

ANB Capital SAR Trade Fund (Shariah)
(Formerly, Al-Mubarak SAR Trade Fund)
(Managed by anb capital Company)
(Formerly, Arab National Investment Company)

**UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REVIEW REPORT**

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023

**INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INTERIM CONDENSED FINANCIAL
STATEMENTS TO THE UNITHOLDERS OF ANB CAPITAL SAR TRADE FUND
(FORMERLY, AL-MUBARAK SAR TRADE FUND)
(MANAGED BY ANB CAPITAL COMPANY)
(FORMERLY, ARAB NATIONAL INVESTMENT COMPANY)**

Introduction

We have reviewed the accompanying interim condensed statement of financial position of ANB Capital SAR Trade Fund (formerly, Al-Mubarak SAR Trade Fund) (the "Fund") managed by anb capital Company (formerly, Arab National Investment Company) (the "Fund Manager") as at 30 June 2023, and the related interim condensed statement of comprehensive income, interim condensed statement of changes in equity attributable to the unitholders and interim condensed statement of cash flows for the six-month period then ended, and explanatory notes. The Fund Manager is responsible for the preparation and presentation of these interim condensed financial statements in accordance with International Accounting Standard 34, "Interim Financial Reporting" ("IAS 34") as endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim financial statements based on our review.

Scope of Review

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

Conclusion

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

For Ernst & Young Professional Services

RFM



Rashid S. Roshod
Certified Public Accountant
License No. 366



Riyadh: 23 Muharram 1445H
(10 August 2023)

ANB Capital SAR Trade Fund
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INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

As at 30 June 2023

		30 June 2023 SR (Unaudited)	31 December 2022 SR (Audited)
	<i>Note</i>		
ASSETS			
Investments in sukuks at amortized cost	5	61,000,000	79,000,000
Murabaha placements at amortized cost	6	1,669,400,000	1,117,000,000
Accrued special commission income		17,130,465	6,586,447
Bank balance with custodian	7	731,837	3,571,632
TOTAL ASSETS		1,748,262,302	1,206,158,079
LIABILITIES			
Management fees payable and accrued expenses		941,979	887,459
Redemptions payable		-	3,120,703
TOTAL LIABILITIES		941,979	4,008,162
EQUITY ATTRIBUTABLE TO THE UNITHOLDERS (TOTAL EQUITY)		1,747,320,323	1,202,149,917
TOTAL LIABILITIES AND EQUITY		1,748,262,302	1,206,158,079
Redeemable units in issue		76,148,601	53,772,601
Net asset value attributable to each per unit		22.95	22.36

The accompanying notes 1 to 11 form an integral part of these interim condensed financial statements.

ANB Capital SAR Trade Fund
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INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

For the six-month period ended 30 June 2023

	<i>Note</i>	30 June 2023 SR	30 June 2022 SR
INCOME			
Special commission income		37,951,052	14,766,680
Net movement in unrealized gain on financial assets at FVTPL		-	517,530
Realized gain on disposal of financial asset		158,272	1,079,047
TOTAL INCOME		38,109,324	16,363,257
EXPENSES			
Management fees	8	(1,378,860)	(2,316,989)
Other fees	8	(293,801)	(493,720)
TOTAL EXPENSES		(1,672,661)	(2,810,709)
NET INCOME FOR THE PERIOD		36,436,663	13,552,548
OTHER COMPREHENSIVE INCOME FOR THE PERIOD		-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		36,436,663	13,552,548

The accompanying notes 1 to 11 form an integral part of these interim condensed financial statements.

ANB Capital SAR Trade Fund
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INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY ATTRIBUTABLE TO
THE UNITHOLDERS (UNAUDITED)

For the six-month period ended 30 June 2023

	30 June 2023 SR	30 June 2022 SR
Equity attributable to the unitholders at beginning of the period	1,202,149,917	2,449,464,593
Total comprehensive income for the period	36,436,663	13,552,548
<i>Issuance and redemptions of units</i>		
Issuance of units during the period	1,385,023,555	1,157,997,591
Redemptions of units during the period	(876,289,812)	(1,785,118,195)
Net changes in units	508,733,743	(627,120,604)
Equity attributable to the unitholders at end of the period	1,747,320,323	1,835,896,537

