

**BAIT AL MAL AL KHALEEJI COMPANY
(A Saudi Closed Joint Stock Company)**

FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016
AND INDEPENDENT AUDITORS' REPORT

BAIT AL MAL AL KHALEEJI COMPANY
(A Saudi Closed Joint Stock Company)
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

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INDEPENDENT AUDITORS' REPORT

March 26, 2017

To the Shareholders of Bait Al Mal Al Khaleeji Company:
(A Saudi Closed Joint Stock Company)

Scope of audit

We have audited the accompanying balance sheet of Bait Al Mal Al Khaleeji Company (the "Company") as of December 31, 2016 and the statements of income, cash flows and changes in shareholders' equity for the year then ended, and the notes from 1 to 20 which form an integral part of these financial statements. These financial statements, which were prepared by the Company in accordance with the Regulations for Companies and presented to us with all information and explanations which we required, are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in Saudi Arabia. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting policies used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Unqualified opinion

In our opinion, such financial statements taken as a whole:

- Present fairly, in all material respects, the financial position of the Company as of December 31, 2016 and the results of its operations and its cash flows for the year then ended in conformity with accounting standards generally accepted in Saudi Arabia appropriate to the circumstances of the Company; and
- Comply, in all material respects, with the requirements of the Regulations for Companies and the Company's By-laws with respect to the preparation and presentation of financial statements.

PricewaterhouseCoopers

By: 

Ali H. Al Basri
License Number 409

BAIT AL MAL AL KHALEEJI COMPANY
(A Saudi Closed Joint Stock Company)

Balance sheet

(All amounts in Saudi Riyals unless otherwise stated)

		<u>As at December 31,</u>	
	Note	2016	2015
Assets			
Current assets			
Cash and cash equivalents	4	16,845,226	6,577,981
Held-for-trading investments	5	-	9,688,125
Prepayments and other receivable	6	2,068,735	1,750,453
		18,913,961	18,016,559
Non-current assets			
Investment properties	7	28,182,027	28,182,027
Property and equipment	8	597,703	826,531
		28,779,730	29,008,558
Total assets		47,693,691	47,025,117
Liabilities			
Current liabilities			
Accrued and other current liabilities	9	389,306	416,151
Zakat payable	10	463,300	431,681
		852,606	847,832
Non-current liabilities			
Employee termination benefits	11	217,922	267,156
Total liabilities		1,070,528	1,114,988
Shareholders' equity			
Share capital	13	80,000,000	80,000,000
Accumulated deficit		(33,376,837)	(34,089,871)
Total shareholders' equity		46,623,163	45,910,129
Total liabilities and shareholders' equity		47,693,691	47,025,117

The accompanying notes from 1 to 20 form an integral part of these financial statements.

BAIT AL MAL AL KHALEEJI COMPANY
(A Saudi Closed Joint Stock Company)
Income statement
(All amounts in Saudi Riyals unless otherwise stated)

		<u>Year ended December 31,</u>	
	Note	2016	2015
Operating income			
Income from asset management services	12, 15	7,526,494	8,717,062
Unrealized losses on held-for-trading investments	5	-	(311,875)
Realized gains from sale of held-for-trading investments	5	2,093,752	609,369
Total operating income		9,620,246	9,014,556
Operating expenses			
General and administrative	12, 16	(8,501,772)	(7,269,922)
Income from operations		1,118,474	1,744,634
Other, net		65,185	159,237
Income before zakat		1,183,659	1,903,871
Zakat	10	(470,625)	(391,495)
Net income for the year		713,034	1,512,376
Earnings per share:			
	17		
• Income from operations		0.14	0.22
• Net income for the year		0.09	0.19
Weighted average number of outstanding shares		8,000,000	8,000,000

The accompanying notes from 1 to 20 form an integral part of these financial statements.

