

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

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

**FOR THE THREE AND NINE MONTH PERIOD ENDED 30
SEPTEMBER 2020**

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

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FOR THE THREE AND NINE MONTH PERIOD ENDED 30 SEPTEMBER 2020

INDEX	PAGE
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

**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 September 2020 and the interim statement of profit or loss and other comprehensive income for the three and nine-month period then ended, and the interim statements of changes in equity and cash flows for the nine-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.

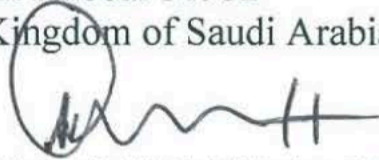
Scope of Review:

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 Abdul Majeed Mohandis
Certified Public Accountant
License No. 477



10 Rabi Al Awal 1442
27 October 2020

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

		30 September	31 December
		2020	2019
		SR	SR
	Note	(Un-audited)	(Audited)
ASSETS			
Cash and cash equivalents		32,577,776	21,907,604
Net investment in financing contracts	5	746,488,312	962,277,868
Assets repossessed held for sale		946,911	1,919,850
Prepayment and other receivables	7	24,285,879	8,014,313
Right-of-use asset		1,223,992	1,635,493
Investment in equity instruments carried at FVOCI		892,850	892,850
Property and equipment		3,719,435	4,618,240
TOTAL ASSETS		810,135,155	1,001,266,218
LIABILITIES AND EQUITY			
Borrowings	9	237,015,978	246,862,508
Accounts payable and other liabilities	10	119,623,512	325,916,674
Lease liability	11	1,109,486	1,639,475
Zakat provision		4,484,311	4,028,006
End-of-service indemnities		2,531,433	2,531,433
TOTAL LIABILITIES		364,764,720	580,978,096
EQUITY			
Share capital	12	345,000,000	345,000,000
Statutory reserve		11,659,065	11,659,065
Retained earnings		87,994,371	62,912,058
Actuarial gain reserve on end-of-service indemnities		716,999	716,999
TOTAL EQUITY		445,370,435	420,288,122
TOTAL LIABILITIES AND EQUITY		810,135,155	1,001,266,218

The accompanying notes 1 through 19 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 AND NINE MONTH PERIOD ENDED 30 SEPTEMBER 2020**

		For the three- month period ended 30 September 2020 SR (Un-audited)	For the three- month period ended 30 September 2019 SR (Un-audited)	For the nine- month period ended 30 September 2020 SR (Un-audited)	For the nine- month period ended 30 September 2019 SR (Un-audited)
	Note				
Revenue	13	26,275,490	31,680,558	83,685,653	99,132,077
Insurance cost		(5,513,118)	(8,481,319)	(18,519,404)	(24,517,019)
Finance cost	14	(1,908,177)	(2,990,748)	(6,127,948)	(10,479,089)
Operating profit		18,854,195	20,208,491	59,038,301	64,135,969
General and administration expenses		(7,785,267)	(8,361,594)	(23,012,077)	(24,806,725)
Selling and marketing expenses		(1,199,512)	(1,271,494)	(3,575,375)	(3,505,499)
Allowance for credit loss	5.2	2,544,658	(15,630,501)	(19,622,193)	(28,023,967)
Modification losses, net	15	(713,971)	-	(3,383,960)	-
Government grant	9.1	867,655	-	1,519,762	1,064,902
Net gain on de-recognition of investment in financing contracts	6.2	-	8,541,874	14,810,095	13,720,560
Other income, net		1,715,521	2,148,388	3,792,113	5,791,564
PROFIT BEFORE ZAKAT		14,283,279	5,635,164	29,566,666	28,376,804
Zakat expense		(2,908,524)	-	(4,484,353)	(2,500,000)
NET PROFIT		11,374,755	5,635,164	25,082,313	25,876,804
OTHER COMPREHENSIVE INCOME					
Items that will 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
Realized gain on derecognition of investment in financing contracts		-	(6,808,087)	-	(6,808,087)
TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE PERIOD		11,374,755	(1,172,923)	25,082,313	25,876,804
Earnings per share (basic and diluted)	16	0.33	0.16	0.73	0.75

The accompanying notes 1 through 19 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 NINE MONTH PERIOD ENDED 30 SEPTEMBER 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 1 January 2019 (audited)	345,000,000	8,647,299	35,806,167	-	784,245	390,237,711
Net profit for the period	-	-	25,876,804	-	-	25,876,804
Other comprehensive income for the period						
Items that will be reclassified subsequently to profit and loss:						
Movement in fair value reserve relating to investment in finance contracts carried at fair value through other comprehensive income	-	-	-	6,808,087	-	6,808,087
Realized gain on derecognition of investment in financing contracts	-	-	-	(6,808,087)	-	(6,808,087)
Total comprehensive income for the period	-	-	25,876,804	-	-	25,876,804
Balance as at 30 September 2019 (un-audited)	345,000,000	8,647,299	61,682,971	-	784,245	416,114,515
Balance as at 1 January 2020 (audited)	345,000,000	11,659,065	62,912,058	-	716,999	420,288,122
Net profit for the period	-	-	25,082,313	-	-	25,082,313
Balance as at 30 September 2020 (un-audited)	345,000,000	11,659,065	87,994,371	-	716,999	445,370,435

The accompanying notes 1 through 19 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 NINE MONTH PERIOD ENDED 30 SEPTEMBER 2020

	For the nine-month period ended 30 September 2020 SR (Un-audited)	For the nine-month period ended 30 September 2019 SR (Un-audited)
OPERATING ACTIVITIES		
Net profit before zakat for the period	29,566,666	28,376,804
Adjustments for:		
Depreciation	1,407,332	1,563,955
Provision for end of service indemnities	6,063	84,451
Finance cost of lease liability	36,678	65,599
Allowance for credit losses	19,622,193	28,023,967
Finance charges	5,689,712	10,479,089
Amortization of right of use assets	411,501	408,495
Modification losses, net	3,383,960	-
Net gain on derecognition of investment in financing contracts	(14,810,095)	(13,720,560)
Government grant	(1,519,762)	(1,064,902)
Agency income	(1,043,295)	(356,522)
Amortization of present value of assets/liabilities arose from Purchase and agency agreement	401,558	80,892
Changes in operating assets and liabilities:		
Investment in financing contracts	207,593,498	(39,177,483)
Prepayment and other receivables	(16,271,566)	(25,928,746)
Assets repossessed held for sale	972,939	716,197
Accounts payable and other liabilities	(205,651,425)	60,650,806
Cash flow from operating activities	29,795,957	50,202,042
Zakat paid	(4,028,048)	(2,705,937)
Finance charges paid	(4,400,083)	(10,261,907)
End-of-service indemnities paid	(6,063)	(84,451)
Net cash generated from operating activities	21,361,763	37,149,747
INVESTING ACTIVITY		
Purchase of property and equipment	(508,527)	(757,064)
Net cash used in investing activity	(508,527)	(757,064)
FINANCING ACTIVITIES		
Payment under finance lease	(566,667)	(566,667)
Borrowings, net	(9,616,397)	(45,917,306)
Net cash used in financing activities	(10,183,064)	(46,483,973)
NET CHANGE IN CASH AND CASH EQUIVALENTS	10,670,172	(10,091,290)
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	32,577,776	20,368,532
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 1 through 19 form an integral part of these interim condensed financial statements.