

**RAYA FINANCING COMPANY
(A SINGLE SHAREHOLDER SAUDI CLOSED
JOINT STOCK COMPANY)**

**CONDENSED INTERIM FINANCIAL
INFORMATION (UNAUDITED)
FOR THE THREE-MONTH PERIOD ENDED
31 MARCH 2023
AND REPORT ON REVIEW OF INTERIM
FINANCIAL INFORMATION**

RAYA FINANCING COMPANY
(A Single Shareholder Saudi Closed Joint Stock Company)
CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2023

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Report on review of condensed interim financial information

To the shareholders of Raya Financing Company:
(A Single Shareholder Saudi Closed Joint Stock Company)

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Raya Financing Company as of 31 March 2023 and the related condensed statements of comprehensive income, changes in equity and cash flows for the three-month period then ended and other explanatory notes. Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with the 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 this condensed interim financial information based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of interim financial information performed by the independent auditor of the entity", as endorsed in the Kingdom of Saudi Arabia. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, as 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 condensed interim financial information is not prepared, in all material respects, in accordance with IAS 34, as endorsed in the Kingdom of Saudi Arabia.

PricewaterhouseCoopers

A handwritten signature in blue ink, appearing to read 'Ali H. Al Basri', is written over a horizontal line.

Ali H. Al Basri
License Number 409

1 May 2023

RAYA FINANCING COMPANY
(A Single Shareholder Saudi Closed Joint Stock Company)
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
(All amounts in Saudi Riyals unless otherwise stated)

	Note	As at 31 March 2023 (Unaudited)	As at 31 December 2022 (Audited)
Assets			
Cash and cash equivalents	6	34,685,889	16,404,400
Prepayment and other receivables	5	28,669,894	14,221,232
Net investment in finance leases	3	437,783,774	380,404,755
Net investment in murabaha finance	4	121,341,100	95,271,587
Right-of-use assets		4,783,306	3,464,269
Property and equipment		1,139,978	836,005
Intangible assets		2,192,259	2,549,966
Financial asset at fair value through other comprehensive income		892,850	892,850
Total assets		631,489,050	514,045,064
Equity and liabilities			
Equity			
Share capital		230,000,000	230,000,000
Accumulated losses		(24,695,975)	(25,314,687)
Total equity		205,304,025	204,685,313
Liabilities			
Accounts payable	9	123,350,700	94,202,226
Accrued and other liabilities	8	31,208,499	22,180,318
Zakat payable	10	2,151,711	1,844,833
Long-term borrowings	7	261,865,990	184,809,837
Lease liabilities		4,916,874	3,741,156
Employee benefit obligations		2,691,251	2,581,381
Total liabilities		426,185,025	309,359,751
Total equity and liabilities		631,489,050	514,045,064

The accompanying notes from 1 to 12 form an integral part of this condensed interim financial information.

RAYA FINANCING COMPANY
(A Single Shareholder Saudi Closed Joint Stock Company)
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
(All amounts in Saudi Riyals unless otherwise stated)

	Note	For the three-month period ended 31 March	
		2023 (Unaudited)	2022 (Unaudited)
Income			
Finance revenue		18,649,598	13,275,830
Commission income		2,777,625	135,261
Gain on interest free loans from SAMA	7.2	1,744,039	-
		23,171,262	13,411,091
Expenses			
Provision for expected credit losses (“ECL”) on financial assets	3, 4	(3,772,386)	(6,801,892)
Insurance and other cost of financed vehicles		(4,995,905)	(3,230,526)
Salaries and employee related expenses		(6,812,338)	(4,788,575)
Depreciation and amortization		(655,053)	(525,173)
Finance cost		(3,320,730)	(1,424,763)
Other expenses	11	(2,689,260)	(1,749,183)
Profit (loss) before zakat		925,590	(5,109,021)
Zakat expense		(306,878)	(704,342)
Profit (loss) for the period		618,712	(5,813,363)
Other comprehensive income		-	-
Total comprehensive income (loss) for the period		618,712	(5,813,363)

The accompanying notes from 1 to 12 form an integral part of this condensed interim financial information.