BAIT AL MAL AL KHALEEJI COMPANY
(A Saudi Closed Joint Stock Company)

Cash flows statement

(All amounts in Saudi Riyals unless otherwise stated)

		<u>Year ended December 31,</u>	
	Note	2016	2015
Cash flows from operating activities			
Net income for the year		713,034	1,512,376
<u>Adjustments for non-cash items</u>			
Depreciation	8	300,774	168,968
Unrealized losses on held-for-trading investments	5	-	311,875
Gain on disposal of property and equipment		(8,790)	(43,216)
<u>Changes in working capital</u>			
Held-for-trading investments, net		9,688,125	1,690,618
Prepayments and other receivable		(318,282)	(301,604)
Accrued and other current liabilities		(26,845)	(593,389)
Zakat payable		31,619	11,015
Employee termination benefits		(49,234)	(25,741)
Net cash generated from operating activities		<u>10,330,401</u>	<u>2,730,902</u>
Cash flows from investing activities			
Purchase of property and equipment	8	(76,539)	(631,617)
Proceeds from disposal of property and equipment		13,383	43,216
Net cash utilized in investing activities		<u>(63,156)</u>	<u>(588,401)</u>
Net increase in cash and cash equivalents		10,267,245	2,142,501
Cash and cash equivalents at the beginning of the year		<u>6,577,981</u>	4,435,480
Cash and cash equivalents at the end of the year	4	<u>16,845,226</u>	<u>6,577,981</u>

The accompanying notes from 1 to 20 form an integral part of these financial statements.

BAIT AL MAL AL KHALEEJI COMPANY
(A Saudi Closed Joint Stock Company)
Statement of changes in shareholders' equity
 (All amounts in Saudi Riyals unless otherwise stated)

	Share capital	Accumulated deficit	Total
January 1, 2016	80,000,000	(34,089,871)	45,910,129
Net income for the year	-	713,034	713,034
December 31, 2016	80,000,000	(33,376,837)	46,623,163
January 1, 2015	80,000,000	(35,602,247)	44,397,753
Net income for the year	-	1,512,376	1,512,376
December 31, 2015	80,000,000	(34,089,871)	45,910,129

The accompanying notes from 1 to 20 form an integral part of these financial statements

BAIT AL MAL AL KHALEEJI COMPANY
(A Saudi Closed Joint Stock Company)
Notes to the financial statements for the year ended December 31, 2016
(All amounts in Saudi Riyals unless otherwise stated)

1 General information

Bait Al Mal Al Khaleeji Company (the "Company") is engaged in providing assets management, arranging, and advising and custodian services in accordance with its licenses No. 08123-37 issued by the Capital Market Authority ("CMA"). The Company's operations are conducted principally in Saudi Arabia.

The Company is a closed Saudi Joint Stock Company registered in the Kingdom of Saudi Arabia, operating under commercial registration number 2050065112 issued in Dammam on 23 Jumada Al-Awwal 1430 H (May 18, 2009). The registered address of the Company is P.O. Box 9177, Dammam 31413, Kingdom of Saudi Arabia.

The accompanying financial statements were authorized for issue by the Board of Directors on March 26, 2017.

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

2.1 Basis of preparation

The accompanying financial statements have been prepared under the historical cost convention, except for held-for-trading investments which are stated at fair market value, on the accrual basis of accounting and in compliance with standards promulgated by Saudi Organization for Certified Public Accountants ("SOCPA").

2.2 Critical accounting estimates and judgments

The preparation of financial statements in conformity with generally accepted accounting standards requires the use of certain critical estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the reporting date and the reported amounts of revenues and expenses during the reporting period. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

2.3 Foreign currency translations

(a) Reporting and functional currency

These financial statements are presented in Saudi Riyals which is the reporting and functional currency of the Company.

(b) Transactions and balances

Foreign currency transactions are translated into Saudi Riyals using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement. The amounts for foreign exchange gains and losses were not material during 2016 and 2015.

2.4 Cash and cash equivalents

Cash and cash equivalents include cash in hand and with banks, and other short-term highly liquid investments, if any, with maturities of three months or less from the purchase date.

