year, the Company rescheduled the agreement with the Parent Company to increase the tenure of above receivable to 8 years at preferable profit rate of 2.2%. Management considered the economic substance of the above transaction and judged that the difference between the carrying amount and fair value of the consideration to be received should be recognized in equity, as the Parent Company in its capacity as a shareholder, entered into the transaction to provide financial support to the Company. Accordingly, the Company has recognised the modification gain of SR 15.26 million and the amount is recognised directly in retained earnings within equity.

29.2 Collections payable

	As at December 31, 2022	As at December 31, 2021
Due to related parties:		
Collections payable to the Parent Company against sold portfolio	<u>5,683,352</u>	<u>16,745,679</u>

30 Contingency and commitments

Contingency

The Company has certain legal cases pending in courts against it. However, based on management's best estimate the recorded provision of SR 3 million as at December 31, 2022 (December 31, 2021 SR 7.58 million) is sufficient to cover any future liabilities that might result for the legal cases.

The Company has cash margin amounted to SR 8 million as at December 31, 2022 (2021: 8 million) with a bank against a letter of guarantee provided to Zakat, Tax and Customs Authority against a disputed VAT assessment related to prior years.

Capital commitments

There are no significant capital commitments at the statement of financial position date.

Operating leases commitments

The Company's operating leases commitments are only for branches office premises and are not considered as significant. Commitments for short term leases amounts to SR 3.07 million (2021: SR 6.09 million).

31 Fair values of financial assets and financial liabilities

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:

a) In the principal market for the asset or liability, or

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

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. The fair value of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The fair values of financial assets and financial liabilities that are traded in active markets are based on quoted market prices or dealer price quotations. For all other financial instruments, the Company determines fair value.

AL YUSR LEASING AND FINANCING COMPANY
(A Saudi Closed Joint Stock Company)

Notes to the financial statements for the year ended December 31, 2022

(All amounts in Saudi Riyals unless otherwise stated)

31 Fair values of financial assets and financial liabilities (continued)

31.1 Valuation models

The Company measures fair values using the following fair value hierarchy, which reflects the significance of the inputs used in making the measurements.

Level 1: inputs that are quoted market prices (unadjusted) in active markets for identical instruments.

Level 2: inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data; and

Level 3: inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date

31.2 Fair value hierarchy of financial assets and liabilities

All financial assets and liabilities of the Company, except investment in equity instruments carried at FVOCI which is carried at fair value and of insignificant amount, are categorised as held at amortised cost, approximate their fair values and accordingly fair value hierarchy disclosure has not been provided and their carrying value.

31.3 Financial instruments by category

	Notes	As at December 31, 2022	As at December 31, 2021
Financial asset – at amortised cost			
Cash at banks	5	88,387,752	14,846,580
Margin deposits – restricted	6	15,270,395	92,893,882
Short term deposits	5	98,500,000	-
Other receivables	7	87,750,385	62,807,152
Due from related parties	8.1.1	516,559,447	556,138,324
Investment in Islamic financing, net	9	1,702,552,058	1,710,571,093
		2,509,020,037	2,437,257,031
Financial asset – at fair value through other comprehensive income			
Investments in equity instruments at FVOCI		892,875	892,875
Financial liabilities – at amortised cost			
Borrowings payable on demand		-	647,903,436
Trade payables		35,513,816	36,421,191
Accruals and other liabilities	16	49,128,504	80,360,368
Due to related parties	8	7,931,794	21,966,162
Lease liabilities	13.2	22,289,358	26,101,890
Borrowings	19	1,568,539,988	838,980,883
		1,683,403,460	1,651,733,930

AL YUSR LEASING AND FINANCING COMPANY
(A Saudi Closed Joint Stock Company)

Notes to the financial statements for the year ended December 31, 2022

(All amounts in Saudi Riyals unless otherwise stated)

31 Fair values of financial assets and financial liabilities (continued)

31.4 Fair value hierarchy of non - financial assets

Investment properties and repossessed vehicles held for sale are carried at fair value through profit or loss.

As at December 31, 2022	Level 1	Level 2	Level 3	Total
Repossessed assets held for sale	-	2,558,650	-	2,558,650
Investment properties	-	8,550,087	-	8,550,087
	-	11,108,737	-	11,108,737

As at December 31, 2021	Level 1	Level 2	Level 3	Total
Repossessed assets held for sale	-	30,098,836	-	30,098,836
Investment properties	-	8,851,500	-	8,851,500
	-	38,950,336	-	38,950,336

32 Financial risk management

The Company's activities are exposed to a variety of financial risks which mainly include market risk (including foreign exchange risk, profit rate risk and price risk), credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial statements. The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of Directors is also responsible for developing and monitoring the Company's risk management policies.

32.1 Risk management structure

32.1.1 Board of Directors

The Board of Directors (the "Board") is responsible for establishing the Company's policies, including risk management framework, and to review the performance of the Company to ensure compliance with these policies.

32.1.2 Credit and risk management committee

The Company's Board has established a Credit and Risk Management Committee (the "CRMC"), to oversee the development and maintenance of risk management processes, policies, strategies, risk methodologies and reporting them to the Board. The CRMC assists the Board in reviewing overall risks which the Company faces, evaluates and reviews operational and non-operational risks and decides on mitigating factors related therewith. The CRMC oversees the Company's risks and report to the Board.

