

**ANB Capital Balanced Fund**  
**(Formerly, Al-Arabi Balanced 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 BALANCED FUND (FORMERLY, AL-ARABI BALANCED 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 Balanced Fund (Formerly, Al Arabi Balanced 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)

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INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION

As at 30 June 2023

		<i>30 June 2023 (Unaudited) USD</i>	<i>31 December 2022 (Audited) USD</i>
	<i>Note</i>		
<b>ASSETS</b>			
Financial assets at fair value through profit or loss (FVTPL)	5	<b>4,199,847</b>	7,364,710
Cash and cash equivalent with custodian		<b>16,877</b>	22,146
<b>TOTAL ASSETS</b>		<b>4,216,724</b>	7,386,856
<b>LIABILITIES</b>			
Accrued expenses		<b>5,933</b>	5,819
<b>TOTAL LIABILITIES</b>		<b>5,933</b>	5,819
<b>EQUITY ATTRIBUTABLE TO THE UNITHOLDERS (TOTAL EQUITY)</b>		<b>4,210,791</b>	7,381,037
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>4,216,724</b>	7,386,856
Redeemable units in issue		<b>167,369</b>	327,256
Net asset value attributable to each unit		<b>25.16</b>	22.55

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The accompanying notes 1 to 10 form an integral part of these interim condensed financial statements.

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**INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)**

For the six-month period ended 30 June 2023

	<i>Note</i>	<b>30 June 2023 USD</b>	<b>30 June 2022 USD</b>
<b>INCOME</b>			
Net realized gain on disposal of financial assets at FVPTL	5	<b>189,472</b>	176,675
Net movement in unrealized gain (loss) on financial assets at FVPTL	5	<b>355,792</b>	(403,424)
Other income		-	1,049
<b>TOTAL INCOME</b>		<b>545,264</b>	(225,700)
<b>EXPENSE</b>			
Other expenses	6	<b>(11,826)</b>	(23,020)
<b>TOTAL EXPENSE</b>		<b>(11,826)</b>	(23,020)
<b>NET INCOME (LOSS) FOR THE PERIOD</b>		<b>533,438</b>	(248,720)
<b>OTHER COMPREHENSIVE INCOME FOR THE PERIOD</b>		-	-
<b>TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD</b>		<b>533,438</b>	(248,720)

The accompanying notes 1 to 10 form an integral part of these interim condensed financial statements.

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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

	<i>30 June 2023 USD</i>	<i>30 June 2022 USD</i>
<b>EQUITY ATTRIBUTABLE TO THE UNITHOLDERS AT THE BEGINNING OF THE PERIOD</b>	<b>7,381,037</b>	7,167,526
<b>NET INCOME AND TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD</b>	<b>533,438</b>	(248,720)
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>7,914,475</b>	6,918,806
<b>ISSUANCE AND REDEMPTIONS OF UNITS</b>		
Issuance of units during the period	<b>39,442</b>	11,107,100
Redemptions of units during the period	<b>(3,743,126)</b>	(4,524,527)
Net changes from units transactions	<b>(3,703,684)</b>	6,582,573
<b>EQUITY ATTRIBUTABLE TO THE UNITHOLDERS AT THE END OF THE PERIOD</b>	<b>4,210,791</b>	13,501,379

**REDEEMABLE UNIT TRANSACTIONS**

Transactions in redeemable units made during the period ended are summarised, as follows:

	<i>30 June 2023 Units</i>	<i>30 June 2022 Units</i>
<b>UNITS AT BEGINNING OF THE PERIOD</b>	<b>327,256</b>	326,428
Issuance of units during the period	<b>1,299</b>	471,371
Redemptions of units during the period	<b>(161,186)</b>	(197,577)
Net changes in units	<b>167,369</b>	600,222
<b>UNITS AT THE END OF THE PERIOD</b>	<b>167,369</b>	600,222

