

CONFIDENTIAL

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## Pillar III Disclosure

22<sup>nd</sup> March 2018

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## 1. Purpose of the report

The purpose of this Document is to disclose the required information under Pillar III – Disclosure and Reporting of the Prudential Rules (**PR**) issued by the Capital Markets Authority of the Kingdom of Saudi Arabia (**CMA**).

This report is intended to meet the specific qualitative and quantitative disclosure requirements of the PR's, under Chapter 21 and Chapter 22 as well as the suggested format for the Pillar III Disclosure issued by the CMA.

This Disclosure is based on the audited and approved financial statements of the Company for the year ending 31 December 2017. This Disclosure has been reviewed and approved by the Management and the Board of Directors of the Company and is available on the Company website.

## 2. Specific Disclosure Requirements

### 2.1 Scope of Application

Global Investment House – Saudi (**Authorized Person** or **AP** or **Company** or **Global Saudi**), is a Saudi Joint Stock Company registered with the CMA under license number 37-07068 dated 2 Jumada Al Thani 1428H (corresponding to 17 June 2007). The objectives of the Company are to act as principal and/or to provide underwriting, portfolio management, investment fund management, arranging, advisory, and custodial services. In 2017 the Company has obtained a license from CMA to act as an agent to register and market foreign funds.

Global Saudi is a subsidiary of Global Investment House, Kuwait (**Parent Company** or **Global Kuwait**). Global Saudi is fully supported by its Parent Company. The Department Heads of Global Saudi liaise closely with their counterparts in the Parent Company.

Global Saudi itself does not have any subsidiaries in the Kingdom of Saudi Arabia or outside and as such, the issue of current or unforeseen material/legal impediments regarding the transfer of capital/liabilities among the AP and its subsidiaries is not applicable.

### 2.2 Capital Structure

#### a. Qualitative Disclosures

Global Saudi maintains its capital in line with the applicable laws, regulations and guidelines issued by the various Regulatory Authorities of the Kingdom of Saudi Arabia. Global Saudi's capital base is maintained in accordance with the requirements of the applicable laws & regulations of Saudi Arabia and those dictated by the risk appetite of the Company. There are no additional terms, conditions, limitations or requirements on the capital base.

**2.3 Quantitative Disclosures** (Some numbers have been rounded off for ease of presentation)

Capital Base	SAR
<b>Tier-1 capital</b>	
Paid-up capital	50,000,000
Audited retained earnings	4,125,209
Share premium	-
Reserves (other than revaluation reserves)	645,736
Investment Revaluation (Loss) Reserve	(2,851,179)
Tier-1 capital contribution	-
Deductions from Tier-1 capital	-
<b>Total Tier-1 capital</b>	<b>51,919,766</b>
<b>Tier-2 capital</b>	
Subordinated loans	-
Cumulative preference shares	-
Other deductions from Tier-2 (-)	-
Deduction to meet Tier-2 capital limit (-)	-
<b>Total Tier-2 capital</b>	<b>-</b>
<b>Total Capital Base</b>	<b>51,919,766</b>

Table 1 - Capital Base

**3. Capital Adequacy****3.1 Qualitative Disclosures**

Global Saudi's total capital base as of 31 December 2017 is SAR 51,919,766.

Based on the requirements set out in the PR's, Global Saudi has calculated SAR 29,160,959 as its Minimum Capital Requirement for Credit Risk, Market Risk and Operational Risk. This implies surplus capital of SAR 22,758,807. Global Saudi has more than the required level of capital to manage its risks in normal market conditions. This assessment has been undertaken in purview of the PR's issued by the CMA. The results have been collated to enable review and challenge by Risk Management department (**RM**) of the Parent Company.

The Company prepares a monthly Capital Adequacy Model Report as per CMA requirements, which helps the Company be aware of any significant changes or stresses in the Company's capital position and assess any potential need to increase capital. Given the nature of the Company's business, the following are the Minimum Capital Requirements for:

- i. Credit Risk (Risks in non-trading activities and inclusive of associated prohibited exposure capital requirements) – SAR 26,670,726
- ii. Market Risk (Foreign exchange risk only) – SAR 26
- iii. Operational Risk (Expenditure based approach) – SAR 2,490,207

As of 31 December, 2017, there is no exposure arising from commodities or the trading book and hence, capital has not been allocated for the same.