32.1.3 Audit committee

The audit committee is also appointed by the Company's Board. The audit committee assists the Board in carrying out its responsibilities with respect to assessing the quality and integrity of financial reporting, the audit thereof and the soundness of the internal controls of the Company. In addition, the Audit Committee of the Company also reviews the internal audit risk assessment, discusses the Company's policy with respect to risk assessment and risk management. The Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

AL YUSR LEASING AND FINANCING COMPANY
(A Saudi Closed Joint Stock Company)

Notes to the financial statements for the year ended December 31, 2022

(All amounts in Saudi Riyals unless otherwise stated)

32 Financial risk management (continued)

32.2 Market risk

Market risk is the risk that the fair value or the future cash flows of a financial instrument may fluctuate as a result of changes in market profit rates or the market prices of securities due to change in the credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market.

Market risk comprises three types of risk: currency risk, profit rate risk and price risks.

32.2.1 Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. The Company did not undertake significant transactions in currencies other than Saudi Riyals during the year. Accordingly, the Company is not exposed to any significant currency risk.

32.2.2 Profit rate risk

Profit rate risk is the risk that the value of future cash flows of a financial instrument will fluctuate because of changes in market profit rates. Profit rate risk is the impact on future earnings of the Company resulting from change in the market profit rates. The risk arises when there is a mismatch in the assets and liabilities, which are subject to profit rate adjustment within a specified period. The most important source of such risk is the Company's receivables related to investment in Islamic financing and borrowings arrangements. The Company is not exposed to significant long term obligations with floating profit rates therefore, the Company is not exposed to any significant profit rate risk.

Financial liabilities of SR 125 million (2021: SR 336 million) are based on floating rates and not subject to profit rate swap and thus, a 100 basis points increase in profit rates could have approximately a SR 1.25 million (2021: SR 3.36 million) annual effect on the Company's profitability and equity. Similar decrease in profit rates will have an opposite impact on the Company's profitability and equity. The Company's management, through the CRMC, monitors the fluctuations in profit rates on a regular basis and takes appropriate measures to minimise the profit rates risk by adjusting lending rate for future contracts.

32.2.3 Price risk

Price risk is the risk that the value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from profit rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instruments or its issuer, or factors affecting all similar financial instruments traded in the market. The Company is not exposed to significant price risk as it does not have any significant financial instrument whose prices fluctuate based on internal or external factors as mentioned above.

32.3 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The risk is generally limited to principal amounts and accrued profit thereon if any. The Company has established procedures to manage credit exposure including credit approvals, credit limits, collateral and guarantee requirements. The Company also manages risk through a credit department that evaluates customers' creditworthiness and obtains adequate securities where applicable. The Company's policy is to enter into a financial instrument contract by following internal guidelines such as approving counterparties and approving credit.

AL YUSR LEASING AND FINANCING COMPANY
(A Saudi Closed Joint Stock Company)

Notes to the financial statements for the year ended December 31, 2022

(All amounts in Saudi Riyals unless otherwise stated)

32 Financial risk management (continued)

Credit quality analysis

The Company monitors the credit quality of the Islamic financing receivables through diversification of activities to avoid undue concentration of risks within the individuals or groups. For such purpose, the Company has established exposure limits for each customer and business sectors. The Company has an effective monitoring system which allows it to evaluate customers' creditworthiness and identify potential problem accounts.

An allowance for potential investment in Islamic financing losses is maintained at a level which, in the judgment of management, is adequate to provide for potential losses on Islamic financing installment that can be reasonably anticipated. The credit quality of receivables can be assessed with reference to their historical performance with no or some defaults in recent history. However, the rating for the quality of the Company's investments cannot be determined because the customer base of the Company consist of small business for which such data is not readily available. The concentration of credit risk arises when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. The concentration of credit risk indicates the relative sensitivity of the Company's performance to the developments affecting a particular industry or geographic location. The Company's ten largest customers account form 11.07% (2021: 11.23%) of the outstanding balance of investment in Islamic financing as of December 31, 2022.

The maximum exposure to credit risk at the reporting date is as follow:

	Classification	As at December 31	
		2022	2021
Cash at banks	Amortised cost	88,387,752	14,846,580
Margin deposits – restricted	Amortised cost	15,270,395	92,893,882
Short term deposits	Amortised cost	98,500,000	-
Other receivables	Amortised cost	87,750,385	62,807,153
Due from related parties	Amortised cost	516,559,447	556,636,043
Net investment in Islamic financing	Amortised cost	1,702,552,058	1,710,571,093
		2,509,020,037	2,437,754,751

The Company's management analyses credit risk in the following categories:

32.3.1 Investment in Islamic financing

Investment in Islamic financing (IIF) are exposed to significant credit risk. The Company has established procedures to manage credit exposure including evaluation of credit worthiness, formal credit approvals, assigning credit limits, and obtaining collateral. The overall underwriting decision is based on the following key parameters:

- Dual credit score i.e. SIMAH and Application scoring system
- Minimum income level and maximum debt burden of the borrower
- Loan repayment history with other financial institutions sourced from SIMAH
- Salary certificate from the employer and last three months bank statement where the customer's monthly salary is credited.