REDEEMABLE UNIT TRANSACTIONS

Transactions in units made for the period are summarized as follows:

	30 June 2023 Units	30 June 2022 Units
Units at beginning of the period	53,772,601	112,031,062
Issuance of units during the period	61,060,785	52,897,330
Redemptions of units during the period	(38,684,785)	(81,465,353)
Net changes in units	22,376,000	(28,568,023)
Units at end of the period	76,148,601	83,463,039

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ANB Capital SAR Trade Fund
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INTERIM CONDENSED STATEMENT OF CASH FLOWS (UNAUDITED)

For the six-month period ended 30 June 2023

	Note	30 June 2023 SR	30 June 2022 SR
OPERATING ACTIVITIES			
Net income for the period		36,436,663	13,552,548
<i>Adjustments</i>			
Net movement in unrealized gain on financial assets at FVTPL		-	(517,530)
Special commission income		(37,951,052)	(14,766,680)
		(1,514,389)	(1,731,662)
<i>Changes in operating assets and liabilities:</i>			
Investments in sukuk at amortized cost		18,000,000	(38,000,000)
Financial assets at FVTPL		-	39,078,011
Murabaha placements at amortized cost		(950,000,000)	945,000,000
Redemption payable		(3,120,703)	-
Management fee payable and accrued expense		54,519	(352,989)
Net cash flows generated from operations		(936,580,573)	943,993,360
Special commission received		27,407,035	14,180,272
Net cash flows (used in) from operating activities		(909,173,538)	958,173,632
FINANCING ACTIVITIES			
Proceed from issuance of units		1,385,023,555	1,157,997,591
Payment on redemption of units		(876,289,812)	(1,867,986,938)
Net cash flows from (used in) financing activities		508,733,743	(709,989,347)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS		(400,439,795)	248,184,285
Cash and cash equivalents at beginning of the period		653,571,632	89,915,257
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	8	253,131,837	338,099,542

The accompanying notes 1 to 11 form an integral part of these interim condensed financial statements.

ANB Capital SAR Trade Fund
(Formerly, Al-Mubarak SAR Trade Fund)
(Managed by anb capital Company)
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NOTE TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

At 30 June 2023

1. GENERAL

ANB Capital SAR Trade Fund (Formerly known as Al-Mubarak SAR Trade Fund) (Shariah) (the “Fund”) is an open-ended fund. The investment objective of the Fund is to provide capital preservation and short-term capital growth, through investing in Shariah-compliant conservative investments. The Fund was established on 8 Rajab 1413H (corresponding to 1 January 1993) by Arab National Bank (the “Bank”).

In accordance with the Capital Market Authority's (CMA) decision No.1-83-2005 dated 21 Jumada Awal 1426H (corresponding to 28 June 2005) issued by the CMA Board in connection with the regulations relating to Authorised Persons, the Bank has transferred its asset management operations to the ANB Capital Company (Formerly known as Arab National Investment Company) (the “Fund Manager”), a wholly owned subsidiary of the Bank, effective 1 January 2008. The address of the registered office of the Fund Manager is ANB Capital Company, P.O. Box 220009, Riyadh 11311, Kingdom of Saudi Arabia.

The Fund has appointed AlBilad Investment Company (the “Custodian”) to act as its custodian and registrar. The fees of the custodian and registrar's services are paid by the Fund.

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

On 29 September 2022, the Fund's Board of Directors resolved to change the name of the Fund from Al-Mubarak SAR Trade Fund to ANB Capital SAR Trade Fund (Shariah). The legal procedures for CMA approval for change in the Fund's name were completed on 03 October 2022.

2. REGULATING AUTHORITY

The Fund is governed by the Investment Fund Regulations (the “Regulations”) detailing requirements for all investments funds operating within the Kingdom of Saudi Arabia and published by the Capital Market Authority (the “CMA”) on 3 Dhul Hijja 1427H (corresponding to 24 December 2006). The Regulations were further Amended by Resolution of the Board of the Capital Market Authority Number 2-22-2021 Dated 12 Rajab 1442H (Corresponding to 24 February 2021). The amended regulations were effective from 19 Ramadan 1442H (corresponding to 1 May 2021).

3. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of preparation

These interim condensed financial statements for the six-month period ended 30 June 2023 have been prepared in accordance with International Accounting Standard 34, “Interim Financial Reporting” (“IAS 34”) as endorsed in the Kingdom of Saudi Arabia.