**3.2 Quantitative Disclosures** (Some numbers may have been rounded off for ease of presentation)

Exposure Class	Exposures before CRM SAR	Net Exposures after CRM SAR	Risk Weighted Assets SAR	Capital Requirement SAR
<b>Credit Risk</b>				
<i>On-balance Sheet Exposures</i>	-	-	-	-
Governments and Central Banks	-	-	-	-
Authorized Persons and Banks (Incl. Portfolio Management)	12,605,868	-	5,304,729	742,662
Corporates	27,683	-	197,657	27,672
Retail	-	-	-	-
Investments (AFS incl. Listed Equities and Funds)	46,085,612	-	69,128,419	9,677,979
Securitization	-	-	-	-
Margin Financing	-	-	-	-
Other Assets (Incl. Tangible Assets, Deferred Expenditure and Accrued Income, Cash in Hand and other exposures)	972,950	-	5,471,104	765,955
<b>Total On-Balance sheet Exposures</b>	<b>59,692,113</b>		<b>80,101,908</b>	<b>11,214,267</b>
<i>Off-balance Sheet Exposures</i>	-	-	-	-
OTC/Credit Derivatives	-	-	-	-
Repurchase agreements	-	-	-	-
Securities borrowing/lending	-	-	-	-
Commitments	-	-	-	-
Other off-balance sheet exposures	-	-	-	-
<b>Total Off-Balance sheet Exposures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total On and Off-Balance sheet Exposures</b>	<b>59,692,113</b>		<b>80,101,908</b>	<b>11,214,267</b>
<b>Prohibited Exposure Risk Requirement</b>	<b>19,575,050</b>		<b>110,403,280</b>	<b>15,456,459</b>
<b>Total Credit Risk Exposures (a)</b>	<b>79,267,163</b>		<b>190,505,188</b>	<b>26,670,726</b>
<b>Market Risk</b>	<b>Long Position</b>	<b>Short Position</b>		
Interest Rate risks	-	-		-
Equity Price risks	-	-		-
Risks related to investment funds	-	-		-
Securitization /Re-securitization positions	-	-		-
Excess Exposure Risks	-	-		-
Settlement risks and Counterparty Risk	-	-		-
Foreign Exchange Rate Risk	1,281	-		26
Commodities Risk	-	-		-
<b>Total Market Risk Exposures (b)</b>	<b>1,281</b>	<b>-</b>		<b>26</b>
<b>Operational Risk (c)</b>				<b>2,490,207</b>
<b>Minimum Capital Requirements (a)+(b)+(c)</b>				<b>29,160,959</b>
<b>Surplus/(Deficit) in capital</b>				<b>22,758,807</b>
<b>Total Capital ratio (times)</b>				<b>1.78</b>

Table 2 – Capital Adequacy

#### **4. Risk Management**

##### **4.1 General Qualitative Disclosure for Risks**

- a. Global Saudi's risk management activities are undertaken by the Risk Management Department (RM or Risk Management Department of the Parent Company – Global Kuwait).
- b. The Risk Management process implemented by RM comprises the following:
  - i. Risk Identification
  - ii. Risk Measurement
  - iii. Risk Mitigation
  - iv. Risk Monitoring and Reporting
- c. The above is effected through a Board approved risk management manual, that covers the key financial & non-financial risks that the Company may face. In addition, an appropriate risk appetite statement also exists for the Company.
- d. RM reports to the CEO of the Company and has unrestricted access to the Board of Directors of the Company and Board of Directors of the Parent Company to ensure that key risk concerns identified during its processes are escalated to the highest levels.
- e. Given the scale and size of the Company, the risk related processes undertaken by RM for the Company are facilitated by a local risk coordinator.
- f. The Company has an in-house Compliance Department that reports directly to the Compliance Committee of the Company.
- g. In undertaking its responsibilities, the Compliance Department has unrestricted access to the CEO and the Board of the Company.
- h. The Company's Compliance Committee is responsible for implementation of compliance programs, policies and procedures that are designed to respond to the various compliance and regulatory risks facing the Company.