AL YUSR LEASING AND FINANCING COMPANY
(A Saudi Closed Joint Stock Company)
Notes to the financial statements for the year ended December 31, 2022
(All amounts in Saudi Riyals unless otherwise stated)

32 Financial risk management (continued)

32.3 Credit risk (continued)

Credit quality analysis (continued)

32.3.1 Investment in Islamic financing (continued)

A significant number of the customers are Government sector employees. Customers are requested to provide standing instructions to credit the Company's account towards monthly installments. In addition, the customers may provide direct debit mandate as a stand by repayment mode. The Company generally receives repayments through variable channels such as SADAD, bank transfers and direct collections. The Company has an approved collection policy and procedure manual establishing a collection strategy to follow up with delinquent customers. In order to monitor exposure to credit risk, reports are produced by the Management Information System (MIS) and are reviewed by credit committee on quarterly basis. These reports shows the collection and delinquent status of the customers. The Company has strengthened its legal department in order to be actively involved in the collection process of delinquent customers.

Staging categorisation of financial assets

The Company categorises its investment in Islamic financing into Stage 1, Stage 2, Stage 3, as described below:

Stage 1: When lease receivables are first recognised, the Company recognises an allowance based on 12 months ECLs. Stage 1 receivables also include facilities where the credit risk has improved and the receivable has been reclassified from Stage 2.

Stage 2: When a receivable has shown a significant increase in credit risk since origination, the Company records an allowance for the Lifetime ECL. Stage 2 receivables also include facilities, where the credit risk has improved and the receivable has been reclassified from Stage 3.

Stage 3: Receivable considered credit-impaired. The Company records an allowance for the lifetime ECL.

POCI: Purchased or originated credit-impaired ("POCI") assets are financial assets that are credit impaired on initial recognition. POCI assets are recorded at fair value at original recognition and income is subsequently recognised based on a credit-adjusted EPR. ECLs are only recognised or released to the extent that there is a subsequent change in the expected credit losses.

The assessment of credit risk of IIF also requires further estimations of credit risk using ECL which is derived by PD, EAD and LGD. The key inputs into the measurement of ECL are the term structure of the following variables:

- probability of default ("PD");
- loss given default ("LGD");
- exposure at default ("EAD").

AL YUSR LEASING AND FINANCING COMPANY
(A Saudi Closed Joint Stock Company)

Notes to the financial statements for the year ended December 31, 2022

(All amounts in Saudi Riyals unless otherwise stated)

32 Financial risk management (continued)

32.3 Credit risk (continued)

32.3.1 Investment in Islamic financing (continued)

Generating the term structure of PD

Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off. PD term structures are based on the default probability calculated on forward flow rates of past thirty-six months, adjusted by the outlook of the economy. The Company employs various techniques to develop business sector PD models. In this process, the dependent variable is the default rate and the independent variables are the macro variables. The macro variable inflation rate was selected based on business intuition and statistical analysis performed.

Based on advice from the Company's CRMC and consideration of a variety of external actual and forecast information, the Company formulates a 'base case' view of the future direction of macro-economic variable as well as a representative range of other possible forecast scenarios. The Company then uses these forecasts to adjust its estimates of PDs.

Definition of default:

The Company considers a financial asset to be in default when:

- the customer is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- the customer is past due more than 90 days.

In assessing whether a customer is in default, the Company also considers indicators that are:

- qualitative - e.g. breaches of lease contract;
- quantitative- e.g. overdue status and non-payment; and
- based on data developed internally.

Inputs into the assessment of whether a financial instrument is in default and their significance may vary over time to reflect changes in circumstances.

PD estimates are estimates at a certain date, which are calculated based on statistical rating models, and assessed using rating tools tailored to the various categories of counterparties and exposures. These statistical models are based on internally compiled data comprising both quantitative and qualitative factors. Where it is available, market data may also be used to derive the PD for large non-retail counterparties. If a counterparty or exposure migrates between rating classes, then this will lead to a change in the estimate of the associated PD. PDs are estimated considering the contractual maturities of exposures and estimated prepayment rates.

Generating the term structure of LGD

LGD is the magnitude of the likely loss if there is a default. The Company estimates LGD parameters based on the legal standing against the defaulting counterparties. The LGD models also consider the structure, collateral, seniority of the claim, counterparty industry and recovery costs of any collateral that is integral to the lease receivable.

Generating the term structure of EAD

EAD represents the expected exposure in the event of a default. The Company derives the EAD from the current IIF receivables from the customer and potential changes to the current amount allowed under the lease contract including amortisation. The EAD of a IIF receivable is its carrying amount before allowance for impairment.

As described above, and subject to using a maximum of a 12-month PD for the receivables for which credit risk has not significantly increased, the Company measures ECL considering the risk of default over the maximum contractual period over which it is exposed to credit risk, even if, for risk management purposes, the Company considers a longer period. The maximum contractual period extends to the date at which the Company has the right to require installment.

AL YUSR LEASING AND FINANCING COMPANY
(A Saudi Closed Joint Stock Company)
Notes to the financial statements for the year ended December 31, 2022
(All amounts in Saudi Riyals unless otherwise stated)

32 Financial risk management (continued)

32.3 Credit risk (continued)

32.3.1 Investment in Islamic financing, net (continued)

Where modeling of a parameter is carried out on a collective basis, the financial instruments are ranked based on shared risk characteristics that include:

- the business sector of the customers;
- collateral type;
- date of initial recognition;
- remaining term to maturity;

Significant increase in credit risk (SICR)

When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and expert credit assessment and including forward-looking information.

The objective of the assessment is to identify whether a significant increase in credit risk has occurred for exposure by comparing:

- the remaining lifetime probability of default (PD) as at the reporting date; with
- the remaining lifetime PD for this point in time that was estimated at the time of initial recognition of the exposure (adjusted where relevant for changes in expectations related to earlier settlement).

