

AL JABR FINANCING COMPANY
(A SAUDI CLOSED JOINT STOCK COMPANY) - DAMMAM
INTERIM CONDENSED FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE THREE-MONTH AND NINE-MONTH PERIODS
ENDED SEPTEMBER 30, 2023
WITH INDEPENDENT AUDITOR'S REVIEW REPORT

AL JABR FINANCING COMPANY
(A SAUDI CLOSED JOINT STOCK COMPANY) – DAMMAM
INTERIM CONDENSED FINANCIAL STATEMENTS
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WITH INDEPENDENT AUDITOR'S REVIEW REPORT

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

**TO THE SHAREHOLDERS OF AL JABR FINANCING COMPANY
A SAUDI CLOSED JOINT STOCK COMPANY
DAMMAM – KINGDOM OF SAUDI ARABIA**

Introduction:

We have reviewed the interim condensed statement of financial position of "Al Jabr Financing Company (A Saudi Closed Joint Stock Company) – Dammam" (the "company"), as of September 30, 2023, the interim condensed statements of profit or loss and other comprehensive income for the three-month and nine-month periods ended at September, 30, 2023, the interim condensed statement of changes in shareholders equity and the interim condensed statement of cash flows for nine month then ended, and summary of significant accounting policies and other explanatory notes which form an integral part of these interim condensed financial statements.

Management is responsible for the preparation and presentation of these interim condensed financial statements in accordance with IAS 34 "Interim Financial Reporting. Our responsibility is to express a conclusion on these interim condensed financial statements based on our review.

Scope of limited review:

We conducted our review in accordance with the International Standard on Review Engagements 2410 "Review of Interim Financial Statements Information performed by the Independent Auditor of the Entity" That is endorsed in the Kingdom of Saudi Arabia. A review of interim condensed financial statement consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A limited 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 limited review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial statements do not present fairly in all material respects, in accordance with IAS 34. That is endorsed in the Kingdom of Saudi Arabia.

Al-Khobar: Rabi'Il 10, 1445H
October 25, 2023



FOR EL SAYED EL AYOUTY & CO.



Abdullah Ahmad Balamash
Certified Public Accountant
License No. (345)

AL JABR FINANCING COMPANY

A SAUDI CLOSED JOINT STOCK COMPANY - DAMMAM

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION (UNAUDITED) AS OF SEPTEMBER 30, 2023

(All amounts in Saudi Riyals)

	Note	Sep. 30, 2023 (Un-audited)	Dec. 31, 2022 (Audited)
ASSETS			
Cash and cash equivalents		19,218,195	78,765,656
Net investment in Islamic financing contracts	5	982,447,162	933,593,472
Due from related parties	8.1	3,865,777	3,117,212
Prepayment and other receivables – (Net)	7	25,227,022	38,734,804
Right-of-use assets – (Net)		3,301,910	4,781,851
Investment in equity instruments carried at FVOCI		892,850	892,850
Property and equipment – (Net)		9,673,055	8,668,376
TOTAL ASSETS		1,044,625,971	1,068,554,221
LIABILITIES AND EQUITY			
LIABILITIES			
Borrowings	9	393,316,827	429,804,526
Due to related parties	8.2	46,853,056	40,133,557
Accounts payable and other liabilities	10	57,875,521	69,981,615
Lease liabilities	11	1,926,176	3,788,089
Zakat provision	12	4,182,479	8,725,009
Employees' defined benefit obligations		5,219,655	4,495,565
TOTAL LIABILITIES		509,373,714	556,928,361
EQUITY			
Share capital	13	345,000,000	345,000,000
Statutory reserve		23,377,372	23,377,372
Retained earnings		166,128,222	142,501,825
Actuarial gain reserve on employees' defined benefit obligations		746,663	746,663
TOTAL EQUITY		535,252,257	511,625,860
TOTAL LIABILITIES AND EQUITY		1,044,625,971	1,068,554,221

