

AL JABR FINANCING COMPANY
(A SAUDI CLOSED JOINT STOCK COMPANY)

**INTERIM CONDENSED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT ON REVIEW**

FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2019

AL JABR FINANCING COMPANY
(A SAUDI CLOSED JOINT STOCK COMPANY)

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REVIEW**
FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2019

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**INDEPENDENT AUDITORS' REPORT ON REVIEW
TO THE SHAREHOLDERS OF AL JABR FINANCING COMPANY
(A SAUDI CLOSED JOINT STOCK COMPANY)**

INTRODUCTION

We have reviewed the accompanying interim statement of financial position of Al Jabr Financing Company (A Saudi Closed Joint Stock Company) (the "Company") as at 31 March 2019 and the related interim statement of comprehensive income, changes in shareholders' equity and cash flows for the three-month period then ended, and explanatory notes which form an integral part of these interim condensed financial statements. Management is responsible for the preparation and fair presentation of these interim condensed financial statements and have been prepared by them in accordance with International Accounting Standard 34 - "Interim Financial Reporting" (IAS 34) as modified by Saudi Arabian Monetary Authority ("SAMA") for the accounting of zakat and income tax. Our responsibility is to express a conclusion on these interim condensed financial statements based on our review.

SCOPE OF REVIEW

We conducted our review in accordance with International Standard on Review Engagement 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of these interim condensed financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently, it does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial statements are not presented fairly, in all material respects, in accordance with IAS 34 as modified by SAMA for the accounting of zakat and income tax.

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April 28, 2019



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AL JABR FINANCING COMPANY
(A SAUDI CLOSED JOINT STOCK COMPANY)
INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2019

		31 March 2019 SR (Un-audited)	31 December 2018 SR (Audited)
	Note		
ASSETS			
Cash and cash equivalents		38,640,267	30,459,822
Investment in financing contracts, net	5	935,881,700	870,554,044
Assets repossessed held for sale		1,316,680	2,012,796
Prepayment and other receivables	6	34,672,398	7,005,374
Right-of-use assets	4	2,048,493	-
Investment in equity instruments by fair value through OCI		892,850	892,850
Property and equipment, net		5,493,043	5,721,734
TOTAL ASSETS		<u>1,018,945,431</u>	<u>916,646,620</u>
LIABILITIES AND EQUITY			
Borrowings	8	299,133,467	302,090,185
Accounts payable and other liabilities	9	312,837,502	220,056,042
Lease liability	4	2,139,269	-
Zakat provision		3,259,896	2,386,925
End-of-service indemnities		1,875,757	1,875,757
TOTAL LIABILITIES		<u>619,245,891</u>	<u>526,408,909</u>
SHAREHOLDERS' EQUITY			
Share capital	10	345,000,000	345,000,000
Statutory reserve	11	8,647,299	8,647,299
Retained earnings		45,267,996	35,806,167
Actuarial gain reserve on end-of-service indemnities		784,245	784,245
TOTAL SHAREHOLDERS' EQUITY		<u>399,699,540</u>	<u>390,237,711</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		<u>1,018,945,431</u>	<u>916,646,620</u>

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

AL JABR FINANCING COMPANY
(A SAUDI CLOSED JOINT STOCK COMPANY)
INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2019

	Note	For the three-month period ended 31 March 2019 SR (Un-audited)	For the three-month period ended 31 March 2018 SR (Un-audited)
NET REVENUE AND FINANCE INCOME			
Finance income	13	<u>35,348,920</u> 35,348,920	<u>24,027,922</u> 24,027,922
Insurance cost		(7,578,040)	(6,914,414)
Finance cost	14	<u>(4,424,662)</u>	<u>(1,535,993)</u>
Operating profit		23,346,218	15,577,515
General and administration expenses		(8,306,395)	(4,989,191)
Selling and marketing expenses		(1,388,291)	(1,041,171)
Allowance for credit loss	5	(5,937,895)	(7,241,471)
Government grant	8	1,064,902	-
Other income		<u>1,683,290</u>	<u>564,814</u>
NET PROFIT		10,461,829	2,870,496
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to profit and loss			
Actuarial reserve on end-of-service indemnities		-	-
Total other comprehensive income for the period		-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		<u><u>10,461,829</u></u>	<u><u>2,870,496</u></u>
Earnings per share (basic and diluted)		0.30	0.08