Determining whether credit risk has increased significantly:

In determining whether credit risk has increased significantly since initial recognition, the Company uses its quantitative changes in PDs, delinquency status of accounts and, where possible, relevant historical experience. Considering the huge portfolio of individual customers, the management believes that past-due information is the most appropriate method to assess the SICR without the undue cost and efforts. Accordingly, based on instalment collection history, the management believes that the instance of significant increase in credit risk arise only when the installment is past due by for more than 60 days and is classified as underperforming (i.e. in stage 2) and, if it is past due by more than 90 days, it is classified as non-performing (i.e. stage 3). The management activates the recovery team for the purposes of collection of outstanding balance as the receivable entered the non-performing stage.

The criteria for determining whether credit risk has increased significantly includes the quantitative changes in PDs and qualitative factors, including a backstop based on delinquency.

The credit risk of a particular exposure is deemed to have increased significantly since initial recognition if, based on the Company's quantitative modeling, the remaining lifetime PD is determined to have increased significantly.

Using its expert credit judgment and, where possible, relevant historical experience, the Company may determine that exposure has undergone a significant increase in credit risk based on particular qualitative indicators that it considers are indicative of such and whose effect may not otherwise be fully reflected in its quantitative analysis on a timely basis.

As a backstop, the Company considers that a significant increase in credit risk occurs no later than when an asset is more than 30 days past due. The days past due are determined by counting the number of days since the earliest elapsed due date in respect of which full payment has not been received. Due dates are determined without considering any grace period that might be available to the customer.

AL YUSR LEASING AND FINANCING COMPANY
(A Saudi Closed Joint Stock Company)

Notes to the financial statements for the year ended December 31, 2022

(All amounts in Saudi Riyals unless otherwise stated)

32 Financial risk management (continued)

32.3 Credit risk (continued)

32.3.1 Investment in Islamic financing, net (continued)

The Company monitors the effectiveness of the criteria used to identify significant increases in credit risk by regular reviews to confirm that:

- the criteria are capable of identifying significant increases in credit risk before the exposure is in default;
- the criteria do not align with the point in time when an asset becomes 30 days past due; and
- there is no unwarranted volatility in loss allowance from transfers between 12-month PD (stage 1) and lifetime PD (stage 2).

Incorporation of forward-looking information

The Company incorporates forward-looking information into both its assessment of whether the credit risk of a receivable has increased significantly since its initial recognition and its measurement of ECL. Based on advice from the Company's credit risk committee and consideration of a variety of external actual and forecast information, the Company formulates a 'base case' view of the future direction of relevant economic variables as well as a representative range of other possible forecast scenarios. This process involves developing two or more additional economic scenarios and considering the relative probabilities of each outcome. External information includes economic data and forecasts published by global monetary authorities and academic forecasters.

The base case represents a most-likely outcome and is aligned with information used by Company for other purposes such as strategic planning and budgeting. The other scenarios represent more optimistic and more pessimistic outcomes. Periodically, the Company carries out stress testing of more extreme shocks to calibrate its determination of these other representative scenarios.

The Company has identified and documented key drivers of credit risk and credit losses for each portfolio of financial instruments and, using an analysis of historical data, has estimated relationships between macro-economic variables and credit risk and credit losses. The management has used inflation rates as the key macro-economic variable as of December 31, 2021 and January 1, 2022 to develop the base case scenario which the management estimates are the best estimate of the forecasted macro-economic variable for determination of the PD. Predicted relationships between the key indicators and default and loss rates on various business sectors of the receivables have been developed based on analysing historical data over the past 10 to 15 years.

Modified financial assets

The contractual terms of a investment in Islamic financing receivable are mainly modified at the request of the customer. An existing Islamic financing receivable whose terms have been modified may be derecognised and the renegotiated lease receivable recognised as a new investment in Islamic financing at fair value.

When the terms of a financial asset are modified and the modification does not result in de-recognition, the determination of whether the receivable's credit risk has increased significantly reflects the comparison of:

- its remaining lifetime PD at the reporting date based on the modified terms; with
- the remaining lifetime PD estimated based on data at initial recognition and the original contractual terms.

The Company renegotiates Islamic financing receivable with customers in financial difficulties (referred to as 'forbearance activities') to maximise collection opportunities and minimise the risk of default. Under the Company's forbearance policy, the receivable forbearance is granted on a selective basis if the customer is currently in default or if there is a high risk of default, there is evidence that the customer has made all reasonable efforts to pay under the original contractual terms and the customer is expected to be able to meet the revised terms. The revised terms usually include extending the maturity and changing the timing of payments. The Company's credit and risk committee regularly review reports on forbearance activities.

AL YUSR LEASING AND FINANCING COMPANY
(A Saudi Closed Joint Stock Company)

Notes to the financial statements for the year ended December 31, 2022

(All amounts in Saudi Riyals unless otherwise stated)

32 Financial risk management (continued)

32.3 Credit risk (continued)

32.3.1 Investment in Islamic financing, net (continued)

For financial assets modified as part of the Company's forbearance policy, the estimate of PD reflects whether the modification has improved or restored the Company's ability to collect outstanding balances and the Company's previous experience of similar forbearance action. As part of this process, the Company evaluates the customer's payment performance against the modified contractual terms and considers various behavioral indicators.

Generally, forbearance is a qualitative indicator of a significant increase in credit risk and an expectation of forbearance may constitute evidence that exposure is credit-impaired /in default. A customer needs to demonstrate consistently good payment behavior over a period of time before the exposure is no longer considered to be credit-impaired/in default or the PD is considered to have decreased such that the loss allowance reverts to being measured at an amount equal to 12-month ECL.

