

**DAR AL AMAN FOR ISLAMIC FINANCE COMPANY
(LIMITED PUBLIC SHAREHOLDING)
AMMAN - JORDAN**

**INTERIM FINANCIAL STATEMENTS
TOGETHER WITH REVIEW REPORT
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2022**

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(LIMITED PUBLIC SHAREHOLDING)
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REVIEW REPORT 30 September 2022

To the Management of Dar Al Aman for Islamic Finance Company
(Limited Public Shareholding)
Amman - Jordan

Introduction

We have reviewed the interim statement of financial position of Dar Al Aman for Islamic Finance Company (Limited Public Shareholding) as at 30 September 2022, the interim statement of profit or loss and other comprehensive income, the interim statement of changes in equity, the interim statement of cash flows for the nine months then ended, and a summary of significant accounting policies and other explanatory information. Management is responsible for the preparation and fair presentation of these interim financial statements in accordance with IAS (34) "Interim Financial Reporting". Our responsibility is to express a conclusion on these interim 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". A review of interim financial information 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 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.

Material uncertainty related to going concern

As set out in note (7) to the financial statement, the accumulated losses of the Company represent 40% of the capital. Also, the granting of funds remains suspended since 2017 until the date of these interim financial statements. Moreover, also, the Company is facing difficulties in selling some lands and completing financial settlements with the owners of troubled loans. These events or circumstances are considered an indication of a material uncertainty that may cast significant doubt on the Company's ability to continue. Also, the note indicates the company's future plan to address this. Our conclusion has not been modified in respect of this matter.

REVIEW REPORT (CONTINUED)
30 September 2022

**To the Management of Dar Al Aman for Islamic Finance Company
(Limited Public Shareholding)
Amman - Jordan**

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements do not present fairly from all material respects the interim financial position for the Company as at 30 September 2022 and its interim financial performance and its interim cash flows for the nine months then ended in accordance with IAS (34) "Interim Financial Reporting".

Samman & Co.

Ahmad Ramahi
License No. (868)

27 October 2022
Amman - Jordan



Dar Al Aman for Islamic Finance Company
(Limited Public Shareholding)
Amman - Jordan

Interim statement of financial position

	Note	30 September 2022	31 December 2021
		JD	JD
<u>ASSETS</u>			
Cash and cash equivalents		357,055	306,682
Financial assets at fair value through profit or loss		34,068	42,591
Financial assets at amortized cost	(4)	3,667,376	4,384,845
Other debit balances		103,958	98,511
Investment in associate company	(5)	-	98,270
Property and equipment		253,437	257,824
Properties seized against debts	(6)	2,563,830	2,563,405
Investment Properties		389,108	-
Deferred tax assets		2,846,631	2,846,631
TOTAL ASSETS		10,215,463	10,598,759
<u>LIABILITIES AND SHAREHOLDERS EQUITY</u>			
<u>LIABILITIES</u>			
Other credit balances		306,549	386,363
<u>SHAREHOLDERS EQUITY</u>			
Subscribed capital		16,000,000	16,000,000
Statutory reserve		122,605	122,605
Voluntary reserve		220,512	220,512
Accumulated losses		(6,434,203)	(6,130,721)
Net shareholders equity		9,908,914	10,212,396
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY		10,215,463	10,598,759

The interim financial statements on pages [1] to [6] were approved and authorized for issue by the Board of Directors on 27 October 2022 and were signed by:

Dr. Farooq Mohammad Murad
Deputy Chairman of the Board

Nabil Muzuk
Acting Chief Executive Officer

Dar Al Aman for Islamic Finance Company
(Limited Public Shareholding)
Amman - Jordan

Interim statement of profit or loss and other comprehensive income
For the nine months ended 30 September 2022

	2022		2021	
	From 1 July till 30 September	From 1 January till 30 September	From 1 July till 30 September	From 1 January till 30 September
	JD	JD	JD	JD
Revenues - net	9,950	24,417	13,068	28,309
Other revenues	40	57,454	138	540
Valuation (losses) profit of financial assets at fair value through profit or loss	(3,876)	(8,523)	33,046	14,906
Expected credit loss	-	(434,273)	-	(467,136)
Employees benefits expenses	(28,954)	(89,753)	(29,455)	(91,132)
Administrative expenses	(38,233)	(125,224)	(36,856)	(113,136)
Operational Loss	(61,073)	(575,902)	(20,059)	(627,649)
Profit on disposal of investment in associate	-	272,420	-	-
Loss of the period before tax	(61,073)	(303,482)	(20,059)	(627,649)
Tax Surplus	-	-	-	100,420
Comprehensive loss for the period	(61,073)	(303,482)	(20,059)	(527,229)
Loss per share for the period - JD / share		(0.019)		(0.033)