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

For the six-month period ended 30 June 2023

	<b>30 June 2023 USD</b>	<b>30 June 2022 USD</b>
<b>OPERATING ACTIVITIES</b>		
Net income (loss) for the period	<b>533,438</b>	(248,720)
Adjustments to reconcile net income to net cash flows:		
Net movement in unrealized (gain) loss on financial assets at FVTPL	<b>(355,792)</b>	403,424
	<b>177,646</b>	154,704
Working capital changes:		
Financial assets at fair value through profit or loss (FVTPL)	<b>3,520,655</b>	(6,505,675)
Accrued expenses	<b>114</b>	119
Net cash flows from (used in) operating activities	<b>3,698,415</b>	(6,350,852)
<b>FINANCING ACTIVITIES</b>		
Proceeds from issuance of units	<b>39,442</b>	11,107,100
Payment on redemption of units	<b>(3,743,126)</b>	(4,524,527)
Net cash flows (used in) from financing activities	<b>(3,703,684)</b>	6,582,573
<b>NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(5,269)</b>	231,721
Cash and cash equivalents at beginning of the period	<b>22,146</b>	138,822
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	<b>16,877</b>	370,543

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

At 30 June 2023

**1. GENERAL**

ANB Capital Balanced Fund (Formerly, Al-Arabi Balanced Fund) (the “Fund”) is an open-ended fund. The objective of the Fund is to achieve mid-term positive returns and to balance risk by investing in a range of mutual funds. Given the distribution of the fund’s assets, the fund is considered a moderate risk investment, designed for investors seeking to invest in mid-term investments. The Fund was established on 3 Rabi Awal 1422H (corresponding to 26 May 2001) by Arab National Bank (the “Bank”) which is now managed by anb capital Company (Formerly, Arab National Investment Company) (the “Fund Manager”). The address of the Fund Manager is 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 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-Arabi Balanced Fund to ANB Capital Balanced Fund. 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 2021G (the “Amended Regulations”). The amended regulations are effective from 19 Ramadan 1442, corresponding to 1 May 2021).

**3. BASIS OF PREPARATION AND CHANGES TO 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 the United States Dollars (“USD”), which is the Fund’s functional currency.

**3.2 New standards and amendments to standards**

**3.2.1 New standards and amendments adopted by the Fund**

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

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

**3. BASIS OF PREPARATION AND CHANGES TO ACCOUNTING POLICIES (continued)**

**3.2 New standards and amendments to standards (continued)**

**3.2.1 New standards and amendments adopted by the fund (continued)**

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

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

**4. SIGNIFICANT ACCOUNTING JUDGEMENT, ESTIMATE 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.

**5. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (FVTPL)**

The composition of the financial asset at fair value through profit and loss is summarised below:

<i>Funds</i>	<i>30 June 2023 (Unaudited)</i>			
	<i>% of market value</i>	<i>Cost USD</i>	<i>Market value USD</i>	<i>Unrealized gain USD</i>
ANB Capital SAR Trade Fund (Shariah)	30.62%	1,222,245	1,286,128	63,883
ANB Capital Saudi Equity Fund (Shariah)	14.80%	490,680	621,758	131,078
ANB Capital Saudi Equity Fund	11.37%	366,556	477,596	111,040
ANB Capital Pure Saudi Equity Fund (Shariah)	16.03%	683,639	673,211	(10,428)
ANB Capital IPO Fund (Shariah)	10.50%	327,050	441,031	113,981
Riyadh Capital Global Equity Fund	9.42%	373,256	395,459	22,203
ANB Capital USD Trade Fund (Shariah)	7.26%	290,556	304,664	14,109
	<b>100.00%</b>	<b>3,753,982</b>	<b>4,199,847</b>	<b>445,866</b>

<i>Funds</i>	<i>31 December 2022 (Audited)</i>			
	<i>% of market Value</i>	<i>Cost USD</i>	<i>Market value USD</i>	<i>Unrealised gain USD</i>
ANB Capital SAR Trade Fund (Shariah)	38.47%	2,762,119	2,831,751	69,632
ANB Capital Saudi Equity Fund (Shariah)	13.75%	931,083	1,012,970	81,887
ANB Capital IPO Fund (Shariah)	10.87%	752,337	800,910	48,573
Riyadh Capital Global Equity Fund	10.01%	903,484	737,568	(165,916)
ANB Capital Pure Saudi Equity Fund (Shariah)	9.64%	614,788	710,157	95,369
ANB Capital Saudi Equity Fund	9.16%	728,257	674,777	(53,480)
ANB Capital USD Trade Fund (Shariah)	8.10%	582,568	596,577	14,009
	<b>100%</b>	<b>7,274,636</b>	<b>7,364,710</b>	<b>90,074</b>

The movements in the financial assets at fair value through profit or loss (FVTPL) during the period, are as follows:

	<i>30 June 2023 (Unaudited) USD</i>	<i>30 June 2022 (Unaudited) USD</i>
Balance at beginning of the period	7,364,710	7,035,124
Net purchases (sales) during the period	(3,710,127)	6,329,000
Net realized gain during the period	189,472	176,675
Net unrealized gain (loss) during the period	355,792	(403,424)
Balance at end of the period	<b>4,199,847</b>	<b>13,137,375</b>

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)  
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**6. TRANSACTIONS WITH RELATED PARTIES**

A subscription fee of 2% may be charged to the subscribers by the Fund Manager upon subscription. As per the revised terms and conditions, dated 23 February 2016, the Fund Manager will not charge management fees to the Fund with effect from 1 January 2016. Accordingly, no management fee has been charged in the statement of comprehensive income for the period ended 30 June 2023 (2022: nil).

The Fund Manager charges other fees at a maximum rate of 1.5% per annum calculated based on the total net asset value at each valuation date to meet other expenses of the Fund.

Other expenses amounting to USD 11,826 (2022: USD 36,201) reflected in the statement of comprehensive income, represent the expenses charged by the Fund Manager during the period as prescribed above.

**7. FAIR VALUE OF FINANCIAL INSTRUMENTS**

The Fund measures its investments in financial instruments, such as equity instruments, at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Fund. The fair value of an asset or a liability is measured using the 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 for financial instruments traded in active markets at the reporting date is based on their quoted price (bid price for long positions and ask price for short positions), without any deduction for transaction costs.

The Fund measures financial instruments at fair value at each reporting date.

The Fund has only investments at fair value through profit or loss which is measured at fair values and are classified within level 2 of the fair value hierarchy. All other financial assets and liabilities are classified as amortized cost and management believes that the fair value of all other financial assets and liabilities at the reporting date approximate their carrying values owing to their short-term tenure and the fact that these are readily liquid. These are all classified within level 2 of the fair value hierarchy. There were no transfers between various levels of fair value hierarchy during the current period or prior year.

**FAIR VALUE HIERARCHY**

The following table provides the fair value measurement hierarchy of the Fund's financial assets as at 30 June 2023 and 31 December 2022. There are no financial liabilities measured at fair value.

		<i>Fair value measurement using</i>		
		<i>Quoted prices in</i>	<i>Significant</i>	<i>Significant</i>
		<i>active markets</i>	<i>observable</i>	<i>unobservable</i>
	<i>Total</i>	<i>(Level 1)</i>	<i>inputs</i>	<i>inputs</i>
	<i>USD</i>	<i>USD</i>	<i>(Level 2)</i>	<i>(Level 3)</i>
			<i>USD</i>	<i>USD</i>
<i>As at 30 June 2023</i>				
<i>Financial assets measured at fair value</i>				
Investments at FVTPL	<b>4,199,847</b>	-	<b>4,199,847</b>	-
<i>As at 31 December 2022</i>				
<i>Financial assets measured at fair value</i>				
Investments at FVTPL	7,364,710	-	7,364,710	-

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

**8. MATURITY ANALYSIS OF ASSETS AND LIABILITY**

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

<i>As at 30 June 2023 (Unaudited)</i>	<i>Within 12 months USD</i>	<i>After 12 months USD</i>	<i>Total USD</i>
<b>ASSETS</b>			
Financial assets at fair value through profit or loss (FVTPL)	4,199,847	-	4,199,847
Cash and cash equivalent with custodian	16,877	-	16,877
<b>TOTAL ASSETS</b>	<b>4,216,724</b>	<b>-</b>	<b>4,216,724</b>
<b>LIABILITIES</b>			
Accrued expenses	5,933	-	5,933
<b>TOTAL LIABILITIES</b>	<b>5,933</b>	<b>-</b>	<b>5,933</b>
 <i>As at 31 December 2022 (Audited)</i>	 <i>Within 12 months USD</i>	 <i>After 12 months USD</i>	 <i>Total USD</i>
<b>ASSETS</b>			
Financial assets at fair value through profit or loss (FVTPL)	7,364,710	-	7,364,710
Cash and cash equivalent with custodian	22,146	-	22,146
<b>TOTAL ASSETS</b>	<b>7,386,856</b>	<b>-</b>	<b>7,386,856</b>
<b>LIABILITIES</b>			
Accrued expenses	5,819	-	5,819
<b>TOTAL LIABILITIES</b>	<b>5,819</b>	<b>-</b>	<b>5,819</b>

**9. LAST VALUATION DAY**

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

**10. 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).