Measurement of ECL

The Company measures an ECL at an account level considering the EAD, PD, LGD and discount rate. PD estimates are estimates at a certain date, based on the term structures as provided above. For LGD estimates of retail portfolio, the Company use present value of recoveries for loss accounts adjusted by the forward-looking information. Further for SME contracts, the collateral value after applying the haircut is considered as an LGD. EAD represents the expected exposure in the event of a default. The Company derives the EAD from the current exposure to the counterparty and potential changes to the current amount allowed under the contract including amortisation. The EAD of an IIF receivable is its gross carrying amount for provisioning calculation purpose. For discounting the Company has used each contract's effective profit rate.

The investment in Islamic financing generally expose to significant credit risk. Therefore, the Company has established a number of procedures to manage credit exposure including evaluation of lessees' creditworthiness, formal credit approvals, assigning credit limits, obtaining collateral and personal guarantees. The Company also follows a credit classification mechanism, primarily driven by days delinquency as a tool to manage the quality of credit risk of the Islamic financing portfolio. The portfolio that is neither past due nor impaired has a satisfactory history of repayment, where applicable. As at the statement of financial position date, the Company has adequate collaterals to cover the overall credit risk exposure after making an impairment provision.

The aging of net investment in Islamic financings contracts is as under:

	2022	2021
Neither past nor due	976,760,772	1,030,278,274
Past due 1-30 days	653,636,408	337,058,404
Past due 31-60 days	127,824,945	137,175,554
Past due 61-90 days	47,775,552	189,245,857
Past due 91-180 days	38,232,350	50,237,470
Past due 181-365 days	49,341,770	96,655,929
Past due over 365 days	555,552,242	739,279,049
	2,449,124,039	2,579,930,537
Less: Unearned / deferred Islamic financing income	(456,169,017)	(404,971,974)
Less: Unearned origination fee	-	(3,580,821)
	1,992,955,022	2,171,377,742
Less: Provision for ECL allowance	(290,402,963)	(460,806,649)
Investment in Islamic financing, net	1,702,552,059	1,710,571,093
Total portfolio coverage ratio (%)	17.1%	26.9%

AL YUSR LEASING AND FINANCING COMPANY
(A Saudi Closed Joint Stock Company)

Notes to the financial statements for the year ended December 31, 2022

(All amounts in Saudi Riyals unless otherwise stated)

32 Financial risk management (continued)

32.3 Credit risk (continued)

32.3.1 Investment in Islamic financing, net (continued)

The Company's management believes that adequate provision has been made, where required to address the credit risk. Moreover, the Company in the ordinary course of providing finance receivables are subject to additional personal guarantees for security to mitigate credit risk associated with IIF receivables. For additional credit quality disclosure relating to IFRS, please refer note 9 to these financial statements. The credit quality of non-performing IIF receivables is further explained below:

As at December 31, 2022	Non-Performing	Provision for ECL allowance	Total net of provision
Aging of Islamic financing receivables (Tawarruq) based on past due days			
90-180 days	20,280,511	6,614,676	13,665,835
180 to 270 days	10,966,322	4,117,194	6,849,128
270 to 360 days	8,267,809	3,276,602	4,991,207
360 to 450 days	6,285,354	2,579,305	3,706,049
450 to 540 days	4,549,007	1,915,388	2,633,619
540 to 630 days	2,132,765	926,037	1,206,728
630 and above days	12,587,367	5,265,842	7,321,525
	65,069,135	24,695,044	40,374,091

AL YUSR LEASING AND FINANCING COMPANY**(A Saudi Closed Joint Stock Company)****Notes to the financial statements for the year ended December 31, 2022**

(All amounts in Saudi Riyals unless otherwise stated)

32 Financial risk management (continued)**32.3 Credit risk (continued)****32.3.1 Investment in Islamic financing, net (continued)**

As at December 31, 2022	Non-Performing	Provision for ECL allowance	Total net of provision
Aging of Islamic financing receivables (Murabaha) based on past due days			
90-180 days	6,534,833	1,571,889	4,962,944
180 to 270 days	12,455,737	5,737,175	6,718,562
270 to 360 days	2,529,981	1,382,355	1,147,626
360 to 450 days	22,916	10,199	12,717
450 to 540 days	5,857,131	2,895,757	2,961,374
540 to 630 days	31,667,356	10,372,280	21,295,076
630 and above days	250,885,344	79,669,180	171,216,164
	309,953,298	101,638,835	208,314,463

As at December 31, 2022	Non-Performing	Provision for ECL allowance	Total net of provision
Aging of Islamic financing receivables (Ijara) based on past due days			
90-180 days	11,417,006	1,969,488	9,447,518
180 to 270 days	8,274,025	1,859,294	6,414,731
270 to 360 days	6,847,896	1,941,691	4,906,205
360 to 450 days	5,760,466	1,954,062	3,806,404
450 to 540 days	6,635,894	2,270,743	4,365,151
540 to 630 days	7,918,229	2,942,510	4,975,719
630 and above days	221,250,415	78,537,068	142,713,347
	268,103,931	91,474,856	176,629,075