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AL JABR FINANCING COMPANY
(A SAUDI CLOSED JOINT STOCK COMPANY)
INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2019

	Share Capital SR	Statutory Reserve SR	Retained Earnings SR	Actuarial loss reserve on end- of-service indemnities SR	Total SR
Balance as at 31 December 2017-(Audited)	345,000,000	6,318,392	39,547,566	(265,324)	390,600,634
Impact of adoption of new standard as at 1 January 2018	-	-	(7,451,567)	-	(7,451,567)
Restated balance as at 1 January 2018	345,000,000	6,318,392	32,095,999	(265,324)	383,149,067
Net profit for the period	-	-	2,870,496	-	2,870,496
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	2,870,496	-	2,870,496
Zakat for the period	-	-	(300,000)	-	(300,000)
Net profit after zakat	-	-	2,570,496	-	2,570,496
Balance as at 31 March 2018 –(Un-audited)	345,000,000	6,318,392	34,666,495	(265,324)	385,719,563
Balance as at 31 December 2018-(Audited)	345,000,000	8,647,299	35,806,167	784,245	390,237,711
Net profit for the period	-	-	10,461,829	-	10,461,829
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	10,461,829	-	10,461,829
Zakat for the period	-	-	(1,000,000)	-	(1,000,000)
Net profit after zakat	-	-	9,461,829	-	9,461,829
Balance as at 31 March 2019 –(Un-audited)	345,000,000	8,647,299	45,267,996	784,245	399,699,540

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

AL JABR FINANCING COMPANY
(A SAUDI CLOSED JOINT STOCK COMPANY)
INTERIM STATEMENT OF CASH FLOWS
FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2019

	For the three-month period ended 31 March 2019 SR (Un-audited)	For the three-month period ended 31 March 2018 SR (Un-audited)
OPERATING ACTIVITIES		
Net profit for the period	10,461,829	2,870,496
Adjustments for:		
Depreciation	508,233	456,951
Provision for end of service indemnities	58,442	-
Right of use amortization	133,663	-
Allowance for credit loss	5,937,895	7,241,471
Finance charges	4,424,662	1,535,993
Government grant	(1,064,902)	-
Changes in operating assets and liabilities:		
Investment in financing contracts, net	(71,265,551)	22,120,018
Prepayment and other receivables	(27,727,024)	(23,582,994)
Assets repossessed held for sale	696,116	(604,636)
Accounts payable and other liabilities	92,397,540	(15,711,817)
Cash from /(used in) operations	14,560,903	(5,674,518)
Zakat paid	(127,029)	-
Finance charges paid	(3,850,373)	(1,535,993)
End-of-service indemnities paid	(58,442)	(8,184)
Net cash from /(used in) operating activities	10,525,059	(7,218,695)
INVESTING ACTIVITY		
Purchase of property and equipment	(279,542)	(714,951)
Net cash used in investing activity	(279,542)	(714,951)
FINANCING ACTIVITIES		
Proceeds from borrowing	20,000,000	-
Repayment of loans	(22,065,072)	(12,500,000)
Net cash used in financing activities	(2,065,072)	(12,500,000)
NET CHANGE IN CASH AND CASH EQUIVALENTS	8,180,445	(20,433,646)
Cash and cash equivalents at the beginning of the period	30,459,822	37,646,137
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	38,640,267	17,212,491
<u>Non Cash Transactions</u>		
Effect of IFRS 16 –Right-of-use assets	2,182,156	-
Effect of IFRS 16 –Lease Liability	2,122,156	-

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