

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

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

**FOR THE THREE MONTH AND SIX MONTH PERIOD ENDED 30
JUNE 2020**

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

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FOR THE THREE MONTH AND SIX MONTH PERIOD ENDED 30 JUNE 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 30 June 2020 and the related interim statement of profit or loss and other comprehensive income for the three month and six-month period then ended, and the interim statements of changes in shareholders' equity and cash flows for the six-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.

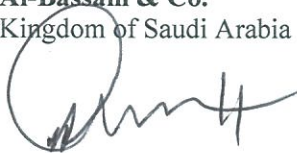
Scope of Review:

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.
 Kingdom of Saudi Arabia



Ahmed Abdul Majeed Mohandis
 Certified Public Accountant
 License No. 477



7 Dhul Hajjah 1441
 28 July 2020

AL JABR FINANCING COMPANY
(A SAUDI CLOSED JOINT STOCK COMPANY)
INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020

		30 June	31 December
		2020	2019
		SR	SR
	Note	(Un-audited)	(Audited)
ASSETS			
Cash and cash equivalents		31,922,075	21,907,604
Net investment in financing contracts	5	765,807,859	962,277,868
Assets repossessed held for sale		1,223,150	1,919,850
Prepayment and other receivables	7	27,015,128	8,014,313
Right-of-use assets		1,362,160	1,635,493
Investment in equity instruments carried at FVOCI		892,850	892,850
Property and equipment		4,139,341	4,618,240
TOTAL ASSETS		832,362,563	1,001,266,218
LIABILITIES AND SHAREHOLDERS' EQUITY			
Borrowings	9	246,516,849	246,862,508
Accounts payable and other liabilities	10	142,617,723	325,916,674
Lease liability	11	1,097,043	1,639,475
Zakat provision		5,603,835	4,028,006
End-of-service indemnities		2,531,433	2,531,433
TOTAL LIABILITIES		398,366,883	580,978,096
SHAREHOLDERS' EQUITY			
Share capital	12	345,000,000	345,000,000
Statutory reserve		11,659,065	11,659,065
Retained earnings		76,619,616	62,912,058
Actuarial gain reserve on end-of-service indemnities		716,999	716,999
TOTAL SHAREHOLDERS' EQUITY		433,995,680	420,288,122
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		832,362,563	1,001,266,218

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 AND SIX MONTH PERIOD ENDED 30 JUNE 2020**

		For the three- month period ended 30 June 2020 SR (Un-audited)	For the three- month period ended 30 June 2019 SR (Un-audited)	For the six- month period ended 30 June 2020 SR (Un-audited)	For the six- month period ended 30 June 2019 SR (Un-audited)
	Note				
Revenue	13	24,378,277	32,102,599	57,410,163	67,451,519
Insurance cost		(6,668,857)	(8,457,660)	(13,006,286)	(16,035,700)
Finance cost	14	(2,256,291)	(3,063,679)	(4,219,771)	(7,488,341)
Operating profit		15,453,129	20,581,260	40,184,106	43,927,478
General and administration expenses		(7,596,491)	(8,138,736)	(15,226,810)	(16,445,131)
Selling and marketing expenses		(874,915)	(845,714)	(2,375,863)	(2,234,005)
Allowance for credit loss	5	(13,234,393)	(6,455,571)	(22,166,851)	(12,393,466)
Modification losses, net	15	1,976,787	-	(2,669,989)	-
Government grant	9.1	-	-	652,107	1,064,902
Net gain on de-recognition of investment in financing contracts	6.2	14,810,095	5,178,686	14,810,095	5,178,686
Other income, net		1,339,922	1,959,886	2,076,592	3,643,176
PROFIT BEFORE ZAKAT		11,874,134	12,279,811	15,283,387	22,741,640
Zakat expense		(638,294)	(1,500,000)	(1,575,829)	(2,500,000)
NET PROFIT		11,235,840	10,779,811	13,707,558	20,241,640
OTHER COMPREHENSIVE INCOME					
Items that may be reclassified subsequently to profit or loss:					
Movement in fair value reserve relating to investment in financing contracts carried at fair value through other comprehensive income		-	6,808,087	-	6,808,087
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		11,235,840	17,587,898	13,707,558	27,049,727
Earnings per share (basic and diluted)	16	0.33	0.31	0.40	0.59

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

AL JABR FINANCING COMPANY
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INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2020

	Share capital SR	Statutory reserve SR	Retained earnings SR	Fair Value Reserve 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			20,241,640	-	-	20,241,640
Other comprehensive income for the period	-	-	-	6,808,087	-	6,808,087
Balance as at 30 June 2019 (un-audited)	345,000,000	8,647,299	56,047,807	6,808,087	784,245	417,287,438
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	-	-	13,707,558	-	-	13,707,558
Balance as at 30 June 2020 (un-audited)	345,000,000	11,659,065	76,619,616	-	716,999	433,995,680

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 SIX MONTH PERIOD ENDED 30 JUNE 2020

	For the six-month period ended 30 June 2020 SR (Un-audited)	For the six-month period ended 30 June 2019 SR (Un-audited)
OPERATING ACTIVITIES		
Net profit before zakat for the period	15,283,387	22,741,640
Adjustments for:		
Depreciation	937,696	1,030,867
Provision for end of service indemnities	6,063	78,691
Allowance for credit losses	22,166,851	12,393,466
Finance charges	4,219,771	7,488,341
Amortization of right of use assets	273,333	270,329
Modification losses, net	2,669,989	-
Net gain on derecognition of investment in financing contracts	(14,810,095)	(5,178,686)
Government grant	(652,107)	(1,064,902)
Agency income	(678,039)	(244,328)
Changes in operating assets and liabilities:		
Investment in financing contracts	184,466,477	(53,249,429)
Prepayment and other receivables	(19,000,815)	(17,030,204)
Assets repossessed held for sale	696,700	311,130
Accounts payable and other liabilities	(182,620,912)	53,095,355
Cash flow from operating activities	12,958,299	20,642,270
Zakat paid	-	(2,705,937)
Finance charges paid	(3,441,078)	(7,177,000)
End-of-service indemnities paid	(6,063)	(78,691)
Net cash generated from operating activities	9,511,158	10,680,642
INVESTING ACTIVITY		
Purchase of property and equipment	(458,797)	(553,087)
Net cash used in investing activity	(458,797)	(553,087)
FINANCING ACTIVITIES		
Payment under finance lease	(566,667)	-
Borrowings, net	1,528,777	(3,649,261)
Net cash generated from / (used in) financing activities	962,110	(3,649,261)
NET CHANGE IN CASH AND CASH EQUIVALENTS	10,014,471	6,478,294
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	31,922,075	36,938,116
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
Fair value reserve relating to investment in financing contracts carried at fair value through other comprehensive income	-	6,808,087

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