As at December 31, 2021	Non-Performing	Provision for ECL allowance	Total net of provision
Aging of Islamic financing receivables (Tawarruq) based on past due days			
90-180 days	7,634,608	3,014,640	4,619,968
180 to 270 days	3,205,480	1,268,812	1,936,668
270 to 360 days	2,104,004	829,429	1,274,575
360 to 450 days	1,777,423	703,222	1,074,201
450 to 540 days	2,038,587	810,868	1,227,719
540 to 630 days	1,749,103	697,623	1,051,480
630 and above days	9,345,918	3,836,069	5,509,849
	27,855,123	11,160,663	16,694,460

AL YUSR LEASING AND FINANCING COMPANY**(A Saudi Closed Joint Stock Company)****Notes to the financial statements for the year ended December 31, 2022**

(All amounts in Saudi Riyals unless otherwise stated)

32 Financial risk management (continued)**32.3 Credit risk (continued)****32.3.1 Investment in Islamic financing, net (continued)**

As at December 31, 2021	Non-Performing	Provision for ECL allowance	Total net of provision
Aging of Islamic financing receivables (Murabaha) based on past due days			
90-180 days	10,293,792	5,596,030	4,697,762
180 to 270 days	3,427,181	1,766,483	1,660,698
270 to 360 days	40,924,511	22,660,878	18,263,633
360 to 450 days	3,815,375	1,987,003	1,828,372
450 to 540 days	4,355,919	2,121,724	2,234,195
540 to 630 days	2,965,095	1,514,828	1,450,267
630 and above days	349,427,549	116,315,086	233,112,463
	<u>415,209,422</u>	<u>151,962,032</u>	<u>263,247,390</u>

As at December 31, 2021	Non-Performing	Provision for ECL allowance	Total net of provision
Aging of Islamic financing receivables (Ijara) based on past due days			
90-180 days	24,942,438	4,720,382	20,222,056
180 to 270 days	15,240,504	5,345,854	9,894,650
270 to 360 days	19,825,701	6,914,526	12,911,175
360 to 450 days	11,006,906	4,741,995	6,264,911
450 to 540 days	12,992,925	5,670,093	7,322,832
540 to 630 days	15,754,959	7,137,303	8,617,656
630 and above days	298,836,687	127,848,624	170,988,063
	<u>398,600,120</u>	<u>162,378,777</u>	<u>236,221,343</u>

Concentration of credit risk

The concentration of credit risk is the risk that the Company is exposed to if they invested all their assets in one sector or one industry. The Company's IIF receivables constitute Tawarruq personal financing to retail customers and SMEs, Muarabaha financing for SMEs and financial leases to retail customers. Concentrations of credit risk arise when a number of counter-parties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be affected similarly by changes in economic, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Company's performance to developments affecting a particular industry or geographical location.

The Company manages its credit risk exposure through diversification of Islamic financing activities to ensure that there is no undue concentration of risks with individuals or groups of customers in specific locations or businesses.

Collateral held as security and other credit enhancements

The credit risks on gross amounts due in relation to the investment in Islamic financing is mitigated by holding collaterals which are either leased vehicles under Ijara financing or real-estate. Further, the gross carrying amount of investment in Islamic financing amounts against which collateral has been obtained amounted to SR 567.7 million as at December 31, 2022 (December 31, 2021: SR 552 million). The Company is not permitted to sell or repledge the collateral in the absence of default by the lessee. There have not been any significant changes in the quality of the collateral.

AL YUSR LEASING AND FINANCING COMPANY**(A Saudi Closed Joint Stock Company)****Notes to the financial statements for the year ended December 31, 2022**

(All amounts in Saudi Riyals unless otherwise stated)

32 Financial risk management (continued)**32.3 Credit risk (continued)****32.3.2 Cash and cash equivalents and margin deposits**

Cash at banks are placed with banks having sound credit ratings. Cash at banks, restricted deposits with banks are considered to have low credit risk; therefore, 12 months ECL model was used for impairment assessment. Based on management's impairment assessment, there is no provision required in respect of these balances.

Bank credit ratings

The credit quality of the Company's cash at bank is assessed with reference to external credit ratings which, in all cases, are above investment-grade rating. No ECL was taken for restricted cash deposits and bank balances as the impact of the ECL was not material. The bank balances along with credit ratings are tabulated below:

	2022	2021
Cash at banks:		
A-	864,883	507,326
A	1,599,895	-
BBB+	85,490,737	13,367,729
BBB	432,237	971,525
	88,387,752	14,846,580
Short term deposits		
A	98,500,000	-
- Restricted:		
A-	-	58,507,367
BBB+	15,270,395	34,386,515
	15,270,395	92,893,882
Total	202,158,147	107,740,462

32.3.3 Other receivables from customers

The Company believes that it has a high credit risk on these financial assets and the loss allowance would be material for the Company. Hence, the Company is currently exposed to significant credit risk. Other receivables from customers are not significant compared to the total IIF, therefore they are exposed to same classification of significant credit risk as they are related to customers' receivables under investment in Islamic financing.