##### **4.2 Credit Risk Disclosure**

###### **a. Qualitative Disclosures**

Given the nature of the business and the financial position of the Company, credit risk for Global Saudi arises primarily out of the deposits placed with banks, corporates and other authorized persons (portfolio managers and related parties). Since the Company does not undertake any lending activities, default risk is not applicable to the Company. The Company has past due items of SAR 597,474, of this SAR 110,054 is on account of rent receivable from a tenant, while the remainder is on account of management fee due from a client, which has been fully provided for. Apart from the deposits with banks,

a significant source of credit risk arises from the Available for Sale (AFS) investments held by the Company. These AFS investments include investments in the Company's own funds, some Tadawul listed equities and other AFS exposure in terms of investments in a money market fund. This aspect of the Company's credit risk is subject to monthly review and monitoring by RM. RM reports its analysis, along with key risk concerns with the Management of the Company as well as Senior Management of the Parent Company monthly. Additionally, exposures to other authorized persons, corporates, cash and all other forms are monitored by the Company.

The following is an overview of the Company's credit risk exposure classes along with the Credit Rating Agencies (CRA) used and the credit quality steps:

Exposure Class	Nature of Exposure	CRA	Credit Quality Step	Risk Weight
Cash in Hand and Equivalent	Cash in Hand	Unrated	Not Applicable	0%
Authorized Persons, Banks and Foreign Equivalents	Cash Deposited with local banks	Unrated	1*	20%
Holdings of Listed Equity	Investments in Tadawul listed equities	Unrated	Not Applicable	150%
Investment in Funds	Exposures to unrated investment funds	Unrated	Not Applicable	150%
Other Authorized Persons	Deposit with Portfolio Manager and Related Parties.	Unrated	Not Applicable	150%
Tangible Assets	Fixed assets of the Company	Unrated	Not Applicable	300%
Deferred Expenditure and Accrued Income	Accrued Income and Prepayments	Unrated	Not Applicable	300%
Prohibited Exposures	Exposures in Funds exceeding 25% of the Capital Base	Unrated	Not Applicable	564%**
Corporates	Advances to various suppliers	Unrated	Not Applicable	714%
Exposure in other forms	Past due items and other assets	Unrated	Not Applicable	714%

**Table 3 – Credit Risk Exposure Mapping**

\*NB 1: In line with Annexure 3 (Section 7) of the PR's

\*\*NB 2: 714%-150% = 564% (Differential Risk Weights for Prohibited Exposure in Funds)

Given the absence of ratings by CRA's, the Company has considered its exposure to its own funds as unrated, as of 31 December 2017. Also, given that none of the other exposures are rated, the Company has referred to the individual requirements under the PR's for unrated exposures, to assign the risk weights.

**4.3 Quantitative Disclosures** (Some numbers may have been rounded off for ease of presentation)

The Company has also calculated its gross average credit exposures through the year. The exposures have been calculated on the basis of the monthly Capital Adequacy Models submitted to the CMA. The average exposures disclosed in **Table 5** below are the average of the Company's credit risk positions at the end of each financial quarter. The Company believes that the exposures at the end of each financial quarter are a reasonable representation of the Company's operations through the year.

The exposures of the Company are not contract bound and hence, residual contractual maturity is not applicable for any of the exposures.

In terms of geographic distribution, it should be noted that entire credit risk exposure of the Company lies within Kingdom of Saudi Arabia. Also, given the nature of these exposures, credit protection arrangements such as netting and collateral and issues pertaining to impairment and exposure specific provisions are not applicable to either gross or average exposures as shown in **Table 4** and **Table 5** respectively.



PILLAR III DISCLOSURE - GLOBAL INVESTMENT HOUSE, SAUDI

Risk Weights	Exposures after netting and credit risk mitigation (Some numbers may have been rounded off for ease of presentation)												Total Exposure after netting and Credit Risk Mitigation SAR	Total Risk Weighted Assets SAR
	Governments and central banks SAR	Administrative bodies and NPO SAR	Authorized persons and banks SAR	Margin Financing SAR	Corporates SAR	Retail SAR	Past due items SAR	Investments (AFS Investments) SAR	Securitization SAR	Other assets SAR	Off-balance sheet commitments SAR			
0%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20%	-	-	10,464,671	-	-	-	-	-	-	-	-	-	10,464,671	2,092,934
50%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
100%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
150%	-	-	2,141,196	-	-	-	-	46,085,612	-	-	-	-	48,226,809	72,340,213
200%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
300%	-	-	-	-	-	-	-	-	-	356,464	-	-	356,464	1,069,392
400%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
500%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
714% (include prohibited exposure)	-	-	-	-	27,683	-	597,474	19,575,050	-	19,013	-	-	20,219,219	115,002,651
Average Risk Weight	-	-	42%	-	714%	-	714%	273%	-	321%	-	-	-	240%
Deduction from Capital Base	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Table 4 – Credit Risk Positions as of 31 December 2017