RAYA FINANCING COMPANY
(A Single Shareholder Saudi Closed Joint Stock Company)
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
(All amounts in Saudi Riyals unless otherwise stated)

	Share capital	Accumulated losses	Total
Balance at 31 December 2022 - audited	230,000,000	(25,314,687)	204,685,313
Profit for the period	-	618,712	618,712
Other comprehensive income	-	-	-
Total comprehensive income for the period	-	618,712	618,712
Balance at 31 March 2023 - unaudited	230,000,000	(24,695,975)	205,304,025
Balance at 31 December 2021 - audited	230,000,000	(14,331,149)	215,668,851
Loss for the period	-	(5,813,363)	(5,813,363)
Other comprehensive income	-	-	-
Total comprehensive loss for the period	-	(5,813,363)	(5,813,363)
Balance at 31 March 2022 - unaudited	230,000,000	(20,144,512)	209,855,488

The accompanying notes from 1 to 12 form an integral part of this condensed interim financial information.

RAYA FINANCING COMPANY
(A Single Shareholder Saudi Closed Joint Stock Company)
CONDENSED INTERIM STATEMENT OF CASH FLOWS
(All amounts in Saudi Riyals unless otherwise stated)

	Note	For the three-month period ended 31 March	
		2023 (Unaudited)	2022 (Unaudited)
Cash flows from operating activities			
Profit (loss) before zakat		925,590	(5,109,021)
<u>Adjustments for</u>			
Provision for ECL on financial assets	3, 4	3,772,386	6,801,892
Depreciation		297,346	167,466
Amortization		357,707	357,707
Finance costs		3,320,730	1,424,763
Employee benefit obligations		109,870	(27,149)
<u>Changes in working capital</u>			
Net investment in finance leases and murabaha finance		(88,964,957)	(612,428)
Prepayments and other receivables		(14,448,662)	(6,522,593)
Accounts payable		29,148,474	21,339,814
Accrued and other liabilities		8,635,064	1,058,782
Net cash (used in) generated from operating activities		(56,846,452)	18,879,233
Cash flows from investing activity			
Payments to purchase property and equipment		(388,423)	(24,433)
Cash flows from financing activities			
Proceeds from long-term borrowings	7	105,478,612	3,120,568
Repayments of long-term borrowings		(27,048,808)	(19,383,502)
Interest paid on long-term borrowings		(2,488,985)	(930,853)
Finance lease liabilities paid		(424,455)	(145,056)
Net cash generated from (used in) financing activities		75,516,364	(17,338,843)
Net increase in cash and cash equivalents		18,281,489	1,515,957
Cash and cash equivalents at beginning of period		16,404,400	143,553,351
Cash and cash equivalents at end of period		34,685,889	145,069,308
Supplemental cash flow information			
Non-cash investing and financing activities:			
Right-of-use assets recorded against lease liabilities		1,531,933	-

The accompanying notes from 1 to 12 form an integral part of this condensed interim financial information.

RAYA FINANCING COMPANY
(A Single Shareholder Saudi Closed Joint Stock Company)
Notes to the condensed interim financial information
For the three-month period ended 31 March 2023 (Unaudited)
(All amounts in Saudi Riyals unless otherwise stated)

1 General information

Raya Financing Company (the “Company”) is a Saudi closed joint stock company, registered in the Kingdom of Saudi Arabia under the Commercial Registration (“CR”) number 2050104609 issued in Dammam on 8 Rabi II 1436H (28 January 2015) and operating under the Saudi Central Bank (SAMA) approval number 351000153064 dated 25 Dhul Hijjah 1435H (19 October 2014). The Company has obtained the license from SAMA to conduct finance leasing activities on 14 Jumada II 1437H (23 June 2016). Further, the Company received no objection certificate from SAMA to conduct murabaha finance business in the Kingdom of Saudi Arabia during 2019. The registered address of the Company is P.O. Box 336, Dammam 31411, Kingdom of Saudi Arabia.

The Company is controlled by Al Majdouie Motors Company Limited (the “Parent Company”), a limited liability company registered in the Kingdom of Saudi Arabia. The Parent Company is effectively owned by Ali Ibrahim Saleh Al Majdouie Company (the ‘Ultimate Parent Company’), which is ultimately controlled by Sheikh Ali Ibrahim Saleh Al Majdouie.

During the three-month period ended 31 March 2023, there were no significant changes in the terms of the leasing and financing arrangements offered by the Company such as profit rates and tenures of the contracts etc.