The aging of "other receivables from customers" is as follow:

	2022	2021
Neither past nor due	158,183	1,042,362
Past due 1-30 days	5,800,000	661,149
Past due 31-60 days	309,939	4,010,605
Past due 61-90 days	413,257	1,532,779
Past due 91-180 days	2,094,419	1,247,338
	1,522,529	1,330,657
Past due over 180 days	78,595,761	68,690,998
	83,094,088	78,515,888
Less: Provision for ECL allowance	(47,244,722)	(45,742,771)
Net other receivables from customers	35,849,366	32,773,117
Total other receivables coverage ratio (%) against ECL	56.9%	57.4%

AL YUSR LEASING AND FINANCING COMPANY

(A Saudi Closed Joint Stock Company)

Notes to the financial statements for the year ended December 31, 2022

(All amounts in Saudi Riyals unless otherwise stated)

32 Financial risk management (continued)

32.4 Liquidity Risk

Liquidity risk is the risk that the Company will be unable to meet its payment obligations regarding its financial liabilities when they fall due under normal and stress circumstances. Liquidity risk arises because of the possibility that the Company will be required to pay its liabilities earlier than expected or will face difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. Liquidity risk can also be caused by market disruptions or credit downgrades, which may cause certain sources of funding to be less readily available. To mitigate this risk, management manages assets with liquidity in mind, maintaining an appropriate balance of cash and cash equivalents and monitors future cash flows and liquidity on a daily basis to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company also has revolving credit facilities from commercial banks that it can access to meet future liquidity needs.

The Company's financial liabilities primarily consist of trade payables, due to related parties, borrowings and other payables and accruals. Trade payables, due to related parties, borrowings, and other payables and accruals aggregating SR 677 (2021: SR 1,101 million) have a short-term maturity. The Company expects to have adequate liquid funds to settle its current liabilities through close monitoring of both current assets and current liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows. Company's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring the statement of financial position liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

December 31, 2022					
	Carrying amount	Less than 3 months on demand	3-12 months	Above 1 year	Total
Financial assets - profit bearing					
Investment in Islamic Financing - Gross	1,702,552,058	655,921,815	552,727,849	1,240,474,374	2,449,124,038
Short term deposits	98,500,000	98,586,188	-	-	98,586,188
Due from related parties	514,172,517	16,682,456	16,573,983	520,024,751	553,281,190
Margin deposits	15,270,395	-	15,322,282	-	15,322,282
	2,330,494,970	771,190,459	584,624,114	1,760,499,125	3,116,313,698
Financial assets - non-profit bearing					
Cash at banks	88,387,752	88,387,752	-	-	88,387,752
Other receivables	87,750,385	27,592,348	57,861,233	49,541,526	134,995,107
Due from related parties	2,386,930	2,386,930	-	-	2,386,930
Investment in equity instruments carried at FVOCI	892,875	-	-	892,875	892,875
	179,417,942	118,367,030	57,861,233	50,434,401	226,662,664
Total financial assets	2,509,912,912	889,557,489	642,485,347	1,810,933,526	3,342,976,362
Financial liabilities - profit bearing					
Lease liabilities	22,289,358	1,334,599	4,655,401	19,020,000	25,010,000
Borrowings	1,568,539,988	238,185,463	441,832,859	1,064,966,030	1,744,984,352
	1,590,829,346	239,520,062	446,488,260	1,083,986,030	1,769,994,352
Financial liabilities - non-profit bearing					
Trade payables	35,513,814	35,513,814	-	-	35,513,814
Accruals, provisions and other liabilities	49,128,504	16,598,775	32,529,729	-	49,128,504
Due to related parties	7,931,794	5,683,352	-	2,248,442	7,931,794
	92,574,112	57,795,941	32,529,729	2,248,442	92,574,112
Total financial liabilities	1,683,403,458	297,316,003	479,017,989	1,086,234,472	1,862,568,464

AL YUSR LEASING AND FINANCING COMPANY
(A Saudi Closed Joint Stock Company)

Notes to the financial statements for the year ended December 31, 2022

(All amounts in Saudi Riyals unless otherwise stated)

32 Financial risk management (continued)

32.4 Liquidity Risk (continued)

December 31, 2022					
	Carrying amount	Less than 3 months	3-12 months	Above 1 year	Total
Net financial assets:					
Profit bearing	739,665,624	531,670,397	138,135,854	676,513,095	1,346,319,346
Non-profit bearing	86,843,830	60,571,089	25,331,504	48,185,959	134,088,552
	826,509,454	592,241,486	163,467,358	724,699,054	1,480,407,898
December 31, 2021					
	Carrying amount	Less than 3 months	3-12 months	Above 1 year	Total
Financial assets - profit bearing					
Investment in Islamic Financing – gross	1,710,571,093	889,426,342	572,196,822	1,118,307,373	2,579,930,537
	1,710,571,093	889,426,342	572,196,822	1,118,307,373	2,579,930,537
Financial assets – non-profit bearing					
Cash at banks	14,846,580	14,846,580	-	-	14,846,580
Other receivables	62,807,152	26,639,041	33,871,307	48,039,575	108,549,923
Margin deposits	92,893,882	10,195,439	62,157,963	22,621,972	94,975,374
Due from related parties	556,138,324	45,000,000	45,000,000	488,518,364	578,518,364
Investment in equity instruments carried at FVOCI	892,875	-	-	892,875	892,875
	727,578,813	96,681,060	141,029,270	560,072,786	797,783,116
Total financial assets	2,438,149,906	986,107,402	713,226,092	1,678,380,159	3,377,713,653
Financial liabilities – profit bearing					
Lease liabilities	26,101,890	3,000,000	3,964,000	22,818,000	29,782,000
Borrowings	1,486,884,319	932,933,669	258,804,554	299,844,853	1,491,583,076
	1,512,986,209	935,933,669	262,768,554	322,662,853	1,521,365,076
Financial liabilities - non profit bearing					
Trade payables	36,421,191	36,421,191	-	-	36,421,191
Accruals, provisions and other liabilities	80,360,368	25,778,214	54,582,154	-	80,360,368
Due to related parties	21,966,162	16,745,679	5,220,483	-	21,966,162
	138,747,721	78,945,084	59,802,637	-	138,747,721
Total financial liabilities	1,651,733,930	1,014,878,753	322,571,191	322,662,853	1,660,112,797
Net financial assets:					
Profit bearing	197,584,884	(46,507,327)	309,428,268	795,684,520	1,058,565,461
Non-profit bearing	588,831,092	17,735,976	81,226,633	560,072,786	659,035,395
	786,415,976	(28,771,351)	390,654,901	1,355,757,306	1,717,640,856

