

SAUDI HOLLANDI CAPITAL
(Limited Liability Company)
FINANCIAL STATEMENTS
31 December 2015
together with the
INDEPENDENT AUDITOR'S REPORT



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INDEPENDENT AUDITORS' REPORT

To: **The Shareholders**
Saudi Hollandi Capital
P.O. Box 1467
Riyadh 11431
Kingdom of Saudi Arabia

We have audited the accompanying financial statements of **Saudi Hollandi Capital** ("the Company") which comprise the balance sheet as at 31 December 2015, related statement of income, cash flow and changes in Shareholders' equity for the year then ended and the attached notes (1) through (15) which form an integral part of these financial statements.

Management responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with generally accepted accounting standards in the Kingdom of Saudi Arabia and in compliance with Article 175 of the Regulations for Companies and the Company's Articles, of Association and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. Management has provided us with all the information and explanations that we require relating to our audit of these financial statements.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with generally accepted auditing standards in Kingdom of Saudi Arabia. Those standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

SAUDI HOLLANDI CAPITAL
(Limited Liability Company)
BALANCE SHEET
As at 31 December 2015
(Saudi Riyals in '000)

	<u>Note</u>	<u>2015</u>	<u>2014</u>
<u>ASSETS</u>			
<u>Current assets:</u>			
Cash and bank balances	4	402,876	394,720
Due from related parties	5	18,914	36,523
Advance for investments		483	--
Prepayment and other current assets		592	730
Total current assets		422,865	431,973
<u>Non-current assets:</u>			
Investments	6	119,825	103,844
Total non-current assets		119,825	103,844
Total assets		542,690	535,817
<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>			
<u>Current liabilities:</u>			
Accrued expenses and other current liabilities		3,346	5,428
Provision for zakat and income tax	7	7,331	11,297
Total current liabilities		10,677	16,725
<u>Non-current liabilities:</u>			
Employees' end of service benefits		11,888	11,723
Total non-current liabilities		11,888	11,723
Total liabilities		22,565	28,448
<u>SHAREHOLDERS' EQUITY</u>			
Share capital	8	400,000	400,000
Statutory reserve	9	19,405	17,239
Fair value reserve for AFS investment		(100)	896
Retained earnings		100,820	89,234
Total shareholders' equity		520,125	507,369
Total liabilities and shareholders' equity		542,690	535,817

The accompanying notes 1 to 15 form an integral part of these financial statements.


Khalid Al Muammar
Chief Executive Officer


Saud Balghonaim
Head of Finance and Risk

SAUDI HOLLANDI CAPITAL
(Limited Liability Company)
STATEMENT OF INCOME
For the year ended 31 December 2015
(Saudi Riyals in '000)

	<u>Note</u>	<u>2015</u>	<u>2014</u>
<u>REVENUE</u>			
Brokerage fees income, net		26,615	40,932
Asset management fee		25,048	26,455
Advisory and arranging fee		3,225	6,747
Special commission income		3,765	3,959
Fee for custody and other services		2,829	3,230
Trading gain		5,803	1,389
Realised gain on disposal of available-for-sale investments		652	48
Total revenue		<u>67,937</u>	<u>82,760</u>
<u>OPERATING EXPENSES</u>			
Salaries and employee-related expenses	10	31,165	29,229
Rent and premises related expenses		2,088	1,967
General and administrative expenses	11	13,022	13,449
Total operating expenses		<u>46,275</u>	<u>44,645</u>
Net income for the year		<u>21,662</u>	<u>38,115</u>

The accompanying notes 1 to 15 form an integral part of these financial statements

SAUDI HOLLANDI CAPITAL
(Limited Liability Company)
STATEMENT OF CASH FLOWS
For the year ended 31 December 2015
(Saudi Riyals in '000)