2.5 Held-for-trading investments

Held-for-trading investments are investments in readily marketable securities which are bought for trading purposes. These investments are initially recognized at cost. After initial recognition, investments in marketable securities are valued at fair value at the balance sheet date. Changes in fair values, comprising of realized and unrealized gains and losses, are included in the income statement. Investments in mutual funds are valued at the net assets value of the units declared by the fund manager at the balance sheet date.

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2.6 Impairment of financial assets

Financial assets are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss, if any, is recognized for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

2.7 Investment properties

Investment property is held for capital appreciation or yields rather than for the use of Company's purposes. Land is carried at cost. Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in the income statement.

2.8 Property and equipment

Property and equipment are carried at cost less accumulated depreciation. Depreciation is charged to the income statement, using the straight-line method, to allocate the cost of the related assets to their residual values over the following estimated useful lives:

	Number of years
• Leasehold improvements	4
• Furniture, fixtures and office equipment	4
• Vehicles	4

Leasehold improvements are depreciated over the shorter of estimated useful life or lease term.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in the income statement.

Maintenance and normal repairs which do not materially extend the estimated useful life of an asset are charged to the income statement as and when incurred. Major renewals and improvements, if any, are capitalized and the assets so replaced are retired.

2.9 Impairment of non-current assets

Non-current assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the carrying amount of the asset exceeds its recoverable amount which is the higher of an asset's fair value less cost to sell and value in use. For the purpose of assessing impairment, assets are grouped at lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-current assets that suffered impairment are reviewed for possible reversal of impairment at each reporting date. Where an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but the increased carrying amount should not exceed the carrying amount that would have been determined, had no impairment loss been recognized for the assets or cash-generating unit in prior years. A reversal of an impairment loss is recognized as income immediately in the income statement.

2.10 Accounts payable and accruals

Liabilities are recognized for amounts to be paid for goods and services received, whether or not billed to the Company.

2.11 Zakat and taxes

The Company is subject to zakat in accordance with the regulations of the General Authority of Zakat and Income Tax (the "GAZT") in the Kingdom of Saudi Arabia. Provision for zakat for the Company is charged to the income statement. Additional amounts payable, if any, at the finalization of final assessments are accounted for when such amounts are determined.

The Company withholds taxes on certain transactions with non-resident parties in the Kingdom of Saudi Arabia as required under Saudi Arabian Income Tax Law.

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2.12 Employee termination benefits

Employee termination benefits required by Saudi Labor and Workman Law are accrued by the Company and charged to the income statement. The liability is calculated; as the current value of the vested benefits to which the employee is entitled, should the employee leave at the balance sheet date. Termination payments are based on employees' final salaries and allowances and their cumulative years of service, as stated in the laws of Saudi Arabia.

2.13 Revenues

- Fee from managing assets services (including mutual funds) is recognized when such services are rendered.
- Fee from subscription is recognized upon subscription to the fund.
- Custody fee is recognized upfront and amortized over the period of the service.
- Dividends income from investments are recognized when the right to receive dividends is established.

2.14 Assets management

The Company offers investment services to its customers which include management of certain investment funds. The Company's share in these funds is included in held-for-trading investments.

Assets held in trust or in a fiduciary capacity, if any, are not treated as assets of the Company and, accordingly, are not included in the accompanying financial statements.

2.15 General, administrative and marketing expenses

General, administrative and marketing expenses are treated as period costs. Marketing expenses were not significant and were added to general and administrative expenses.

2.16 Operating leases

Rental expenses under operating leases are charged to the income statement over the period of the respective lease.

2.17 Segment reporting

(a) Business segment

A business segment is group of assets, operations or entities:

- (i) engaged in revenue producing activities;
- (ii) results of its operations are continuously analyzed by management in order to make decisions related to resource allocation and performance assessment; and
- (iii) financial information is separately available.

The Company is primarily engaged in providing assets management, arranging, and advising and custodian services which is viewed by the management as one business segment.