2 Basis of preparation

The condensed interim financial information of the Company as at and for the three-month period ended 31 March 2023 has been prepared in accordance with the International Accounting Standard 34 - Interim Financial Reporting (IAS 34), as endorsed in the Kingdom of Saudi Arabia, and other standards and pronouncements issued by the Saudi Organisation for Chartered and Professional Accountants (“SOCPA”).

The condensed interim financial information does not include all information and disclosures required in the annual audited financial statements and should be read in conjunction with the annual audited financial statements for the year ended 31 December 2022.

The principal accounting policies applied in the preparation of condensed interim financial information of the Company are consistent with those of the previous financial year and corresponding interim reporting period.

2.1 New and amended standards

A number of new or amended standards became applicable for the current reporting period. The Company did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards.

The Company, in case of retail customers, is required to write-off exposures for deceased customers and accordingly there is an insurance risk under such financing contracts. Upon adoption of IFRS 17 ‘Insurance contracts’ (“IFRS 17”) effective from 1 January 2023, the Company has made a policy choice to continue to account for such exposures under IFRS 9 ‘Financial Instruments’ instead of IFRS 17. Accordingly, based on management’s assessment, there was no impact upon adoption of IFRS 17.

Certain new accounting standards and interpretations have been published that are not mandatory for 31 March 2023 reporting periods and have not been early adopted by the Company. The management is in the process of assessing the impact of these standards, amendments or interpretations on its financial statements.

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For the three-month period ended 31 March 2023 (Unaudited)
(All amounts in Saudi Riyals unless otherwise stated)

3 Net investment in finance leases

3.1 Reconciliation between gross and net investment in finance leases is as follows:

	31 March 2023	31 December 2022
	(Unaudited)	(Audited)
Gross investment in finance leases	635,778,444	545,763,799
Unearned finance income	(168,652,537)	(138,161,622)
Present value of minimum lease payments receivable	467,125,907	407,602,177
Provision for ECL of lease receivables	(29,342,133)	(27,197,422)
Net investment in finance leases	437,783,774	380,404,755
Net investment in finance leases - due after 12 months	(322,488,882)	(270,822,325)
Net investment in finance leases - due within 12 months	115,294,892	109,582,430

The movement in provision for ECL on lease receivables is as follows:

	31 March 2023	31 December 2022
	(Unaudited)	(Audited)
Opening balance	27,197,422	13,109,112
Charge for the period / year	2,144,711	14,088,310
Closing balance	29,342,133	27,197,422

3.2 Maturity profile of gross investment in finance leases and present value of minimum lease payments receivables is as follows:

	31 March 2023	31 December 2022
	(Unaudited)	(Audited)
Gross investment in finance leases		
Within one year	188,508,372	173,289,967
From one to two years	128,943,415	108,757,046
From two to three years	110,042,191	87,342,820
From three to four years	92,043,324	80,726,499
Four to five years	116,241,142	95,647,467
	635,778,444	545,763,799
Present value of minimum lease payments receivable		
Within one year	130,496,928	124,721,147
From one to two years	84,134,964	72,574,385
From two to three years	77,589,828	61,038,118
From three to four years	69,522,937	62,856,999
Four to five years	105,381,250	86,411,528
	467,125,907	407,602,177

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3.3 Category-wise movement in provision for impairment of lease receivables is as follows:

	Under- Performing	Under- performing	Non- performing	Total
2023				
Opening balance as at 1 January 2023	9,737,124	1,915,625	15,544,673	27,197,422
Individual financial assets transferred to under-performing (lifetime expected credit losses)	(423,369)	1,464,155	(138,999)	901,787
Individual financial assets transferred to non -performing (credit-impaired financial assets)	(105,675)	(202,497)	1,340,471	1,032,299
Individual financial assets transferred to performing (12-month expected credit losses)	449,787	(1,146,009)	(207,209)	(903,431)
New financial assets originated	2,986,578	-	-	2,986,578
Collections / recoveries	(879,832)	(84,723)	(1,558,170)	(2,522,725)
Changes in assumptions	200,984	101,235	347,984	650,203
Closing balance as at 31 March 2023	11,965,597	2,047,786	15,328,750	29,342,133