The accompanying notes from 1 to 19 form an integral part of these interim condensed financial statements (Un-audited)

AL JABR FINANCING COMPANY

A SAUDI CLOSED JOINT STOCK COMPANY - DAMMAM

**INTERIM CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
(UNAUDITED) FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2023**

(All amounts in Saudi Riyals)

	Note	For the three months period ended		For the nine months Period ended	
		Sep. 30, 2023	Sep. 30, 2022	Sep. 30, 2023	Sep. 30, 2022
		(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)
Revenue	14	31,278,773	27,647,874	90,303,602	81,347,874
Insurance cost		(3,293,456)	(2,736,196)	(9,294,613)	(7,598,385)
Finance cost	15	(6,304,456)	(1,871,879)	(18,394,830)	(5,950,255)
Gross income		21,680,861	23,039,799	62,614,159	67,799,234
General and administrative expenses		(12,699,628)	(11,390,723)	(34,556,045)	(31,143,369)
Selling and marketing expenses		(1,371,894)	(1,380,504)	(3,056,329)	(3,478,912)
Allowance for expected credit losses	5.3	(5,124,600)	(1,727,691)	(12,567,969)	(4,215,508)
Government grants	9	1,722,641	---	4,891,639	732,768
Other income – (Net)		2,199,167	3,160,840	11,350,665	8,262,899
Profit for the period before zakat		6,406,547	11,701,721	28,676,120	37,957,112
Zakat expenses		(1,050,000)	(1,500,000)	(4,182,180)	(4,481,163)
Net profit for the period		5,356,547	10,201,721	24,493,940	33,475,949
Other comprehensive income		---	---	---	---
Total comprehensive income for the period		5,356,547	10,201,721	24,493,940	33,475,949
Earnings per share (basic and diluted)	16	0.16	0.30	0.71	0.97

The accompanying notes from 1 to 19 form an integral part of these interim condensed financial statements (Un-audited)

AL JABR FINANCING COMPANY
A SAUDI CLOSED JOINT STOCK COMPANY - DAMMAM

INTERIM CONDENSED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (UNAUDITED) FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2023
(All amounts in Saudi Riyals)

	Share capital	Statutory reserve	Retained earnings	Actuarial gain reserve on employees' defined benefit obligations	Total equity
Nine-months period ended September 30, 2022					
Balance as at 1 January 2022 – (audited)	345,000,000	19,178,072	104,708,120	543,813	469,430,005
Net profit for the period	---	---	33,475,949	---	33,475,949
Balance as at September 30, 2022 (un-audited)	345,000,000	19,178,072	138,184,069	543,813	502,905,954
Nine-months period ended September 30, 2023					
Balance as at 1 January 2023 – (audited)	345,000,000	23,377,372	142,501,825	746,663	511,625,860
Adjustments (Note 17)	---	---	(867,543)	---	(867,543)
Net profit for the period	---	---	24,493,940	---	24,493,940
Balance as at September 30, 2023 (un-audited)	345,000,000	23,377,372	166,128,222	746,663	535,252,257

AL JABR FINANCING COMPANY

A SAUDI CLOSED JOINT STOCK COMPANY - DAMMAM

INTERIM CONDENSED STATEMENT OF CASH FLOWS (UNAUDITED) FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2023

(All amounts in Saudi Riyals)