\*NB: Risk weight assigned as 564% in line with prohibited exposure in AFS Investments

PILLAR III DISCLOSURE - GLOBAL INVESTMENT HOUSE, SAUDI

Risk Weights	Exposures after netting and credit risk mitigation (Some numbers may have been rounded off for ease of presentation)												Total Exposure after netting and Credit Risk Mitigation SAR	Total Risk Weighted Assets SAR
	Governments and central banks SAR	Administrative bodies and NPO SAR	Authorized persons and banks SAR	Margin Financing SAR	Corporates SAR	Retail SAR	Past due items SAR	Investments (AFS Investments) SAR	Securitization SAR	Other assets SAR	Off-balance sheet commitments SAR			
0%	-	-	-	-	-	-	-	-	-	5,000	-	-	5,000	-
20%	-	-	15,998,901	-	-	-	-	-	-	-	-	-	15,998,901	3,199,780
50%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
100%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
150%	-	-	2,853,980	-	-	-	-	39,014,254	-	-	-	-	41,868,234	62,802,351
200%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
300%	-	-	-	-	-	-	-	-	-	356,485	-	-	356,485	1,069,454
400%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
500%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
714% (include prohibited exposure)	-	-	-	-	134,223	-	597,474**	14,539,640	-	7,262	-	-	15,278,599	84,080,263
Average Risk Weight	-	-	40%	-	714%	-	714%	262%	-	304%	-	-	-	206%
Deduction from Capital Base	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Table 5 – Credit Risk Average Positions for 2017

\*NB: Risk weight assigned as 564% in line with prohibited exposure in AFS Investments

\*\*A significant portion of this exposure was classified as past due only in Q4 2017, hence, it has not been averaged across 4 quarters.

It should be noted that none of the above exposures were assigned either long term or short term ratings by CRA's.

Additionally, since credit risk protection is not applicable for these exposures, they should be considered as gross exposures as of 31 December 2017.

Exposure Class	Exposures by Short Term/Long Term Ratings by CRA's (Some numbers may have been rounded off for ease of presentation)		
	Credit quality step	Unrated	
	S&P	Unrated	
	Fitch	Unrated	
	Moody's	Unrated	
	Capital Intelligence	Unrated	
<b>On and Off-balance-sheet Exposures*</b>			
Governments and Central Banks		-	
Authorized Persons and Banks		<b>12,605,868</b>	
Corporates		<b>27,683</b>	
Retail	<b>None of the Counterparties of the Company were assigned either Long Term or Short Term Ratings by any CRA's. Hence, all exposures have been considered unrated</b>	-	
Investments		<b>46,085,612</b>	
Securitization		-	
Margin Financing		-	
Other Assets		<b>972,950**</b>	
<b>Total</b>		-	<b>59,692,113***</b>

\*NB: There were no Off-Balance-Sheet exposures

\*\*Includes - Tangible Assets, Deferred Expenditure and Accrued Income, Cash in Hand, other exposure and Past Due Claims

\*\*\* Excludes prohibited exposures of SAR 19,575,050. Total exposures including Prohibited Exposures is SAR 79,267,163

**Table 6 – Credit Risk's Rated Exposure**

**1.1 Credit Risk Mitigation Exposure** (Some numbers may have been rounded off for ease of presentation)

Given the Company's overall business activities and nature of Credit Risk exposure, Credit Risk Mitigation techniques are not applicable for the management of Credit Risk. Consequently, as of 31 December 2017, there was no additional impact of Credit Risk Mitigation on the Credit Risk of the Company. Additionally, the Company does not have any Off-Balance Sheet exposures as of 31 December 2017.