	<u>Note</u>	<u>2015</u>	<u>2014</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the year		21,662	38,115
<i>Adjustments for:</i>			
Realised gain on disposal of available-for-sale investments		(652)	(48)
Employees' end-of-service benefits		1,914	1,576
		22,924	39,643
Changes in operating assets and liabilities:			
Due from a related party		17,609	38,957
Prepayment and other current assets		138	2,160
Accrued expenses and other current liabilities		(2,082)	1,099
		38,589	81,859
Zakat and Income tax paid		(11,876)	(9,046)
Employees' end of service benefits paid		(1,749)	(1,246)
Net cash generated from operating activities		24,964	71,567
CASH FLOWS FROM INVESTING ACTIVITIES			
Placements of time deposit		--	(350,000)
Sale proceed from disposal of available for sale investments		64,646	19,869
Advance for investments		(483)	--
Purchase of investments		(80,971)	(110,009)
Net cash used in investing activities		(16,808)	(440,140)
Net increase / (decrease) in cash and cash equivalents		8,156	(368,573)
Cash and cash equivalents at the beginning of the year		44,720	413,293
Cash and cash equivalents at the end of the year	4	52,876	44,720
<u>Supplemental non-cash information:</u>			
Net changes in fair value of available-for-sale investments		(996)	554

The accompanying notes 1 to 15 form an integral part of these financial statements

SAUDI HOLLANDI CAPITAL
(Limited Liability Company)
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
For the year ended 31 December 2015
(Saudi Riyals in '000)

	<u>Share capital</u>	<u>Statutory reserve</u>	<u>Fair value reserve for AFS investment</u>	<u>Retained earnings</u>	<u>Total</u>
Balance as at 1 January 2014	400,000	13,428	342	66,225	479,995
Net income for the year	--	--	--	38,115	38,115
Transfer to statutory reserves	--	3,811	--	(3,811)	--
Fair value reserve (available-for-sale financial assets):	--	--	--	--	--
Net change in fair value	--	--	602	--	602
Net amount reclassified to profit or loss	--	--	(48)	--	(48)
Zakat and income tax (note 7)	--	--	--	(11,295)	(11,295)
Balance as at 31 December 2014	<u>400,000</u>	<u>17,239</u>	<u>896</u>	<u>89,234</u>	<u>507,369</u>
Net income for the year	--	--	--	21,662	21,662
Transfer to statutory reserves	--	2,166	--	(2,166)	--
Fair value reserve (available-for-sale financial assets):	--	--	--	--	--
Net change in fair value	--	--	(344)	--	(344)
Net amount reclassified to profit or loss	--	--	(652)	--	(652)
Zakat and income tax (note 7)	--	--	--	(7,910)	(7,910)
Balance as at 31 December 2015	<u>400,000</u>	<u>19,405</u>	<u>(100)</u>	<u>100,820</u>	<u>520,125</u>

The accompanying notes 1 to 15 form an integral part of these financial statements

SAUDI HOLLANDI CAPITAL
(Limited Liability Company)
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2015
(Saudi Riyals in '000')

1. ORGANIZATION AND ACTIVITIES

Saudi Hollandi Capital ('the Company') is a Limited Liability Company and operating in the Kingdom of Saudi Arabia under Commercial Registration No. 1010242378 dated 30 Dhul Hijjah 1428H (corresponding to 9 January 2008). The Company has 5 branches (2014: 7 branches) operating in the Kingdom of Saudi Arabia as at 31 December 2015.

The principal activities of the Company are to provide a full range of financial services, which includes brokerage services and asset management services. The Company also provides equity lead arrangements, advisory and custodial services to its clients in pursuant to the Capital Market Authority ("CMA") resolution number 1-39-2007 dated 8 Rajab1428 corresponding to 22 July 2007.

