

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

**INTERIM CONDENSED FINANCIAL STATEMENTS (UN – AUDITED)**  
**WITH INDEPENDENT AUDITOR’S REVIEW REPORT**

**FOR THE THREE MONTH AND SIX MONTH PERIOD ENDED**  
**30 JUNE 2021**

**AL JABR FINANCING COMPANY**  
**(A SAUDI CLOSED JOINT STOCK COMPANY)**  
**INTERIM CONDENSED FINANCIAL STATEMENTS WITH**  
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**FOR THE THREE MONTH AND SIX MONTH PERIOD ENDED 30 JUNE 2021**

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<b>INDEX</b>	<b>PAGE</b>
Independent auditor's review report on the interim condensed financial statements	1
Interim statement of financial position	2
Interim statement of profit or loss and other comprehensive income	3
Interim statement of changes in equity	4
Interim statement of cash flows	5
Notes to the interim condensed financial statements	6-14

**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 the financial position of Al Jabr Financing Company (a Saudi Closed Joint Stock Company) (the "Company") as of 30 June 2021 and the 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 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.**  
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**Ahmed Abdul Majeed Mohandis**  
 Certified Public Accountant  
 License No. 477



23 Dhul Hijjah 1442  
 2 August 2021

**AL JABR FINANCING COMPANY**  
**(A SAUDI CLOSED JOINT STOCK COMPANY)**  
**INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2021**

		<b>30 June 2021 SR (Un-audited)</b>	31 December 2020 SR (Audited)
	<b>Note</b>		
<b>ASSETS</b>			
Cash and cash equivalents		<b>52,865,304</b>	50,795,392
Net investment in financing contracts	5	<b>763,694,514</b>	739,557,721
Assets repossessed held for sale		<b>547,904</b>	598,918
Prepayment and other receivables	7	<b>22,153,388</b>	17,915,387
Right-of-use asset		<b>813,993</b>	1,085,824
Investment in equity instruments carried at FVOCI		<b>892,850</b>	892,850
Property and equipment		<b>2,685,372</b>	3,026,787
<b>TOTAL ASSETS</b>		<b>843,653,325</b>	813,872,879
<b>LIABILITIES AND EQUITY</b>			
Borrowings	9	<b>241,030,616</b>	243,063,990
Accounts payable and other liabilities	10	<b>124,917,186</b>	106,022,531
Lease liability	11	<b>567,875</b>	1,122,070
Zakat provision		<b>2,106,329</b>	5,573,109
End-of-service indemnities		<b>3,632,387</b>	3,698,416
<b>TOTAL LIABILITIES</b>		<b>372,254,393</b>	359,480,116
<b>EQUITY</b>			
Share capital	12	<b>345,000,000</b>	345,000,000
Statutory reserve		<b>15,106,754</b>	15,106,754
Retained earnings		<b>110,947,429</b>	93,941,260
Actuarial gain reserve on end-of-service indemnities		<b>344,749</b>	344,749
<b>TOTAL EQUITY</b>		<b>471,398,932</b>	454,392,763
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>843,653,325</b>	813,872,879

The accompanying notes 1 through 18 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 2021**

		<b>For the three- month period ended 30 June 2021 SR (Un-audited)</b>	<b>For the three- month period ended 30 June 2020 SR (Un-audited)</b>	<b>For the six- month period ended 30 June 2021 SR (Un-audited)</b>	<b>For the six- month period ended 30 June 2020 SR (Un-audited)</b>
	<b>Note</b>				
Revenue	13	<b>26,748,075</b>	24,378,277	<b>52,143,752</b>	57,410,163
Insurance cost		<b>(3,969,106)</b>	(6,668,857)	<b>(7,671,732)</b>	(13,006,286)
Finance cost	14	<b>(1,709,344)</b>	(2,256,291)	<b>(3,409,350)</b>	(4,219,771)
<b>Operating profit</b>		<b>21,069,625</b>	15,453,129	<b>41,062,670</b>	40,184,106
General and administration expenses		<b>(8,751,516)</b>	(7,596,491)	<b>(16,837,662)</b>	(15,226,810)
Selling and marketing expenses		<b>(1,139,461)</b>	(874,915)	<b>(1,576,818)</b>	(2,375,863)
Allowance for credit loss	5.2	<b>(8,018,276)</b>	(13,234,393)	<b>(7,077,744)</b>	(22,166,851)
Modification gains / (losses)	15	<b>1,953,932</b>	1,976,787	<b>589,917</b>	(2,669,989)
Government grant	9	<b>176,941</b>	-	<b>176,941</b>	652,107
Net gain on de-recognition of investment in financing contracts		-	14,810,095	-	14,810,095
Other income, net		<b>1,689,704</b>	1,339,922	<b>2,791,198</b>	2,076,592
<b>PROFIT BEFORE ZAKAT</b>		<b>6,980,949</b>	11,874,134	<b>19,128,502</b>	15,283,387
Zakat expense		<b>(1,496,082)</b>	(638,294)	<b>(2,122,333)</b>	(1,575,829)
<b>NET PROFIT</b>		<b>5,484,867</b>	11,235,840	<b>17,006,169</b>	13,707,558
<b>OTHER COMPREHENSIVE INCOME</b>		-	-	-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>5,484,867</b>	11,235,840	<b>17,006,169</b>	13,707,558
<b>Earnings per share (basic and diluted)</b>	16	<b>0.16</b>	0.33	<b>0.49</b>	0.40

