

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

**INTERIM CONDENSED FINANCIAL STATEMENTS WITH
INDEPENDENT AUDITOR'S REVIEW REPORT**

FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2020

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

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INDEPENDENT AUDITOR'S REVIEW REPORT
FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2020**

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

The Shareholders
Al Jabr Financing Company
(A Saudi Closed Joint Stock Company)
Dammam
Kingdom of Saudi Arabia

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 of 31 March 2020 and the related interim statements of profit or loss and other comprehensive income, changes in shareholders' equity and cash flows for the three-month period then ended, and a summary of significant accounting policies and other explanatory notes ("interim condensed financial statements"). Management is responsible for the preparation and fair presentation of these interim condensed financial statements in accordance with International Accounting Standard 34 - "Interim Financial Reporting" (IAS 34), that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed financial statements based on our review.

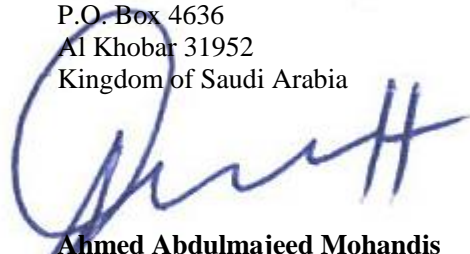
Scope of Review:

We conducted our review in accordance with International Standard on Review Engagements 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', that is endorsed in the Kingdom of Saudi Arabia. A review of the 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 that are 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 interim condensed financial statements are not prepared, in all material respects, in accordance with IAS 34 that is endorsed in the Kingdom of Saudi Arabia.

Al-Bassam & Co.
P.O. Box 4636
Al Khobar 31952
Kingdom of Saudi Arabia



Ahmed Abdulmajeed Mohandis
Certified Public Accountant
License No. 477



14 May 2020
21 Ramadan 1441

AL JABR FINANCING COMPANY
(A SAUDI CLOSED JOINT STOCK COMPANY)
INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2020

		31 March 2020 SR (Un-audited)	31 December 2019 SR (Audited)
	Note		
ASSETS			
Cash and cash equivalents		33,122,333	21,907,604
Net investment in financing contracts	5	969,434,143	962,277,868
Assets repossessed held for sale		1,713,415	1,919,850
Prepayment and other receivables	7	32,275,243	8,014,313
Right-of-use assets		1,498,826	1,635,493
Investment in equity instruments carried at FVOCI		892,850	892,850
Property and equipment		4,329,488	4,618,240
TOTAL ASSETS		<u>1,043,266,298</u>	<u>1,001,266,218</u>
LIABILITIES AND SHAREHOLDERS' EQUITY			
Borrowings	9	247,452,668	246,862,508
Accounts payable and other liabilities	10	364,471,944	325,916,674
Lease liability	11	1,084,872	1,639,475
Zakat provision		4,965,541	4,028,006
End-of-service indemnities		2,531,433	2,531,433
TOTAL LIABILITIES		<u>620,506,458</u>	<u>580,978,096</u>
SHAREHOLDERS' EQUITY			
Share capital	12	345,000,000	345,000,000
Statutory reserve		11,659,065	11,659,065
Retained earnings		65,383,776	62,912,058
Actuarial gain reserve on end-of-service indemnities		716,999	716,999
TOTAL SHAREHOLDERS' EQUITY		<u>422,759,840</u>	<u>420,288,122</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		<u>1,043,266,298</u>	<u>1,001,266,218</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 2020

	Note	For the three-month period ended 31 March 2020 SR (Un-audited)	For the three-month period ended 31 March 2019 SR (Un-audited) (Restated)
Revenue	13	33,031,886	35,348,920
Insurance cost		(6,337,429)	(7,578,040)
Finance cost	14	(1,963,480)	(4,424,662)
Operating profit		24,730,977	23,346,218
General and administration expenses		(8,294,713)	(8,306,395)
Selling and marketing expenses		(1,500,948)	(1,388,291)
Allowance for credit losses	5	(8,932,458)	(5,937,895)
Modification loss on rescheduling of financial assets	15	(4,646,776)	-
Government grant	9.1	652,107	1,064,902
Other income, net		1,401,064	1,683,290
PROFIT BEFORE ZAKAT		3,409,253	10,461,829
Zakat expense		(937,535)	(1,000,000)
NET PROFIT AFTER ZAKAT		2,471,718	9,461,829
Other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		2,471,718	9,461,829
Earnings per share (basic and diluted)	16	0.07	0.27

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 CHANGES IN SHAREHOLDERS' EQUITY
FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2020

	Share capital SR	Statutory reserve SR	Retained earnings SR	Actuarial gain reserve on end- of-service indemnities SR	Total SR
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- (restated)			9,461,829	-	9,461,829
Other comprehensive income for the period	-	-	-	-	-
Balance as at 31 March 2019 –(un-audited)	345,000,000	8,647,299	45,267,996	784,245	399,699,540
Balance as at 31 December 2019-(audited)	345,000,000	11,659,065	62,912,058	716,999	420,288,122
Net profit for the period	-	-	2,471,718	-	2,471,718
Other comprehensive income for the period	-	-	-	-	-
Balance as at 31 March 2020 (Un-audited)	345,000,000	11,659,065	65,383,776	716,999	422,759,840

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 2020

	For the three- month period ended 31 March 2020 SR (Un-audited)	For the three- month period ended 31 March 2019 SR (Un-audited)
OPERATING ACTIVITIES		
Net profit before zakat for the period	3,409,253	10,461,829
Adjustments for:		
Depreciation on property and equipment	480,624	508,233
Provision for end of service indemnities	6,063	58,442
Allowance for credit losses	8,932,458	5,937,895
Modification loss on rescheduling of financial assets	4,646,776	-
Finance charges	1,963,480	4,424,662
Amortization of right of use assets	136,667	133,663
Government grant	(652,107)	(1,064,902)
Agency income	204,558	-
Changes in operating assets and liabilities:		
Investment in financing contracts	(20,735,508)	(71,265,551)
Prepayment and other receivables	(24,260,930)	(27,727,024)
Assets repossessed held for sale	206,434	696,116
Accounts payable and other liabilities	38,283,836	92,397,540
Cash flow from operating activities	12,621,604	14,560,903
Zakat paid	-	(127,029)
Finance charges paid	(2,254,377)	(3,850,373)
End-of-service indemnities paid	(6,063)	(58,442)
Net cash generated from operating activities	10,361,164	10,525,059
INVESTING ACTIVITY		
Purchase of property and equipment	(191,872)	(279,542)
Net cash used in investing activity	(191,872)	(279,542)
FINANCING ACTIVITIES		
Payment under finance lease	(566,667)	-
Borrowings, net	1,612,104	(2,065,072)
Net cash generated from (used in) financing activities	1,045,437	(2,065,072)
NET CHANGE IN CASH AND CASH EQUIVALENTS	11,214,729	8,180,445
Cash and cash equivalents at the beginning of the period	21,907,604	30,459,822
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	33,122,333	38,640,267
Non Cash Transactions		
Effect of IFRS 16 –Right-of-use assets / lease liability	-	2,122,156
Effect of IFRS 16 –Prepayment transferred to right of use	-	60,000

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