	For the nine months period ended Sep. 30, 2023 (Un-audited)	For the nine months period ended Sep. 30, 2022 (Un-audited)
OPERATING ACTIVITIES		
Net profit before zakat for the period	28,676,120	37,957,112
Adjustments for:		
Depreciation	1,072,176	1,083,492
Provision for employees' defined benefit obligations	918,503	817,569
Allowance for expected credit losses	12,567,969	4,215,508
Finance cost	18,394,830	5,950,255
Amortization of right of use assets	1,479,941	1,005,262
Government grants	(4,891,639)	(732,768)
Agency income	(440,374)	(803,329)
	57,777,526	49,493,101
Changes in operating assets and liabilities:		
Investment in Islamic financing contracts	(61,421,659)	(78,796,757)
Prepayment and other receivables	13,948,156	1,557,684
Assets repossessed held for sale	---	82,786
Due from related parties	(748,565)	(1,295,457)
Accounts payable and other liabilities	(8,081,998)	(11,304,423)
Due to related parties	6,719,499	(28,612,414)
Zakat paid	(8,724,710)	(5,587,711)
Finance charges paid	(18,278,784)	(3,524,828)
Employees' defined benefit obligations paid	(194,413)	(60,745)
Net cash (used in) operating activities	(19,004,948)	(78,048,764)
INVESTING ACTIVITY		
Payment to acquire of property and equipment	(2,076,855)	(3,716,586)
Net cash (used in) investing activity	(2,076,855)	(3,716,586)
FINANCING ACTIVITY		
Finance lease, paid	(1,977,959)	(2,668,907)
Borrowings, net	(36,487,699)	101,050,347
Net cash (used in) financing activities	(38,465,658)	98,381,440
Net change in cash and cash equivalents	(59,547,461)	16,616,090
Cash and cash equivalents at the beginning of the period	78,765,656	31,633,673
Cash and cash equivalents at the end of the period	19,218,195	48,249,763

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

Notes to the interim condensed financial statements (unaudited) for the nine month period ended September 30, 2023

1. LEGAL STATUS

- 1.1. Al Jabr Financing Company "Al Jabr Company for Installment previously" ("the Company") is a Saudi Closed Joint Stock Company registered in the Kingdom of Saudi Arabia under Commercial Registration No. 2050097254 issued in Dammam on Rabi Al Awwal 1436H (corresponding to January 12, 2015).

The approval of the Saudi Central Bank – (SAMA) (Saudi Arabian Monetary Authority – previously) in its letter No. 351000150191 dated Dhul Hijjah 18, 1435H (corresponding to October 12, 2014) and the issuance of Ministerial Decision No. 394/S dated Rabi Al-Awwal 21, 1436H (corresponding to January 12, 2015) approving the conversion of Al Jabr Company for Installment from a limited liability Company to a closed joint stock Company and to amend its name to become Al Jabr Financing Company while maintaining the same commercial registration number of the Company prior to the conversion.

The company purpose is financing of production assets, financing the activity of small and medium entities, finance lease and consumer finance in the Kingdom of Saudi Arabia under the license number 42/Ash/201512 dated Rabi Al Awwal 03, 1437H (corresponding to December 14, 2015) granted by Saudi Central Bank (SAMA).

On September 20, 2022, the Extraordinary General Assembly approved the registration of the company's shares, amounting to 34,500,000 ordinary shares in the main financial market, after obtaining all approvals and statutory licenses necessary for this procedure, by offering 10,350,000 shares, which represents 30% of the company's issued shares as a public offering in the financial main market in the Kingdom of Saudi Arabia.

- 1.2. These interim condensed financial statements include of the activities of the following branches:

<u>Branch</u>	<u>C.R. No.</u>
Al Jabr Financing Company – Jeddah	4030443065
Al Jabr Financing Company – Riyadh	1010861762

The Company's Head Office is located at the following address:

Al Jabr Financing Company - Dammam, Kingdom of Saudi Arabia

1.3. Significant matters

The new Companies Law issued through Royal Decree M/132 on 1/12/1443H (corresponding to June 30, 2022) was approved, which has implemented on 26/6/1444H (corresponding to 19/1/2023). The new Companies Law replaces the old Companies Law issued through Royal Decree No. M/3 dated 28/1/1437H and cancels all conflicting provisions of the Law, and the existing companies after implementing of the new Companies Law have to amend their status in accordance with it's provisions for the period not later than two years from the date of implementation. However, the management shall study the latest amendments of the law to take it's advantages with the commitment to amend the company's status in accordance with the judgments of the law during the specified grace period.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These interim condensed financial statements (unaudited) have been prepared in accordance with IAS 34 Interim Financial Reporting adopted in Saudi Arabia and other standards and pronouncements endorsed by SOCPA and Saudi Central Bank (SAMA). These interim condensed financial statements (unaudited) do not include all the information and explanations required in the annual financial statements. Accordingly, these interim condensed financial statements should be read in conjunction with the Company's financial statements for the year ended 31 December 2022.

2.2 Basis of measurement

These interim condensed financial statements (unaudited) have been prepared using the accrual basis of accounting and the going concern concept and also under the historical cost basis, unless the international financial reporting standards allow for measurement according to other valuation methods.

2.3 Functional and presentation currency

These interim condensed financial statements (unaudited) have been presented in Saudi Riyals (SR) which is the Company's functional and presentation currency. Figures have been rounded to the nearest Saudi Riyal, unless otherwise mentioned.

AL JABR FINANCING COMPANY

(A SAUDI CLOSED JOINT STOCK COMPANY) - DAMMAM

Notes to the interim condensed financial statements (unaudited) for the nine month period ended September 30, 2023

2. BASIS OF PREPARATION... (Continued)

2.4 Significant accounting estimates, assumptions and judgments

The preparation of interim condensed financial statements (unaudited) requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures about assets and contingent liabilities at the date of the financial statements, the amounts of revenues and expenses declared, disclosure of contingent liabilities on the financial statements and the amounts of revenues and expenses of the declared values during the reporting period. Although these estimates and judgments are based on the best information available to management on operations and current events, actual results may differ from these estimates. The significant judgments made by management in applying the Company's accounting policies and the key sources of estimation in these financial statements were the same as those that applied to the financial statements as at and for the year ended 31 December 2022.

3. IMPACT OF CHANGES IN ACCOUNTING POLICIES DUE TO ADOPTION OF NEW STANDARDS

3.1 New IFRSs, International Financial Reporting and Interpretation Committee interpretations (IFRIC) and amendments adopted by the Company

There are no new standards issued, however, a number of amendments to the standards are effective as of January 01, 2023, and the details of this were clarified in the annual financial statement for the year ended December 31, 2022, however, they have no material impact on the interim condensed financial statements.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied in these interim condensed financial statements (unaudited) are the same as those applied in the last annual financial statements for the year ended December 31, 2022.

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

Notes to the interim condensed financial statements (unaudited) for the nine month period ended

September 30, 2023

(All amounts in Saudi Riyals)

5. NET INVESTMENT IN ISLAMIC FINANCING CONTRACTS

5.1 Investment in Islamic financing contracts comprised of investment in Ijara, Murabaha and Tawarruq contracts as mentioned below:

	Ijara		Murabaha		Tawarruq		Total	
	Sep. 30, 2023 (un-audited)	Dec. 31, 2022 (audited)	Sep. 30, 2023 (un-audited)	Dec. 31, 2022 (audited)	Sep. 30, 2023 (un-audited)	Dec. 31, 2022 (audited)	Sep. 30, 2023 (un-audited)	Dec. 31, 2022 (audited)
Contracts receivables, gross	783,975,826	874,670,114	199,276,402	249,650,151	282,461,034	99,350,311	1,265,713,262	1,223,670,576
Unearned income	(103,977,538)	(138,147,624)	(23,728,232)	(34,600,904)	(92,196,932)	(32,978,089)	(219,902,702)	(205,726,617)
Deferred insurance	(21,324,118)	(20,498,863)	---	---	---	---	(21,324,118)	(20,498,863)
	<u>658,674,170</u>	<u>716,023,627</u>	<u>175,548,170</u>	<u>215,049,247</u>	<u>190,264,102</u>	<u>66,372,222</u>	<u>1,024,486,442</u>	<u>997,445,096</u>
Allowance for credit losses (5.3)	(27,262,981)	(56,239,523)	(2,829,730)	(2,904,602)	(11,946,569)	(4,707,499)	(42,039,280)	(63,851,624)
Contracts receivables, net	<u>631,411,189</u>	<u>659,784,104</u>	<u>172,718,440</u>	<u>212,144,645</u>	<u>178,317,533</u>	<u>61,664,723</u>	<u>982,447,162</u>	<u>933,593,472</u>
Current portion	282,617,510	293,569,687	77,089,088	88,170,191	83,551,347	27,212,611	443,257,945	408,952,489
Non-current portion	376,056,660	422,453,940	98,459,082	126,879,056	106,712,755	39,159,611	581,228,497	588,492,607
Allowance for credit loss (5.3)	(27,262,981)	(56,239,523)	(2,829,730)	(2,904,602)	(11,946,569)	(4,707,499)	(42,039,280)	(63,851,624)
	<u>631,411,189</u>	<u>659,784,104</u>	<u>172,718,440</u>	<u>212,144,645</u>	<u>178,317,533</u>	<u>61,664,723</u>	<u>982,447,162</u>	<u>933,593,472</u>

5.2 The balance of net investment in Islamic financing contracts includes a balance for related parties in the amount of SR. 21.9 million in the current period (SR. 25.99 million 2022) (Note 8), as follows:

	Sep. 30, 2023 (un-audited)	Dec. 31, 2022 (audited)
Waad Al-Shamal Hotel Company	16,231,657	19,172,205
Karan Company	5,756,362	6,788,344
Inas Trading Company	---	33,429
	<u>21,988,019</u>	<u>25,993,978</u>

AL JABR FINANCING COMPANY

(A SAUDI CLOSED JOINT STOCK COMPANY) - DAMMAM

Notes to the interim condensed financial statements (unaudited) for the nine month period ended September 30, 2023

(All amounts in Saudi Riyals)

5. NET INVESTMENT IN FINANCING CONTRACTS ... (Continued)

5.3 Movement in allowance for credit losses during the period / year is as follows:

	Sep. 30, 2023 (un-audited)	Dec. 31, 2022 (audited)
Opening balance	63,851,624	62,355,106
Charge for the period / year	12,567,969	1,496,518
Write-off	(34,380,313)	---
	<u>42,039,280</u>	<u>63,851,624</u>

5.4 The Company in ordinary course of its business for Ijara and Murabha holds collateral in respect of the financing contracts (being the title of assets leased out) in order to mitigate the credit risk associated with them. These collaterals are not readily convertible into cash and are intended to be repossessed and disposed of in case the customer defaults.

5.5 Investment in financing contracts include net non-financing receivable balance amounting to SR. 2.6 million (December 31, 2022: SR. 3.96 million) which related to direct charges to customers' accounts for other additive services.

6. PURCHASE AND AGENCY AGREEMENT

6.1 The maturity analysis of payable to the bank as an agent under purchase and agency agreement is as follows:

	Up to 1 year	2 – 3 years	Total
Portfolio 2	9,260,737	---	9,260,737
Portfolio 3	45,868,519	2,777,616	48,646,135
	<u>55,129,256</u>	<u>2,777,616</u>	<u>57,906,872</u>

6.2 The Company's service assets and related liabilities is calculated separately by calculating the present value of service assets, as per the terms of the agreement, and by estimating the present value of service liabilities and related provisions. The movement on both service assets and liabilities as follows:

	Sep. 30, 2023 (un-audited)	Dec. 31, 2022 (audited)
Service assets		
Present value of service assets	1,326,199	3,329,341
Interest earned during the period / year	21,163	77,812
Collection	(970,118)	(2,080,954)
	<u>377,244</u>	<u>1,326,199</u>
Purchase and agency agreement liabilities		
Present value of purchase and service agreement liability	26,806,735	36,724,064
Movement in payable to bank	6,478,426	(762,444)
Payment	(8,311,923)	(8,429,825)
Amortization of unearned income (Note: 10.1)	(440,374)	(997,245)
Interest on unwinding of liabilities	53,901	272,185
	<u>24,586,765</u>	<u>26,806,735</u>

AL JABR FINANCING COMPANY

(A SAUDI CLOSED JOINT STOCK COMPANY) - DAMMAM

Notes to the interim condensed financial statements (unaudited) for the nine month period ended September 30, 2023

(All amounts in Saudi Riyals)

6. PURCHASE AND AGENCY AGREEMENT... (Continued)

6.3 Servicing assets and related liabilities are classified as follows:

	Sep. 30, 2023 (un-audited)	Dec. 31, 2022 (audited)
Service assets		
Closing balance of the present value of net service assets (Note: 7)	377,244	1,326,199
Less: current portion	(377,244)	(1,134,632)
Non-current portion	---	191,567
Purchase and agency agreement liabilities		
Closing balance of the present value of purchase and agency agreement liabilities (Note: 10)	24,586,765	26,806,735
Less: current portion	(15,705,175)	(11,997,433)
Non-current portion	8,881,590	14,809,302

The present value of service assets and the present value of liabilities under purchase and agency agreement is calculated by using an average discount rate.

7. PREPAYMENT AND OTHER RECEIVABLES - NET

	Sep. 30, 2023 (un-audited)	Dec. 31, 2022 (audited)
Insurance claim receivable, gross	4,758,839	5,211,999
Less: provision	(4,673,214)	(4,673,214)
Insurance claim receivable, Net	85,625	538,785
Present value of service asset (Note: 6.2)	377,244	1,326,199
Advance to suppliers	7,543,343	31,668,299
Insurance cost due from customers	5,905,338	3,469,195
Prepayments	6,896,425	1,344,137
Deferred transaction cost	4,067,225	---
Employees receivable	275,990	312,357
Security deposits	75,832	75,832
	25,227,022	38,734,804

8. RELATED PARTY BALANCES AND TRANSACTIONS

In the normal course of business, the Company pays for the cars purchased from a related Company on a commercial basis. The Company transacts with the following related parties during the period:

Name	Relationship
Al Jabr Holding Company	Holding Company
Al Jabr Investment Company	Affiliate
Al Jabr Trading Company	Affiliate
Al Jabr for Car Rental	Affiliate
Haier and Al Jabr Saudi Electronic Trading Company	Affiliate
Waad Al-Shamal Hotel Company	Affiliate
Karan Company	Affiliate
Enjaz Al-Arabiya for Contracting (Resigned)	Owned by BOD member
Inas Trading Company	Relative to BOD member
Sado Paper Products Company (Resigned)	Relative to BOD member
Shimaa Ibrahim & Sarah Saad Company (Resigned)	Owned by BOD member
Mohamed Al Jabr (Resigned)	BOD member

AL JABR FINANCING COMPANY

(A SAUDI CLOSED JOINT STOCK COMPANY) - DAMMAM

Notes to the interim condensed financial statements (unaudited) for the nine month period ended September 30, 2023

(All amounts in Saudi Riyals)

8. RELATED PARTY BALANCES AND TRANSACTIONS... (Continued)

Details of significant transactions with related parties during the period and related balances are as follows:

Related party	Nature of transactions	Sep. 30, 2023 (un-audited)	Sep. 30, 2022 (un-audited)
Al Jabr Trading Company (KIA)	Purchase of vehicles, Net	67,558,871	76,012,123
	Service invoices & Expenses paid on behalf of the Co.	1,709,774	2,777,613
	Collection on behalf of the affiliate.	(4,115,346)	(6,009,473)
Al Jabr Holding Company	Expenses paid on behalf of the Co.	9,648,934	10,464,217
Al Jabr Investment Company	Expenses paid on behalf of the Co.	3,783	3,213
	Collection on behalf of the affiliate	(2,500,281)	(2,071,595)
Haier and Al Jabr Saudi electronic Trading Company	Purchases	14,354	35,765
Al Jabr for Car Rental	Purchase of cars to Company	(494,145)	(425,050)
	Repossessed assets sold	3,671,108	12,488,341
	Expenses paid on behalf of Company	122,093	190,039
Board of Directors	Remuneration and attendance fee	246,500	233,360
Key management personnel	Salaries and benefits	2,845,866	2,373,728

8.1 Dues from related parties are as follows:

	Sep. 30, 2023 (un-audited)	Dec. 31, 2022 (audited)
Al Jabr for Car Rental	3,164,821	3,117,212
Al Jabr Holding Company	700,956	---
	3,865,777	3,117,212

8.2 Dues to related parties are as follows::

	Sep. 30, 2023 (un-audited)	Dec. 31, 2022 (audited)
Al Jabr Trading Company (KIA)	46,435,884	39,996,020
Al Jabr Investment Company	417,172	137,537
	46,853,056	40,133,557

9. BORROWINGS

	Sep. 30, 2023 (un-audited)	Dec. 31, 2022 (audited)
Current portion	296,152,852	269,950,471
Non-current portion	97,163,975	159,854,055
	393,316,827	429,804,526

9.1 In 2022, the Company has participated in Loan Guarantee Program (Kafalah) with Saudi Central Bank and received an interest free loan of SR 122 million.

During the period, the Company has refunded SR 26.2 million to Saudi Central bank.

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Notes to the interim condensed financial statements (unaudited) for the nine month period ended September 30, 2023

(All amounts in Saudi Riyals)

9. BORROWINGS... (Continued)

- 9.2** During the period, the Company has participated in Loan Guarantee Program (Kafalah) with Saudi Central Bank and received an interest free loan of SR 15 million. As per loan guarantee program, the Company has issued financing to customers at below market rate. The loan is repaid in 30 monthly installments, and the first installment is due after a grace period of 6 months from the date of the contract. This loan will be paid in full on February 1, 2026, which was discounted on the basis of the average interest rates prevailing in the market for loans of a similar nature. The difference with the present value is recorded as government grant amounting to SR. 1.44 million. The Government grant will be amortized over the term of loan on systematic basis.
- 9.3** During the period the company has obtained a short term loan amounting to SR 55 million from a commercial bank at prevailing interest rates."

10. ACCOUNTS PAYABLE AND OTHER LIABILITIES

	Sep. 30, 2023 (un-audited)	Dec. 31, 2022 (audited)
Liabilities and unearned income under purchase and agency Agreements (Note: 10.1)	24,586,765	26,806,735
Deferred government grants (Note 17)	6,523,144	11,269,205
Vehicles suppliers	1,525,454	1,253,508
Insurance payable	9,777,656	1,991,222
Insurance claims payable	2,526,457	7,341,041
Employees' salaries and vacations	1,905,067	1,557,863
Advances from financing contracts	2,155,171	7,784,157
Accrued expenses	1,839,787	3,495,757
VAT payable	---	1,295,015
Other payable	7,036,020	7,187,112
	57,875,521	69,981,615

10.1 The following are the details of liabilities under purchase and agency agreement:

	Sep. 30, 2023 (un-audited)	Dec. 31, 2022 (audited)
Provision for expected default under purchase agency agreement	13,321,198	16,478,981
Provision for onerous arrangement	2,576,531	5,703,011
Servicing liability	528,680	1,726,151
Unearned service income (Note: 6.2)	162,394	602,768
Guarantee commission	426,674	1,202,962
Payable under purchase and agency agreement	7,571,288	1,092,862
	24,586,765	26,806,735