(b) Geographical segment

A geographical segment is group of assets, operations or entities engaged in revenue producing activities within a particular economic environment that are subject to risks and returns different from those operating in other economic environments.

The Company's operations are conducted principally in Saudi Arabia.

2.18 Reclassifications

Certain amounts in the accompanying 2015 financial statements have been reclassified to conform with 2016 presentation.

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3 Financial instruments and risk management

Financial instruments carried on the balance sheet include cash and cash equivalents, other receivable and accrued and other liabilities. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

Financial asset and liability is offset and net amounts are reported in the financial statements, when the Company has a legally enforceable right to set off the recognized amounts and intends either to settle on a net basis, or to realize the asset and liability simultaneously. Risk management is carried out by senior management.

3.1 Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company's transactions are principally in Saudi Riyals. Management believes that currency risk to the Company is not material.

3.2 Fair value and cash flow interest rate risks

Fair value and cash flow interest rate risks are the exposures to various risks associated with the effect of fluctuations in the prevailing interest rates on the Company's financial positions and cash flows. The Company's results of operations and operating cash flows are substantially independent of changes in market interest rates as the Company has no interest-bearing assets and liabilities. Management monitors the changes in interest rates and believes that fair value and cash flow interest rate risks to the Company are not significant.

3.3 Price risk

The risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all instruments traded in the market. The Company is not exposed to price risk.

3.4 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company has no significant concentration of credit risk. Cash is placed with banks with sound credit ratings.

3.5 Liquidity risk

Liquidity risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at an amount close to its fair value. Liquidity risk is managed by monitoring on a regular basis that sufficient funds are available to meet any future commitments.

3.6 Fair value

Fair value is the amount for which an asset could be exchanged, or a liability settled between knowledgeable willing parties in an arm's length transaction. As the Company's financial instruments are compiled under the historical cost convention, differences can arise between the book values and fair value estimates. Management believes that the fair values of the Company's financial assets and liabilities are not materially different from their carrying values.

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4 Cash and cash equivalents

	2016	2015
Cash at bank	16,842,088	6,576,698
Cash in hand	3,138	1,283
	16,845,226	6,577,981

5 Held-for-trading investments

Movement in held-for-trading investments is as follows:

	2016	2015
January 1	9,688,125	11,690,618
Additions	13,120,160	9,708,745
Disposals	(24,902,037)	(12,008,732)
Unrealized losses on held-for-trading investments	-	(311,875)
Realized gains from sale of held-for-trading investments	2,093,752	609,369
December 31	-	9,688,125

The Company is primarily engaged in investing activities in held-for trading securities. Investments classified as held-for-trading were acquired principally for the purpose of selling or repurchasing in short-term.

6 Prepayments and other receivable

	Note	2016	2015
Due from related parties	12	924,245	1,193,484
Prepaid rent		733,204	15,124
Other prepaid expenses		394,005	504,936
Other		17,281	36,909
		2,068,735	1,750,453

7 Investment properties

Investment properties as at December 31, 2016 and 2015 represent long-term investments in plots of land.

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8 Property and equipment

	January 1, 2016	Additions	Disposals	December 31, 2016
2016				
Cost				
Leasehold improvements	198,733	-	-	198,733
Furniture, fixtures and office equipment	2,504,275	76,539	(547,199)	2,033,615
Vehicles	159,950	-	-	159,950
	<u>2,862,958</u>	76,539	(547,199)	<u>2,392,298</u>
Accumulated depreciation				
Leasehold improvements	(90,038)	(49,684)	-	(139,722)
Furniture, fixtures and office equipment	(1,830,609)	(213,430)	542,606	(1,501,433)
Vehicles	(115,780)	(37,660)	-	(153,440)
	<u>(2,036,427)</u>	(300,774)	542,606	<u>(1,794,595)</u>
	<u>826,531</u>			<u>597,703</u>
	January 1, 2015	Additions	Disposals	December 31, 2015
2015				
Cost				
Leasehold improvements	198,733	-	-	198,733
Furniture, fixtures and office equipment	2,000,824	631,617	(128,166)	2,504,275
Vehicles	159,950	-	-	159,950
	<u>2,359,507</u>	631,617	(128,166)	<u>2,862,958</u>
Accumulated depreciation				
Leasehold improvements	(40,783)	(49,255)	-	(90,038)
Furniture, fixtures and office equipment	(1,870,674)	(88,101)	128,166	(1,830,609)
Vehicles	(84,168)	(31,612)	-	(115,780)
	<u>(1,995,625)</u>	(168,968)	128,166	<u>(2,036,427)</u>
	<u>363,882</u>			<u>826,531</u>