	Under- Performing	Under- performing	Non- performing	Total
2022				
Opening balance as at 1 January 2022	1,797,157	703,060	10,608,895	13,109,112
Individual financial assets transferred to under-performing (lifetime expected credit losses)	(1,400,403)	1,859,163	(72,150)	386,610
Individual financial assets transferred to non -performing (credit-impaired financial assets)	(1,078,981)	(218,692)	5,471,991	4,174,318
Individual financial assets transferred to performing (12-month expected credit losses)	124,098	(297,004)	(1,109,234)	(1,282,140)
New financial assets originated	8,258,983	-	-	8,258,983
Collections / recoveries	(237,551)	(134,857)	(2,532,263)	(2,904,671)
Changes in assumptions	2,273,821	3,955	3,177,434	5,455,210
Closing balance as at 31 December 2022	9,737,124	1,915,625	15,544,673	27,197,422

3.4 Category-wise gross lease receivables are as follows:

	31 March 2023 (Unaudited)	31 December 2022 (Audited)
Performing	565,122,311	469,817,515
Under-performing	25,148,655	28,603,337
Non-performing	45,507,478	47,342,947
	635,778,444	545,763,799

RAYA FINANCING COMPANY
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Notes to the condensed interim financial information
For the three-month period ended 31 March 2023 (Unaudited)
(All amounts in Saudi Riyals unless otherwise stated)

3.5 Category-wise movement in gross lease receivables is as follows:

	Under- Performing	performing	Non- performing	Total
2023				
Opening balance as at 1 January 2023	469,817,515	28,603,337	47,342,947	545,763,799
Individual financial assets transferred to under-performing (lifetime expected credit losses)	(17,416,796)	18,111,792	(694,996)	-
Individual financial assets transferred to non -performing (credit-impaired financial assets)	(5,263,992)	(2,629,980)	7,893,972	-
Individual financial assets transferred to performing (12-month expected credit losses)	17,949,520	(16,920,612)	(1,028,908)	-
New financial assets originated	136,602,343	-	-	136,602,343
Collections / recoveries	(36,566,279)	(2,015,882)	(8,005,537)	(46,587,698)
Closing balance as at 31 March 2023	565,122,311	25,148,655	45,507,478	635,778,444
	Under- Performing	performing	Non- performing	Total
2022				
Opening balance as at 1 January 2022	327,411,981	14,800,164	39,270,022	381,482,167
Individual financial assets transferred to under-performing (lifetime expected credit losses)	(31,190,130)	31,550,032	(359,902)	-
Individual financial assets transferred to non -performing (credit-impaired financial assets)	(33,107,425)	(4,940,623)	38,048,048	-
Individual financial assets transferred to performing (12-month expected credit losses)	10,748,427	(5,223,768)	(5,524,659)	-
New financial assets originated	307,530,678	-	-	307,530,678
Collections / recoveries	(111,576,016)	(7,582,468)	(24,090,562)	(143,249,046)
Closing balance as at 31 December 2022	469,817,515	28,603,337	47,342,947	545,763,799

3.6 Category-wise lease receivables (net of impairment provision) are as follows:

	31 March 2023 (Unaudited)	31 December 2022 (Audited)
Performing	553,156,714	460,080,391
Under-performing	23,100,869	26,687,712
Non-performing	30,178,728	31,798,274
	606,436,311	518,566,377

RAYA FINANCING COMPANY
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Notes to the condensed interim financial information
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(All amounts in Saudi Riyals unless otherwise stated)

4 Net investment in murabaha finance

4.1 Reconciliation between gross and net murabaha finance is as follows:

	31 March 2023	31 December 2022
	(Unaudited)	(Audited)
Gross investment in murabaha finance	149,830,325	117,330,144
Unearned murabaha finance income	(17,271,619)	(12,365,896)
	132,558,706	104,964,248
Provision for ECL	(11,217,606)	(9,692,661)
Net investment in murabaha finance	121,341,100	95,271,587
Investment in murabaha finance - due after 12 months	(53,046,300)	(33,878,523)
Investment in murabaha finance - due within 12 months	68,294,800	61,393,064

The movement in provision for ECL on murabaha finance receivables is as follows:

	31 March 2023	31 December 2022
	(Unaudited)	(Audited)
Opening balance	9,692,661	3,539,249
Charge for the period / year	1,627,675	6,153,412
Amounts written-off	(102,730)	-
Closing balance	11,217,606	9,692,661

In accordance with the requirement of the applicable accounting framework, the management of the Company revisits all inputs and assumptions used for the determination of ECL on a periodic basis. The adjustments primarily represent updates to the PD, which are based on recovery patterns of the Company's receivable balances under its financing portfolio, and other macroeconomic factors.