The interim condensed financial statements do not include all the information and disclosures required in annual financial statements and should, therefore, be read in conjunction with the annual financial statements for the year ended 31 December 2022. In addition, result for the six-month period ended 30 June 2023 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2023.

The interim condensed financial statements have been prepared on a historical cost basis, using the accrual basis of accounting except for financial assets held at fair value through profit or loss that are measured at fair value. These interim condensed financial statements are presented in Saudi Riyals (“SR”), which is the Fund's functional currency.

3.2 Significant accounting policies

The significant accounting policies adopted in the preparation of these interim condensed financial statements are consistent with those followed in the preparation of the financial statements for the year ended 31 December 2022, except for the new standards and amendments effective from 1 January 2023.

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NOTE TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)
At 30 June 2023

3. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 New standards, interpretations and amendments (continued)

3.2.1 New standards and amendments adopted by the Fund

The following new and amended IFRSs, which became effective for annual periods beginning on or after 1 January 2023, have been adopted in these financial statements.

Standard, interpretation and amendments	Description	Effective date
Narrow scope amendments to IAS 1, Practice statement 2 and IAS 8	The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish between changes in accounting estimates and changes in accounting policies.	Annual periods beginning on or after 1 January 2023
IFRS 17, 'Insurance contracts', as amended in December 2021	This standard replaces IFRS 4, which previously permitted a wide variety of practices in accounting for insurance contracts. IFRS 17 fundamentally changes 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
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

3.2.2 Significant standards issued but not yet effective

Standard, interpretation and amendments	Description	Effective date
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.	Deferred until accounting periods starting not earlier than 1 January 2024
Amendments to IAS 1, Non-current Liabilities with Covenants	Non-current Liabilities with Covenants amends IAS 1 Presentation of Financial Statements. The amendments improve the information an entity provides when its right to defer settlement of a liability for at least twelve months is subject to compliance with covenants. The amendments also respond to stakeholders' concerns about the classification of such a liability as current or non-current.	Annual periods beginning on or after 1 January 2024
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
Amendment to IFRS 16, Lease Liability in a Sale and Leaseback	Lease Liability in a Sale and Leaseback amends IFRS 16 by adding subsequent measurement requirements for sale and leaseback transactions.	Annual periods beginning on or after 1 January 2024
Amendments to IAS 7 and IFRS 7	Disclosures enhancement for supplier finance arrangements on the entity's liabilities.	Annual periods beginning on or after 1 January 2024

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES, AND ASSUMPTIONS

The significant accounting judgements, estimates and assumptions used in preparation of interim condensed financial statements are consistent with those used in preparation of the Fund's annual financial statements for the year ended 31 December 2022.

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NOTE TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)
At 30 June 2023

5. INVESTMENTS IN SUKUKS AT AMORTIZED COST

Name of sukuk	Commission rate	Maturity date	30 June 2023 SR (Unaudited)	31 December 2022 SR (Audited)
Al Rajhi Bank – Tire I	9 month SIBOR plus 3.5%	23 January 2027	38,000,000	38,000,000
Bank AlJazira - Tier II Sukuk	6 month SIBOR plus 1.55%	8 December 2031	10,000,000	20,000,000
Riyad Bank - Tier II Sukuk Series I	6 month SIBOR plus 1.5%	9 February 2031	5,000,000	10,000,000
Bank AlBilad - Tier II Sukuk	3 month SIBOR plus 1.65%	15 April 2031	3,000,000	6,000,000
Saudi Alawwal Bank-Tier II Sukuk	6 month SIBOR plus 1.95%	22 July 2030	5,000,000	5,000,000
			61,000,000	79,000,000

Investments in sukuk at amortised cost are subject to allowance for expected credit losses (ECL) as per IFRS 9. The management has assessed that allowance for ECL is not significant as of 30 June 2023 and as of 31 December 2022 as these sukuk are stage 1, issued by high credit rating financial institutions in the Kingdom of Saudi Arabia and there has been no history of default with any of the Fund's investments in sukuk.