Exposure Class	Exposures before CRM SAR	Exposures covered by Guarantees/ Credit derivatives SAR	Exposures covered by Financial Collateral SAR	Exposures covered by Netting Agreement SAR	Exposures covered by other eligible collaterals SAR	Exposures after CRM SAR
<b>Credit Risk</b>						
<i>On-balance Sheet Exposures</i>						
Governments and Central Banks	-	-	-	-	-	-
Authorized Persons and Banks	12,605,868	-	-	-	-	12,605,868
Corporates	27,683	-	-	-	-	27,683
Retail	-	-	-	-	-	-
Investments	46,085,612	-	-	-	-	46,085,612
Securitization	-	-	-	-	-	-
Margin Financing	-	-	-	-	-	-
Other Assets	972,950	-	-	-	-	972,950
<b>Total On-Balance sheet Exposures</b>	<b>59,692,113</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>59,692,113</b>
<i>Off-balance Sheet Exposures</i>						
OTC/Credit Derivatives	-	-	-	-	-	-
Exposure in the form of repurchase agreements	-	-	-	-	-	-
Exposure in the form of securities lending	-	-	-	-	-	-
Exposure in the form of commitments	-	-	-	-	-	-
Other Off-Balance sheet Exposures	-	-	-	-	-	-
<b>Total Off-Balance sheet Exposures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total On and Off-Balance sheet Exposures</b>	<b>59,692,113*</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>59,692,113*</b>

Table 7 – Credit Risk's Mitigation

\* Excludes prohibited exposures of SAR 19,575,050. Total exposures including Prohibited Exposures is SAR 79,267,163

## 1.2 Counterparty Credit Risk (CCR) and Off-Balance Sheet Disclosure

As of 31 December 2017, Global Saudi did not have exposure to Counterparties via OTC derivatives, repos and reverse repos and securities borrowing / lending. Additionally, the Company also did not have any exposure to FX contracts, interest rate contracts, equity contracts, commodity contracts or derivative products such as credit default swaps, total return swaps, credit options etc.

Hence, the Company has not undertaken any assessment of its Minimum Capital Requirements under Counterparty Credit Risk and Off Balance Sheet items.

## 1.3 Market Risk Disclosure

### a. Qualitative Disclosures

Global Saudi's overall approach towards Market Risk comprises the following steps:

- i. Risk Identification
- ii. Risk Measurement
- iii. Risk Mitigation
- iv. Risk Monitoring and Reporting

Since the Company does not have an active trading book, Market Risk is not one of the key risks that the Company faces. However, adequate Market Risk Management infrastructure, such as Policies, Procedures, etc. exist at a Group Level, such that they can be readily implemented to measure and monitor Market Risk, should the Company be exposed to such risks in the future.

- b. **Quantitative Disclosures** (Some numbers may have been rounded off for ease of presentation)

Since the investments as of 31 December 2017 are AFS, there are no assets in the trading book of Global Saudi that would be included in the assessment of Market Risk. However, there is a small portion of cash balance denominated in USD and KWD, which exposes the Company to Foreign Exchange Rate Risk. Therefore the Market Risk assessment for the Company only includes Foreign Exchange Rate Risk.

As of 31 December 2017, the Company's Market Risk Exposure was not material and amounted to only SAR 1,281.

Foreign currency	Total of Asset items (including off balance sheet items) SAR	Total of Liability items (including provisions) SAR	Net position SAR	Position (long or short)	Total of Net long position SAR	Total of Net short position SAR	Capital Requirement factor	Capital Requirement SAR (rounded off)
USD	388	-	388	Net Long	1,281	-	2%	26
KWD	892	-	892	Net Long				
Other GCC Currencies	-	-	-	-				
<b>Minimum Capital Requirement for Foreign Exchange Risk</b>								<b>26</b>

Table 7 – Market Risk Disclosure

On the basis of the above assessment, the Minimum Capital Requirement for Market Risk has been assessed as SAR 26.

#### 1.4 Operational Risk Disclosure

##### a. Qualitative Disclosures

Global Saudi's overall approach towards Operational Risk comprises the following steps:

- i. Risk Identification
- ii. Risk Measurement
- iii. Risk Mitigation
- iv. Risk Monitoring and Reporting

Given the size and scale of the Company, there is no in-house Operational Risk Management Department. However, RM liaises directly with each Department Head regarding Operational Risk issues. Additionally, RM has full and unrestricted access to the CEO and the Board of Directors of the Company, as well the Board of Directors of the Parent Company to escalate any key Operational Risk related concerns to the highest levels.