The address of the Company's head office is as follows:

Saudi Hollandi Capital
Head Office
P.O. Box 1467
Riyadh 11431,
Kingdom of Saudi Arabia

2. BASIS OF PREPARATION

a) Statement of compliance

The accompanying financial statements have been prepared in accordance with the generally accepted accounting standards in the Kingdom of Saudi Arabia issued by the Saudi Organization for Certified Public Accountants.

b) Basis of measurement

These financial statements have been prepared under the historical cost convention, except for available for sale investments which are stated at fair value, using the accrual basis of accounting and the going concern concept.

c) Functional and presentation currency

These financial statements are presented in Saudi Arabian Riyals (SR) which is the functional currency of the Company. All financial information presented in SR has been rounded to the nearest thousand except where otherwise disclosed.

d) Estimates and judgments

The preparation of these financial statements require management to make judgment, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in future periods affected.

The Company exercises judgment in considering impairment of available-for-sale investments. This includes determination of a significant and prolonged decline in the fair value below its cost. In making this judgment, the Company evaluates among other factors, the volatility in prices.

SAUDI HOLLANDI CAPITAL
(Limited Liability Company)
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2015
(Saudi Riyals in '000')

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in the financial statements.

Certain comparative amounts have been reclassified to conform with the current year's presentation.

a) *Cash and cash equivalents*

For the purpose of reporting cash flows, cash and cash equivalents comprise cash with banks and other short-term liquid investments, if any, with original maturities of three months or less, which are available to the Company without any restrictions.

b) *Available for sale investment*

Available for sale investment which are not for trading purposes and where the Company does not have any significant influence or control and accordingly, these are classified as available for sale investment.

These investment are initial recognized and subsequently measured at fair value and changes therein other than impairment losses are recognized in "unrealized gain/ (loss) on available-for-sale investments" under the statement of changes in shareholders' equity. On de-recognition, any cumulative gain or loss previously recognized in equity is included in the statement of income as 'realised gain from investment securities'. Permanent diminution in value of the above mentioned investments, if any, is charged to the statement of income.

Fair value is determined by reference to the market value in the open market if available. In the absence of an open market, the cost is considered to be the fair value of these investments.

c) *Held for trading investment*

Investments which are purchased for trading are initially recognized at cost and are subsequently re-measured at their market values. The unrealized gains or losses on the revaluation of investments are recognized in the statement of income. Investment transactions are accounted for as of the trade date.

d) *Impairment of financial assets*

An assessment is made at each balance sheet date to determine whether there is objective evidence that a specific financial asset may be impaired. If such evidence exists, any impairment loss is recognized in the statement of income. For asset carried at fair value, impairment is the difference between cost and fair value, less any impairment loss previously recognized in the statement of income;

For equity investments held as available-for-sale, a significant and prolonged decline in fair value below its cost represents objective evidence of impairment. The impairment loss cannot be reversed through statement of income as long as the asset continues to be recognized i.e. any increase in fair value after impairment has been recorded can only be recognized in equity. On de-recognition, any cumulative gain or loss previously recognized in equity is included in the statement of income for the year.

SAUDI HOLLANDI CAPITAL
(Limited Liability Company)
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2015
(Saudi Riyals in '000')

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

e) Provisions

A provision is recognized if, as a result of past events, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefit will be required to settle the obligation.

f) Zakat and income tax

Zakat and income tax are provided for in the financial statements in accordance with Saudi Department of Zakat and Income Tax (“DZIT”) regulations. Zakat and income tax are charged to the statements of changes in shareholders’ equity.

g) Employees’ end of service benefits

Employees’ end of service benefits, calculated in accordance with Saudi Arabian labour regulations, are accrued and charged to statement of income. The liability is calculated at the current value of the vested benefits to which the employee is entitled, should his services be terminated at the balance sheet date.

h) Revenue recognition

The revenue for the various services rendered are recognised as follows:

- Revenue from equity brokerage is recognized at the time when the deal is executed on behalf of customer and is presented net of discounts.
- Fee received on asset management and other similar services that are provided over an extended period of time are recognized over the period when the service is being provided.
- Management advisory service fees are recognized based on the applicable service contracts on a time-proportionate basis.
- Special commission on current account and placements are recognized on accrual basis that takes into account effective yield.