AL YUSR LEASING AND FINANCING COMPANY

(A Saudi Closed Joint Stock Company)

Notes to the financial statements for the year ended December 31, 2022

(All amounts in Saudi Riyals unless otherwise stated)

33 Capital risk management

The objective of the Company when managing capital is to safeguard its ability to continue as a going concern and maintain healthy capital ratios so that it can continue to provide optimal returns to its shareholders and benefits for other stakeholders, and to maintain a strong capital base in order to support the sustainable business development and operational performance.

The Company manages its capital structure and makes adjustments to it in light of the changes in economic conditions and risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes for managing capital during the years ended December 31, 2022 and 2021.

The Board of Directors seeks to maintain a balance between the higher returns that might be possible with higher levels of Islamic bank financing and the advantages and security afforded by a sound capital position. The Company monitors aggregate amount of financing offered by the Company based on the regulatory requirements of Regulations for Companies and Saudi Central Bank (SAMA). SAMA requires all the finance companies engaged in business of financing other than real estate, not to exceed the aggregate financing to capital ratio by three times.

	2022	2021
Aggregate financing to capital ratio (Net investment in Islamic financing divided by total equity)	2.04 times	2.12 times

34 Impact of COVID-19 on expected credit losses ("ECL") and Saudi Central Bank (SAMA) programs

34.1 Impact of COVID-19

The Coronavirus ("COVID-19") pandemic disrupted global markets in prior year. However, the Government of Kingdom of Saudi Arabia ("the Government") managed to successfully control the outbreak to date, owing primarily to the effective measures taken by the Government.

The Company's business operations have shown improvement in disbursements in the current year after showing a decline during the year 2020. On the other hand, the collection recovery percentages of the Company have achieved the same levels as it was the case pre-COVID-19. This is mainly due to the reason that majority of the retail customer base is Government employees.

From a liquidity perspective, owing to regular collections, the Company has sufficient liquidity available and therefore the Company is not significantly exposed to liquidity risk.

34.2 Saudi Central Bank (SAMA) programs and initiatives launched

Private Sector Financing Support Program ("PSFSP")

In response to COVID-19, SAMA launched the Private Sector Financing Support Program ("PSFSP") in March 2020 to provide the necessary support to the Micro Small and Medium Enterprises ("MSME") as per the definition issued by SAMA via Circular No. 381000064902 dated 16 Jumada II 1438H.

As part of the deferred payments program launched by SAMA in March 2020 and with further extensions to the program till December 2022 announced subsequently, the Bank deferred payments and extended maturities on lending facilities to all eligible MSMEs as follows:

AL YUSR LEASING AND FINANCING COMPANY**(A Saudi Closed Joint Stock Company)****Notes to the financial statements for the year ended December 31, 2022**

(All amounts in Saudi Riyals unless otherwise stated)

34 Impact of COVID-19 on expected credit losses (“ECL”) and Saudi Central bank (SAMA) programs *(continued)***34.2 Saudi Central Bank (SAMA) programs and initiatives launched** *(continued)*

As part of the deferred payments program launched by SAMA in March 2020 and with further extensions to the program till December 2022 announced subsequently, the Bank deferred payments and extended maturities on lending facilities to all eligible MSMEs as follows:

Support Programs	Type	Instalment deferred/Tenor extended (SR million)	Cost of deferral/extension (SR million)
April 2020 – September 2020	Instalments deferred	43,042,190	20,363,439
October 2020 – December 2020	Instalments deferred	21,065,631	9,168,712
January 2021 – March 2021	Instalments deferred	16,865,930	7,763,781
April 2021 – June 2021	Tenor extension	18,506,083	8,039,961
July 2021 – September 2021	Tenor extension	16,304,045	7,348,182
October 2021 – December 2021	Tenor extension	18,574,691	6,766,065
January 2022 – March 2022	Tenor extension	15,051,092	3,459,378
April 2022 – June 2022	Tenor extension	11,042,693	2,525,483
July 2022 – September 2022	Tenor extension	15,294,200	3,116,773
October 2022 – December 2022	Tenor extension	12,815,004	2,433,528

The accounting impact of the above changes in terms of the credit facilities were assessed and treated as per the requirements of IFRS 9 as modification in terms of arrangement.

This resulted in total modification losses due to collection deferment amounting to SR 59.45 million of which SR 11.5 million are recovered through unwinding of these losses during the year ended December 31, 2022 (2021: SR 29.92 million). These losses have been accounted for under investment in Islamic financing with corresponding impact on income from investment in Islamic financing.

The Company continues to believe that in the absence of other factors, participation in the deferment program on its own, is not considered a significant increase in credit risk for assessment of impairment of financial assets on its portfolio. As disclosed in note 19, in order to compensate the related cost that the Company is expected to incur under the SAMA program, the Company received profit free deposits from SAMA (note 19).