9 Accrued and other current liabilities

	2016	2015
Employee benefits	300,955	169,800
Accrued expenses	88,351	77,100
Other	-	169,251
	<u>389,306</u>	<u>416,151</u>

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10 Zakat matters

10.1 Components of approximate zakat base

	2016	2015
Shareholders' equity at the beginning of the year	45,910,129	44,397,753
Provisions at the beginning of the year	267,156	292,897
Adjusted net income for the year	1,134,425	1,767,129
Investment properties	(28,182,027)	(28,182,027)
Property and equipment	(597,703)	(826,531)
Approximate zakat base	18,531,980	17,449,221

Zakat is payable at 2.5 percent of higher of the approximate zakat base and adjusted net income.

10.2 Provision for zakat

	2016	2015
January 1	431,681	420,666
Provisions	470,625	391,495
Payments	(439,006)	(380,480)
December 31	463,300	431,681

10.3 Zakat certificate and assessments

The Company has obtained zakat certificates from the GAZT for the years through 2015. The Company has not yet received the assessments from the GAZT since its incorporation.

11 Employee termination benefits

	2016	2015
January 1	267,156	292,897
Provisions	175,728	118,739
Payments	(224,962)	(144,480)
December 31	217,922	267,156

BAIT AL MAL AL KHALEEJI COMPANY
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12 Related party matters

The Company enters into transactions with the Funds under the Company's management and the Company's shareholders and their related entities (collectively the "related parties"), see Note 13.

12.1 Related party transactions

Significant transactions with related parties included in the accompanying financial statements are summarized below:

	Year ended December 31,	
	2016	2015
Management fee	3,534,126	3,858,720
Subscription fee	3,114,508	4,019,870
Custody fee	604,899	683,415
Board of Directors remuneration	980,422	980,566
Rentals charged by a related party	718,080	718,080
Sale of property and equipment	-	22,916

The Board of Directors remuneration includes salaries and other benefits as per the Company's policy.

12.2 Related party balances

Significant year end balances arising from transactions with related parties are as follows:

(i) Receivable from related parties

	2016	2015
BMK Saudi Equity Fund	596,110	188,266
Elite House GCC Equity Fund	201,656	420,207
BMK IPO Fund	126,479	585,011
	924,245	1,193,484

13 Share capital

The share capital of the Company as of December 31 comprised of 8,000,000 shares stated at Saudi Riyals 10 per share owned as follows:

Shareholder	Country of incorporation / Nationality	Shareholding percentage	
		2016	2015
Al-Dammam Development Company	Kingdom of Saudi Arabia	80.44	80.44
Integrated Capital	United Arab Emirates	16.25	16.25
Mr. Khaled Ben Ahmed Ben Rashed Al Dossary	Saudi	1.25	1.25
Mr. Khaliefa Ben Ahmed Ben Rashed Al Dossary	Saudi	1.25	1.25
Mr. Mohammed Ben Ahmed Ben Rashed Al Dossary	Saudi	0.81	0.81
		100.00	100.00

Integrated Capital has entered into a sale and purchase shares agreement with a company incorporated in United Arab Emirates, to sell its 16.25% shareholding in the Company. The legal formalities related to such change in shareholding have not yet been initiated as of the date of approval of these financial statements.