i) Assets held in trust or in a fiduciary capacity

Assets held in trust or in a fiduciary capacity are not treated as assets of the Company and accordingly are not included in the financial statements; these are treated as off-balance sheet items.

j) Expenses

Expenses are measured and recognized as a period cost at the time when they are incurred. Expenses related to more than one financial period are allocated over such periods proportionately.

k) Offsetting

Financial assets and liabilities are offset and reported net in the balance sheet when there is a legally enforceable right to set off the recognized amounts and when the Company intends to settle on a net basis, or to realise the asset and settle the liability simultaneously.

SAUDI HOLLANDI CAPITAL
(Limited Liability Company)
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2015
(Saudi Riyals in ‘000’)

4. CASH AND BANK BALANCES

	<u>2015</u>	<u>2014</u>
Cash in hand	1	--
Time deposits with original maturity of less than three months	<u>52,875</u>	44,720
Cash and cash equivalents	<u>52,876</u>	44,720
Time deposits with original maturity of more than three months	<u>350,000</u>	350,000
	<u><u>402,876</u></u>	<u><u>394,720</u></u>

The above time deposits are placed with the Saudi Hollandi Bank (shareholder) and carries commission rate ranging between 0.70% per annum to 1.30% per annum (31 December 2014: 0.85% per annum to 0.95% per annum). For the time deposits with maturity of less than three months is maturing on 11 January 2016 (31 December 2014: 14 January 2015) and more than three months is maturing on 11 January 2016 (31 December 2014: 15 January 2015).

5. RELATED PARTY TRANSACTIONS AND BALANCE

Saudi Hollandi Bank (‘the Bank’) and its affiliated companies are considered as related parties of the Company. In the ordinary course of business, the Company transacts with related parties on mutually agreed terms approved by the Company’s Board of Directors.

The Company entered into following transactions with the Bank during the year.

	<u>2015</u>	<u>2014</u>
Advisory and arranging fee	<u>1,055</u>	455
Fee for custody and other services	<u>2,829</u>	3,230
Special commission income	<u>3,765</u>	3,959
Operating expenses charged under Service Level Agreement (Note 5.1)	<u>(7,046)</u>	(8,613)
Employees’ end of service benefits transferred from / (to) the Bank	<u>--</u>	658

The following balance results from the abovementioned transactions:

	<u>2015</u>	<u>2014</u>
Due from related parties	<u><u>18,914</u></u>	<u><u>36,523</u></u>

5.1 The Bank provides certain services to the Company as per Service Level Agreement (the “Agreement”) signed between the Company and the Bank. These services include support for IT, finance, human resource, legal and other administrative functions. The Bank collects and makes payments for and on behalf of the Company and maintains bank accounts for Company’s brokerage customers.

5.2 Cash and bank balances as disclosed in note 4 of these financial statements are maintained with the Bank, who acts as banker of the Company.

5.3 Available for sale investment as disclosed in note 6 represent the units of mutual funds which are managed by the Company as a Fund Manager.

SAUDI HOLLANDI CAPITAL
(Limited Liability Company)
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2015
(Saudi Riyals in '000')

6. INVESTMENTS

Investments as at December 31 classified as available for sale are as under:

	Market value		Cost	
	2015	2014	2015	2014
Available for sale investments				
<u>Mutual Funds</u>				
Al-Yusr Saudi Riyal Murabaha Fund	38,802	48,337	38,395	47,710
Saudi Riyal Money Market Fund	26,333	36,007	26,025	35,930
Al Yusr Morabaha & Sukuk Fund	45,142	17,681	44,693	17,578
Al Yusr Saudi Hollandi Fund for Initial IPO	9,548	1,819	10,812	1,730
	<u>119,825</u>	<u>103,844</u>	<u>119,925</u>	<u>102,948</u>

7. PROVISION FOR ZAKAT AND INCOME TAX

Zakat and income tax charge for the year ended 31 December comprises the following:

	2015	2014
Zakat (7.1)	6,462	8,002
Income tax (7.2)	1,448	3,293
Total	<u>7,910</u>	<u>11,295</u>

7.1 The main elements of the Zakat base as at 31 December are as follows:

Shareholders' equity	240,000	240,000
Adjusted net income	11,861	24,696
Provisions and reserves	70,570	55,398
Zakat Base	<u>322,431</u>	<u>320,094</u>
Zakat charge for the year at 2.5%	<u>8,061</u>	<u>8,002</u>

7.2 Income tax charge for the year is as follows:

Non-Saudi shareholders share of adjusted net income @ 40% (2014: 40%)	<u>7,907</u>	<u>16,464</u>
Income tax for the year at 20%	<u>1,582</u>	<u>3,293</u>

SAUDI HOLLANDI CAPITAL
(Limited Liability Company)
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2015
(Saudi Riyals in '000')

7. PROVISION FOR ZAKAT AND INCOME TAX (CONTINUED)

7.3 The movement in zakat and income tax provision

	<u>2015</u>			<u>2014</u>
	<u>Zakat</u>	<u>Income Tax</u>	<u>Total</u>	<u>Total</u>
Balance as at 1 January	8,004	3,293	11,297	9,048
Provision during the year (<i>Note 7.1</i>)	8,061	1,582	9,643	11,295
Provision for prior years reversal	(1,599)	(134)	(1,733)	--
	6,462	1,448	7,910	11,295
Payments during the year for current year	--	(2,311)	(2,311)	--
Payments during the year for prior years	(6,405)	(3,160)	(9,565)	(9,046)
Balance as at 31 December	8,061	(730)	7,331	11,297

7.4 Status of assessment

The Company has filed its Zakat and Income tax returns to Department of Zakat and Income Tax (DZIT) for the year ended 31 December 2014. The Company has received assessment for the year ended 31 December 2012 and 2013 raising additional zakat of SR 14,283 and SR 78,407 against tax, which was paid during the year.

The Company's Zakat and tax return for the year ended 31 December 2015 is due to be filed on or before 30 April 2016.

8. SHARE CAPITAL

At 31 December 2015, the share capital of the Company was SR 400 million divided into 400,000 shares of SR 1,000 each, which are fully paid and owned by the Bank.

9. STATUTORY RESERVE

In accordance with the Company's Articles of Association and the Regulations for Companies in the Kingdom of Saudi Arabia, the Company is required to transfer 10% of its net income each year to a statutory reserve until such a reserve equals to 50% of its share capital. This reserve is not available for distribution to the shareholders.

10. SALARIES AND EMPLOYEE RELATED EXPENSES

	<u>2015</u>	<u>2014</u>
Salaries	22,647	21,440
Employees' bonus	1,500	2,611
Terminal benefits-GOSI	1,519	1,479
End of service benefits	1,914	1,576
Other staff cost	3,585	2,123
	<u>31,165</u>	<u>29,229</u>

SAUDI HOLLANDI CAPITAL
(Limited Liability Company)
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2015
(Saudi Riyals in '000')

11. GENERAL AND ADMINISTRATIVE EXPENSES

	<u>2015</u>	<u>2014</u>
Cost under service level agreement (Note 11.1)	7,046	8,613
Communication expenses	2,213	2,616
Professional expenses	1,140	594
Stationery and printing	211	398
Travel	211	116
Other general expenses	2,201	1,112
	<u>13,022</u>	<u>13,449</u>

11.1 It is charge under the Service Level Agreement with the Bank and as disclosed in note 5.1.

12. ASSETS HELD IN FIDUCIARY CAPACITY

These represent:

- a) Mutual funds' assets managed by the Company amounting to SAR 2.05 billion as at 31 December 2015 (31 December 2014: SAR 2.12 billion); and
- b) Clients' cash accounts with the Bank amounting to SAR 1.42 billion as at 31 December 2015 (31 December 2014: SAR 1.36 billion).