6. MURABAHA PLACEMENTS AT AMORTIZED COST

	30 June 2023 SR (Unaudited)	31 December 2022 SR (Audited)
Murabaha placements with original maturities more than three months	1,417,000,000	467,000,000
Murabaha placements with original maturities of three months or less (note 7)	252,400,000	650,000,000
	1,669,400,000	1,117,000,000

Murabaha placements are an Islamic mode of money market placements with financial institutions in the Kingdom of Saudi Arabia and the rest of the Middle East. Murabaha placements earn commission at average rate 5.89% per annum (31 December 2022: 4.80%) and have average original maturities period of 163 days as of 30 June 2023 (31 December 2022: 90 days).

Murabaha placements carried at amortised cost are subject to allowance for expected credit losses (ECL) as per IFRS 9. The management has assessed that allowance for ECL is not significant as of 30 June 2023 and as of 31 December 2022 as these Murabaha placements are stage 1, placed with high credit rating financial institutions (both within and outside the Kingdom of Saudi Arabia) and there has been no history of default with any of the Fund's investments in Murabaha placements.

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NOTE TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)

At 30 June 2023

7. CASH AND CASH EQUIVALENTS

	30 June 2023 SR (Unaudited)	31 December 2022 SR (Audited)
Bank balance with custodian	731,837	3,571,632
Murabaha placements with original maturities of three months or less (note 6)	252,400,000	650,000,000
	253,131,837	653,571,632

8. TRANSACTIONS WITH RELATED PARTIES

As per the agreement, the Fund is required to pay a management fee at the maximum rate of 0.2% per annum calculated based on the total net asset value at each valuation date. In addition, the Fund manager also charges other fees at a maximum rate of 0.50% per annum calculated based on the total net asset value at each valuation date to meet other expenses of the Fund.

The management fees amounting to SR 1,378,860 (30 June 2022: SR 2,316,989) and other fees amounting to SR 293,801 (30 June 2022: SR 493,720), reflected in the interim condensed statement of comprehensive income, represent the fees charged by the Fund Manager during the period as described above.

The management and other fees payable to the Fund Manager at the period end are disclosed in the interim condensed statement of financial position.

The Bank (parent of the Fund Manager) acts as the Fund's banker. During the period, the Fund has not earned any special commission (30 June 2022: SR 1,452,982) on the Murabaha placements made with the Bank.

The Unitholders' account at 30 June included units held as follows:

	30 June 2023 Units	31 December 2022 Units
Fund Manager	1,331,093	675,468
Funds managed by the Fund Manager	3,048,922	5,417,321
Held by employees of the Bank	393,047	30,340
	4,773,062	6,123,129

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NOTE TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)

At 30 June 2023

9. MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The table below shows an analysis of assets and liabilities according to when they are expected to be recovered or settled respectively:

<i>As at 30 June 2023(Unaudited)</i>	<i>Within 12 months SR</i>	<i>More than one year SR</i>	<i>Total SR</i>
ASSETS			
Investments in Sukuk at amortized cost	-	61,000,000	61,000,000
Murabaha placements at amortized cost	1,669,400,000	-	1,669,400,000
Accrued special commission income	17,130,465	-	17,130,465
Bank balance with custodian	731,837	-	731,837
TOTAL ASSETS	1,687,262,302	61,000,000	1,748,262,302
LIABILITIES			
Management fees payable and accrued expenses	941,979	-	941,979
TOTAL LIABILITIES	941,979	-	941,979
<i>As at 31 December 2022 (Audited)</i>	<i>Within 12 months SR</i>	<i>More than one year SR</i>	<i>Total SR</i>
ASSETS			
Investments in Sukuk at amortized cost	-	79,000,000	79,000,000
Murabaha placements at amortized cost	1,117,000,000	-	1,117,000,000
Accrued special commission income	6,586,447	-	6,586,447
Bank balance with custodian	3,571,632	-	3,571,632
TOTAL ASSETS	1,127,158,079	79,000,000	1,206,158,079
LIABILITIES			
Management fees payable and accrued expenses	887,459	-	887,459
Redemption payable	3,120,703	-	3,120,703
TOTAL LIABILITIES	4,008,162	-	4,008,162

10. LAST VALUATION DAY

The last valuation published day of the period was 22 June 2023 (2022: 29 December 2022).

11. APPROVAL OF INTERIM CONDENSED FINANCIAL STATEMENTS

The interim condensed financial statements were approved by the Fund's management on 23 Muharram 1445H (corresponding to 10 August 2023).