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14 Statutory reserve

In accordance with the Company's By-laws and the Regulations for Companies in Kingdom of Saudi Arabia, prior to the issuance of new Regulations for Companies in 2016, the Company is required to transfer 10% of the net income for the year, after adjustment of accumulated deficit, to a statutory reserve until it equals to 50% of its share capital. The new Regulations for Companies require the Company to transfer 10% of the net income for the year, after adjustment of accumulated deficit, to the statutory reserve until it equals to 30% of its share capital. No such transfers were made to the statutory reserve during 2016 and 2015 due to accumulated deficit at end of such years.

15 Income from asset management services

	Note	Year ended December 31,	
		2016	2015
Management fee - mutual funds	12	3,534,126	3,858,720
Subscription fee - mutual funds	12	3,387,469	4,174,927
Custody fee - mutual funds	12	604,899	683,415
		<u>7,526,494</u>	<u>8,717,062</u>

16 General and administrative expenses

	Note	2016	2015
Salaries and employee related benefits		4,653,841	3,261,946
Board of Directors remuneration	12	980,422	980,566
Rent	12	818,754	803,630
Legal and professional fees		523,101	820,340
Subscriptions and license fees		377,300	264,725
Depreciation	8	300,774	168,968
Utilities		275,206	279,572
Repair and maintenance		162,929	105,130
Marketing expenses		95,050	245,314
Insurance		72,133	72,501
Travel		57,918	39,136
Other		184,344	228,094
		<u>8,501,772</u>	<u>7,269,922</u>

17 Earnings per share

Earnings per share for the years ended December 31, 2016 and 2015 has been computed by dividing the income from operations and net income for such years by the weighted average number of outstanding shares during such years.

18 Operating leases

The Company has operating lease for its offices which are renewed annually. Rental expense for the year ended December 31, 2016 amounted to Saudi Riyals 0.82 million (2015: Saudi Riyals 0.8 million). Also see Note 12. There were no significant rental commitments for other operating leases.

19 Assets under management

The assets under management outstanding at the end of the year including mutual funds and private equity fund amounted to Saudi Riyals 124.96 million (2015: Saudi Riyals 292.93 million). Consistent with its accounting policy, such balances are not included in the Company's financial statements as these are held by the Company in fiduciary capacity.

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20 Capital adequacy

In accordance with Article 74(b) of the Prudential Rules issued by the CMA (the "Rules"), given below are the disclosures of the capital base, minimum capital requirement and total capital ratio as at December 31, 2016 and 2015:

	2016	2015
Capital Base:		
Tier 1 Capital	46,623,163	45,910,129
Tier 2 Capital	-	-
Total Capital Base	46,623,163	45,910,129

Minimum Capital Requirements:		
Market Risk	-	-
Credit Risk	29,770,000	29,437,000
Operational Risk	2,243,000	1,941,000
Total Minimum Capital Required	32,013,000	31,378,000

Capital Adequacy Ratio:

Total Capital Ratio (times)	1.46	1.46
Tier 1 Capital Ratio (times)	1.46	1.46
Surplus in Capital	14,610,163	14,532,129

- a) The above information has been extracted from the Company's annual Capital Adequacy Model for the year ended December 31, 2016 to be submitted to CMA and for the year ended December 31, 2015 as was submitted to CMA.
- b) The Company's objectives when managing capital are, to comply with the capital requirements set by the CMA to safeguard the Company's ability to continue as a going concern; and to maintain a strong capital base.
- c) The Capital Base consists of Tier 1 Capital and Tier 2 Capital calculated as per Article 4 and 5 of the Rules, respectively. The minimum capital requirements for market, credit and operational risks are calculated as per the requirements specified in Part 3 of the Rules.
- d) The Company is required to maintain adequate capital as specified in the Rules. The capital adequacy ratio shall not be less than 1.
- e) Certain information as required by Pillar III of the Prudential Rules will be made available to the public on the Company's website (www.bmk.com.sa), however, this information is not subject to review or audit by the external auditors of the Company.