Consistent with the Company's accounting policy, as these assets are held by the Company in fiduciary capacity, such balances are not included in the Company's financial statements.

13. REGULATORY REQUIREMENTS AND CAPITAL ADEQUACY RATIO

The Capital Market Authority (the "CMA") has issued Prudential Rules (the "Rules") dated 30 December 2012 (corresponding to 17 Safar 1434H). According to the Rules, the CMA has prescribed the framework and guidance regarding the minimum regulatory capital requirement and its calculation methodology as prescribed under these Rules. In accordance with this methodology, the Company has calculated its minimum capital required and capital adequacy ratios as follows:

	<u>2015</u>	<u>2014</u>
<i>Capital Base:</i>		
Tier I Capital	520,125	506,473
Tier II Capital	--	896
Total Capital Base	<u>520,125</u>	<u>507,369</u>
<i>Minimum Capital Requirement:</i>		
Market Risk	--	--
Credit Risk	38,842	36,146
Operational Risk	11,569	11,161
Total Minimum Capital Required	<u>50,411</u>	<u>47,307</u>
<i>Capital Adequacy Ratio:</i>		
Surplus in Capital	<u>469,714</u>	<u>460,062</u>
Total Capital Ratio (times)	<u>10.32</u>	<u>10.73</u>

SAUDI HOLLANDI CAPITAL
(Limited Liability Company)
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2015
(Saudi Riyals in '000')

13. REGULATORY REQUIREMENTS AND CAPITAL ADEQUACY RATIO (Continued)

- a) Capital Base of the Company comprise of
- **Tier-1 capital** consists of paid-up share capital, retained earnings, reserves excluding revaluation reserves, with certain deductions as per the Rules.
 - **Tier-2 capital** consists of revaluation reserves with certain deductions as per the Rules.
- b) The minimum capital requirements for market, credit and operational risk are calculated as per the requirements specified in the Rules.
- c) The Company's business objectives when managing capital adequacy is to comply with the capital requirements set forth by the CMA to safeguard the Company's ability to continue as a going concern, and to maintain a strong capital base.

14. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial instruments carried on the balance sheet include balances with bank, available-for-sale investments and certain other assets and other liabilities.

Liquidity risk

Liquidity risk is the risk that the Company may be unable to meet its net funding requirements. Liquidity risk can be caused by market disruptions which may cause certain sources of funding to dry up immediately.

The Company's current assets are significantly more than its current liabilities at year end resulting from the shareholders' support for administrative and other expenses. Thus, Company does not have any major current liabilities requiring extensive liquidity.

Credit risk

Credit risk is the risk that one party may fail to discharge an obligation and will cause the other party to incur a financial loss. Financial assets, which potentially are subject to concentration of credit risk, principally consist of bank balances, available for sale investment and balances due from a related party. The Company's bank balances are held with the Bank, which has sound financial standing. The investment is in the units of mutual fund being managed by the Company and there are no indications of impairment in value at year-end.

Special commission rate risk

Special commission rate risk arises from the possibility that the changes in commission rates will affect either the fair values or the future cash flows of the financial instruments.

The Company is exposed to special commission rate risk with respect to the time deposit maintained with the Bank and investment in units of mutual fund where the underlying investments are mainly in money market placements. The Company does not have any commission bearing liabilities at year end. To guard against the risk, the Company monitors the changes in commission rates on a regular basis.

SAUDI HOLLANDI CAPITAL
(Limited Liability Company)
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2015
(Saudi Riyals in '000')

14. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Fair value

Fair value is the amount for which an asset could be exchanged or a liability settled between knowledgeable and willing parties in an arm's length transaction.

The management believes that the fair values of on-balance sheet financial instruments are not significantly different from their carrying values.

15. APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements were approved by the Board of Directors on 6 Jumada II 1437H. (correspondence 15 March 2016).