The Operational Risk Assessment Process for Global Saudi is governed by the Operational Risk Policies and Procedures of RM. These Operational Risk Policies and Procedures ensure a consistent, standardized and Group Wide common approach towards Operational Risk Assessment.

- b. **Quantitative Disclosures** (Some numbers may have been rounded off for ease of presentation)

Global Saudi assesses its capital requirements for Operational Risk under requirements of the PR's using the

- i. Basic Indicator Approach; and
- ii. Expenditure Based Approach

Based on the requirements assessed under the two approaches, the Company identifies its capital requirements as the higher of the two, as required by the PR's.

The capital requirements under the two approaches are given below.

<b>1. Capital Requirement based on Basic Indicator approach (SAR)</b> (Some numbers may have been rounded off for ease of presentation)			
Items	Year 1	Year 2	Year 3
	2017	2016	2015
Interest Receivable income	199,896	522,500	-
Dividends Received	33,600	30,300	32,400
Fees and commissions receivable	10,048,915	9,025,289	15,722,091
Net income on financial transactions	-	-	-
Other operating income	-	-	-
<b>Total Operating Income</b>	<b>10,282,411</b>	<b>9,578,089</b>	<b>15,754,491</b>
Income Indicator			<b>11,871,664</b>
<b>Capital required under Basic Indicator Approach</b>			<b>1,780,750</b>

**Table 8 – Operational Risk Disclosure (Basic Indicator Approach)**

<b>2. Capital requirements for Expenditure Based Approach Items 2016 (SAR)</b>	
Overall overhead Expenses including extraordinary expenses	9,960,826
Less: Extraordinary Expense	-
Overhead expenses for calculating capital requirement	<b>9,960,826</b>
<b>Capital required under Expenditure Based Approach</b>	<b>2,490,207</b>
<b>Minimum Capital Required for Operational Risk ( Higher of 1 or 2)</b>	<b>2,490,207</b>

**Table 9 – Operational Risk Disclosure (Expenditure Based Approach)**

Consequently, the Company has identified SAR 2,490,207 (under the Expenditure Based Approach, by virtue of yielding higher capital requirements) as its Minimum Capital Requirement for Operational Risk.

## 1.5 Liquidity Risk Disclosure

### a. Qualitative Disclosures

Global Saudi relies on the Parent Company, for fulfilling any shortages in liquidity. In the event of a crisis, the Company can reach out to the Parent Company for a liquidity infusion. It is also worth noting that both Global Saudi and its Parent Company, Global Kuwait remain debt free, further eliminating the risk of an asset liability mismatch at a Group Level.

The Company undertakes regular monthly MIS reporting to the Parent Company for the regular monitoring of its overall performance, as well as liquidity. The MIS reports contain details on the financial performance of the Company, including but not limited to, monthly financial reports (P&L, Balance Sheet and Cash Flow), as well as business performance of the Company.

Additionally, the liquidity position of the Company is regularly monitored by the Financial Manager and CEO of the Company.

### b. Quantitative Disclosures (Some numbers may have been rounded off for ease of presentation)

The Company's Cash and Cash Equivalents amount to SAR 10,464,671 as of 31 December 2017. This amount is sufficient to manage the Company's overall liquidity requirements. It should be noted that the Company has more than sufficient cash to meet all its liabilities.

The following are some additional ratios that measure the adequacy of the Company's liquidity reserves to its liabilities:

Metric	SAR
Cash and Cash Equivalents (a)+(b)+(c)	10,464,671
Cash at Hand (a)	-
Cash at Bank (b)	10,464,671
Cash Balance with Portfolio Manager (c)	-
Total Assets	59,692,113
Current Liabilities	6,945,532
Total Liabilities	7,772,347
Ratios	Percentage
Cash and Cash Equivalents to Total Assets	18%
Quick Ratio (Cash and Cash Equivalents to Current Liabilities)	151%
Cash and Cash Equivalents to Total Liabilities	135%

Table 10 – Liquidity Disclosures

Consequent to the above, capital has not been allocated to Liquidity Risk.