RAYA FINANCING COMPANY
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(All amounts in Saudi Riyals unless otherwise stated)

4.2 Category-wise movement in provision for impairment of murabaha finance is as follows:

	Under- Performing	Under- performing	Non- performing	Total
2023				
Opening balance as at 1 January 2023	4,632,144	865,744	4,194,773	9,692,661
Individual financial assets transferred to under-performing (lifetime expected credit losses)	(211,568)	304,785	-	93,217
Individual financial assets transferred to non -performing (credit-impaired financial assets)	(5,432)	(36)	-	(5,468)
Individual financial assets transferred to performing (12-month expected credit losses)	244,474	(752,324)	(36,386)	(544,236)
New financial assets originated	2,951,765	-	-	2,951,765
Collections / recoveries	(917,320)	(2,466)	(208,245)	(1,128,031)
Changes in assumptions	206,699	52,213	1,516	260,428
Amounts written-off	-	-	(102,730)	(102,730)
Closing balance as at 31 March 2023	6,900,762	467,916	3,848,928	11,217,606
2022				
Opening balance as at 1 January 2022	913,637	109,079	2,516,533	3,539,249
Individual financial assets transferred to under-performing (lifetime expected credit losses)	(131,913)	845,348	-	713,435
Individual financial assets transferred to non -performing (credit-impaired financial assets)	(646,662)	(54,807)	1,670,525	969,056
Individual financial assets transferred to performing (12-month expected credit losses)	27	(1,376)	-	(1,349)
New financial assets originated	3,097,994	-	-	3,097,994
Collections / recoveries	(51,425)	(32,500)	(38,127)	(122,052)
Changes in assumptions	1,450,486	-	45,842	1,496,328
Closing balance as at 31 December 2022	4,632,144	865,744	4,194,773	9,692,661

4.3 Category-wise gross murabaha finance are as follows:

	31 March 2023 (Unaudited)	31 December 2022 (Audited)
Performing	137,683,762	100,271,291
Under-performing	3,593,388	7,839,005
Non-performing	8,553,175	9,219,848
	149,830,325	117,330,144

RAYA FINANCING COMPANY
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Notes to the condensed interim financial information
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(All amounts in Saudi Riyals unless otherwise stated)

4.4 Category-wise movement in gross murabaha finance is as follows:

	Under- Performing	performing	Non- performing	Total
2023				
Opening balance as at 1 January 2023	100,271,291	7,839,005	9,219,848	117,330,144
Individual financial assets transferred to under-performing (lifetime expected credit losses)	(2,966,928)	2,966,928	-	-
Individual financial assets transferred to non -performing (credit-impaired financial assets)	(997,684)	(2,761)	1,000,445	-
Individual financial assets transferred to performing (12-month expected credit losses)	6,892,646	(6,811,787)	(80,859)	-
New financial assets originated	51,464,986	-	-	51,464,986
Collections and other changes	(16,980,549)	(397,997)	(1,452,337)	(18,830,883)
Amounts written-off	-	-	(133,922)	(133,922)
Closing balance as at 31 March 2023	137,683,762	3,593,388	8,553,175	149,830,325

	Under- Performing	performing	Non- performing	Total
2022				
Opening balance as at 1 January 2022	125,692,962	2,059,340	5,592,296	133,344,598
Individual financial assets transferred to under-performing (lifetime expected credit losses)	(11,730,734)	11,730,734	-	-
Individual financial assets transferred to non -performing (credit-impaired financial assets)	(11,249,981)	(1,652,130)	12,902,111	-
Individual financial assets transferred to performing (12-month expected credit losses)	17,487	(17,487)	-	-
New financial assets originated	48,119,245	-	-	48,119,245
Collections and other changes	(50,577,688)	(4,281,452)	(9,274,559)	(64,133,699)
Closing balance as at 31 December 2022	100,271,291	7,839,005	9,219,848	117,330,144

4.5 Category-wise murabaha finance (net of impairment provision) are as follows:

	31 March 2023 (Unaudited)	31 December 2022 (Audited)
Performing	130,783,002	95,639,147
Under-performing	3,125,471	6,973,261
Non-performing	4,704,246	5,025,075
	138,612,719	107,637,483

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5 Prepayments and other receivables