11. LEASE LIABILITIES

Movement on lease liabilities during the period / year is as follows:

	Sep. 30, 2023 (un-audited)	Dec. 31, 2022 (audited)
Balance at the beginning of the period / year	3,788,089	970,183
Addition	---	5,384,045
Less: payment	(1,977,959)	(2,654,426)
Add: interest expenses (Note: 15)	116,046	88,287
Balance at the end of the period / year	1,926,176	3,788,089
Liability has been classified as follows:		
Non-current portion	---	1,839,363
Current portion	1,926,176	1,948,726
	1,926,176	3,788,089

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Notes to the interim condensed financial statements (unaudited) for the nine month period ended September 30, 2023

(All amounts in Saudi Riyals)

12. Zakat provision

12.1 The movement in the provision for zakat for the period/year is as follows:

	Sep. 30, 2023	Dec. 31, 2022
	(un-audited)	(audited)
Balance at the beginning of the period / year	8,725,009	5,566,216
Providing during the period / year	4,182,180	8,746,504
Payment during the period / year	(8,724,710)	(5,587,711)
	<u>4,182,479</u>	<u>8,725,009</u>

12.2 Zakat status

Zakat returns for the company have been filed for the year 2022 and the zakat certificate has been received. The company has received and clear final assessment until 2017. The ZATCA has not issued any assessment for years 2018 to 2022.

13. SHARE CAPITAL

The Company's subscribed and paid up share capital of SR. 345,000,000 (2021: SR. 345,000,000) is divided into 34,500,000 (2021: 34,500,000) equity shares of SR 10 each fully issued and paid and distributed among shareholders.

14. REVENUE

	For the three months		For the nine months	
	Sep. 30, 2023	Sep. 30, 2022	Sep. 30, 2023	Sep. 30, 2022
	(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)
Ijarah contracts income	19,392,557	21,002,207	59,822,627	63,702,337
Tawarruq contracts income	6,062,859	1,841,665	13,703,489	4,447,359
Murabaha contracts income	4,990,218	4,140,755	14,658,621	10,925,117
Administration fee income	710,804	433,195	1,678,490	1,469,732
Agency income	122,335	230,052	440,375	803,329
Total revenue	<u>31,278,773</u>	<u>27,647,874</u>	<u>90,303,602</u>	<u>81,347,874</u>

15. FINANCE COST

	For the three months		For the nine months	
	Sep. 30, 2023	Sep. 30, 2022	Sep. 30, 2023	Sep. 30, 2022
	(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)
Finance cost on bank borrowings	4,394,644	1,448,537	12,340,838	3,636,388
Unwinding of interest on subsidized loan	1,873,980	631,936	5,905,208	2,113,642
Unwinding of interest on assets and liabilities under purchase agency agreement, net (Note: 6)	11,891	(255,608)	32,738	144,156
Finance charge on lease liability (Note: 11)	23,941	47,014	116,046	56,069
	<u>6,304,456</u>	<u>1,871,879</u>	<u>18,394,830</u>	<u>5,950,255</u>

16. EARNING PER SHARE

Basic earnings per share amounts are calculated by dividing the net income for the period attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the period.

17. ADJUSTMENTS

The management recognized deferred Government grant of SR 0.87 million being unamortized impact of Government grant as at September 30, 2023 which was recognized in profit and loss account in prior periods. The corresponding impact is charged to retained earnings. The adjustment is made to be consistent with policy for recognition of Government grant.

18. SUBSEQUENT EVENTS

The management believes that there are no significant subsequent events since the date of the company's interim condensed financial statements for the period ending on September 30, 2023 until the date of preparing these financial statements that may have a material impact on the company's financial position.

19. APPROVAL OF THE INTERIM CONDENSED FINANCIAL STATEMENTS

These interim condensed financial statements were authorized for issue on Rabi 'Il 10, 1445H (corresponding to October 25, 2023), by the Board of Directors of the Company.