The accompanying notes 1 through 18 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 EQUITY**  
**FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2021**

	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 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
Other comprehensive income for the period	-	-	-	-	-
Balance as at 30 June 2020 –(un-audited)	345,000,000	11,659,065	76,619,616	716,999	433,995,680
Balance as at 31 December 2020-(audited)	345,000,000	15,106,754	93,941,260	344,749	454,392,763
Net profit for the period	-	-	<b>17,006,169</b>	-	<b>17,006,169</b>
Other comprehensive income for the period	-	-	-	-	-
Balance as at 30 June 2021 (Un-audited)	<b>345,000,000</b>	<b>15,106,754</b>	<b>110,947,429</b>	<b>344,749</b>	<b>471,398,932</b>

The accompanying notes 1 through 18 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 2021**

	<b>For the six-month period ended 30 June 2021 SR (Un-audited)</b>	<b>For the six-month period ended 30 June 2020 SR (Un-audited)</b>
<b>OPERATING ACTIVITIES</b>		
Net profit before zakat for the period	<b>19,128,502</b>	15,283,387
Adjustments for:		
Depreciation	<b>653,559</b>	937,696
Provision for end of service indemnities	<b>500,324</b>	6,063
Allowance for credit losses	<b>7,077,744</b>	22,166,851
Finance cost	<b>3,409,350</b>	4,219,771
Provision for insurance claim receivable	<b>1,300,000</b>	-
Amortization of right of use assets	<b>271,831</b>	273,333
Modification (gains) / losses, net	<b>(589,917)</b>	2,669,989
Net gain on derecognition of investment in financing contracts	<b>-</b>	(14,810,095)
Government grant	<b>(176,941)</b>	(652,107)
Agency income	<b>(721,960)</b>	(678,039)
<b>Changes in operating assets and liabilities:</b>		
Investment in financing contracts	<b>(33,574,208)</b>	184,466,477
Prepayment and other receivables	<b>(4,816,041)</b>	(19,000,815)
Assets repossessed held for sale	<b>51,014</b>	696,700
Accounts payable and other liabilities	<b>18,312,025</b>	(182,620,912)
<b>Cash flow from operating activities</b>	<b>10,825,282</b>	12,958,299
Zakat paid	<b>(5,589,113)</b>	-
Finance charges paid	<b>(594,147)</b>	(3,441,078)
End-of-service indemnities paid	<b>(566,353)</b>	(6,063)
<b>Net cash generated from operating activities</b>	<b>4,075,669</b>	9,511,158
<b>INVESTING ACTIVITY</b>		
Purchase of property and equipment	<b>(312,144)</b>	(458,797)
<b>Net cash used in investing activity</b>	<b>(312,144)</b>	(458,797)
<b>FINANCING ACTIVITIES</b>		
Payment under finance lease	<b>(566,667)</b>	(566,667)
Borrowings, net	<b>(1,126,946)</b>	1,528,777
<b>Net cash (used in) / generated from financing activities</b>	<b>(1,693,613)</b>	962,110
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>2,069,912</b>	10,014,471
Cash and cash equivalents at the beginning of the period	<b>50,795,392</b>	21,907,604
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>52,865,304</b>	31,922,075

The accompanying notes 1 through 18 form an integral part of these interim condensed financial statements.