	31 March 2023	31 December 2022
	(Unaudited)	(Audited)
Prepayments	8,229,130	8,498,077
Advances to suppliers	12,528,175	1,196,534
Reposessed assets held for resale	454,290	390,636
Insurance claims	5,436,143	1,971,487
Other	2,022,156	2,164,498
	28,669,894	14,221,232

6 Cash and cash equivalents

	31 March 2023	31 December 2022
	(Unaudited)	(Audited)
Cash in hand	44,500	28,789
Cash at bank	34,641,389	16,375,611
	34,685,889	16,404,400

7 Long-term borrowings

	31 March 2023	31 December 2022
	(Unaudited)	(Audited)
Murabaha facilities	168,291,667	99,516,667
Government bank loan	51,723,113	62,894,998
Payable to SAMA	41,085,624	21,872,408
Accrued finance cost	765,586	525,764
	261,865,990	184,809,837

Classification of borrowings is presented below:

Due within 12 months	118,873,296	102,708,555
Due after 12 months	142,992,694	82,101,282
	261,865,990	184,809,837

7.1 Murabaha facilities

During the three-month period ended 31 March 2023, the Company has drawn Saudi Riyals 80.0 million from its murabaha facilities. The loans are secured against corporate guarantees from certain related parties. The loan agreements contain covenant regarding maintenance of certain financial ratios and the Company has complied with this covenant throughout the reporting period. The loans bear financial charges based on prevailing market rates which are based on Saudi Inter Bank Offer Rates. The carrying values of such long-term borrowings are denominated in Saudi Riyals. The repayment of such loans as per the respective repayment schedule is up to 2027.

7.2 Payable to SAMA

During the three-month period ended 31 March 2023, the Company has received interest free loans from SAMA amounting to Saudi Riyals 25.5 million under the Guaranteed Financing Program to finance micro, small, and medium enterprises (MSMEs) to promote the financial stability of these businesses and boost economic growth. These loans are repayable in monthly installments over 3 years starting September 2023. These loans were initially recognised at their fair value resulting in a gain of Saudi Riyals 1.7 million recognised in profit or loss.

RAYA FINANCING COMPANY
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(All amounts in Saudi Riyals unless otherwise stated)

8 Accrued and other liabilities

	31 March 2023	31 December 2022
	(Unaudited)	(Audited)
Advance from customers	9,786,505	7,672,117
Accrued expenses	15,389,668	12,297,431
Value Added Tax payable	5,232,193	1,938,676
Net servicing liability under agency agreement	800,133	272,094
	31,208,499	22,180,318

9 Related party transactions and balances

9.1 Significant transactions with related parties in the ordinary course of business during the period were as follows:

Nature of transaction	Relationship	For the three-month period ended 31 March	
		2023	2022
		(Unaudited)	(Unaudited)
Purchases of motor vehicles	Shareholder	53,414,430	22,783,489
Commission income on lease of motor vehicles	Shareholder	1,693,361	135,261
Lease payments	Affiliate	172,855	123,056
Key management personnel			
Key management compensation		436,802	524,803
Employee benefit obligations		18,867	11,707
Board of Directors fees		22,726	-

9.2 Accounts payable include the following amounts due to related parties:

	31 March 2023	31 December 2022
	(Unaudited)	(Audited)
Al Majdouie Motors Company Limited (“Motors”) - shareholder	83,401,221	76,158,080
Al Majdouie Holding Company Limited - intermediate parent company	292,180	218,436
Arjaa Travel and Tourism Company	50,630	11,200
Arsal Operation and Maintenance Company	17,232	32,624
Al Majdouie Logistics Company Limited	596	1,730
	83,761,859	76,422,070

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(All amounts in Saudi Riyals unless otherwise stated)

10 Zakat payable

	31 March 2023	31 December 2022
	(Unaudited)	(Audited)
Opening balance	1,844,833	2,835,779
Provision for the period / year	306,878	607,706
Payments	-	(1,598,652)
Closing balance	2,151,711	1,844,833

11 Other expenses

	Note	For the three-month period ended 31 March	
		2023	2022
		(Unaudited)	(Unaudited)
Professional fees		645,935	355,772
Software license and support		615,388	151,508
Bank charges		207,924	220,309
Advertising and marketing		463,438	11,153
Board of Directors fees	9.1	22,726	-
Other		733,849	1,010,441
		2,689,260	1,749,183

12 Date of authorization of issue

The accompanying condensed interim financial information was authorized for issue by the Company's Board of Directors on 1 May 2023.