Dar Al Aman for Islamic Finance Company
(Limited Public Shareholding)
Amman - Jordan

Interim statement of changes in equity
For the nine months ended 30 September 2022

	Subscribed capital		Statutory reserve		Voluntary reserve		Accumulated losses		Total		
	JD		JD		JD		JD		JD		
<u>2022</u>											
1 January 2022	16,000,000		122,605		220,512		(6,130,721)		10,212,396		
Comprehensive loss for the period	-		-		-		(303,482)		(303,482)		
30 September 2022	<u>16,000,000</u>		<u>122,605</u>		<u>220,512</u>		<u>(6,434,203)</u>		<u>9,908,914</u>		
<u>2021</u>											
1 January 2021	20,000,000		122,605		220,512		(9,706,046)		10,637,071		
Losses amortization	(4,000,000)		-		-		4,000,000		-		
Comprehensive loss for the period	-		-		-		(527,229)		(527,229)		
30 September 2021	<u>16,000,000</u>		<u>122,605</u>		<u>220,512</u>		<u>(6,233,275)</u>		<u>10,109,842</u>		

**Dar Al Aman for Islamic Finance Company
(Limited Public Shareholding)
Amman - Jordan**

**Interim statement of cash flows
For the nine months ended 30 September 2022**

	<u>2022</u>	<u>2021</u>
	JD	JD
<u>Operating activities</u>		
Loss of the period before tax	(303,482)	(627,649)
<i>Adjustments for:</i>		
Disposal profit of investment in associate (5)	(272,420)	-
Depreciation and amortization	4,687	5,432
Expected credit losses	434,273	467,136
Valuation (losses) profit of financial assets at fair value through profit or loss	8,523	(14,906)
	<u>(128,419)</u>	<u>(169,987)</u>
Financial assets at amortized cost (4)	283,196	316,506
Properties seized against debts	(425)	258,950
Other debit balances	(5,447)	42,169
Other credit balances	(79,814)	(49,230)
Loans	-	(260,000)
Net cash flows from operating activities	<u>69,091</u>	<u>138,408</u>
<u>Investing activities</u>		
Purchase of property and equipment	(300)	(284)
Investment Properties (5)	(18,418)	-
Net cash flows from investing activities	<u>(18,718)</u>	<u>(284)</u>
Net change in cash and cash equivalents during the period	50,373	138,124
Cash and cash equivalents - Beginning of the period	<u>306,682</u>	<u>39,824</u>
Cash and cash equivalent - Ending of the period	<u>357,055</u>	<u>177,948</u>
Non cash transactions		
Investment properties against investment associate company (5)	<u>370,690</u>	<u>-</u>

**Dar Al Aman for Islamic Finance Company
(Limited Public Shareholding)
Amman - Jordan**

**Notes forming part of the interim financial statements
For the nine months ended 30 September 2022**

1) General

Dar Al Aman for Islamic Finance Company (previously: Al Israa for Islamic Finance and Investment Company) was established on 20 April 2008 as a Limited Public Shareholding Company in the Register of Public Shareholding Companies under No. (451).

The Company's main objectives are financing consumable products and financing real estate in accordance with the provisions of Islamic Sharia. The address of the company in Amman - Abdullah Ghosheh Street - Al Hussein Complex.

The following are the names of the Board of Director's members:

<u>Name</u>	<u>Position</u>
Saeed Mohammad Hasan Al-Masoud	Chairman
Dr. Farooq Mohammad Murad	Deputy chairman
Aal Al-Bayt University represented by Hani Aldmor	Board Member
Al-Rifaiat Investment and Real Estate Development Company represented by Mohammed Taha Al-Harashseh	Board Member
Eng. Mohammad Ismael Attieh	Board Member
Kefah Ahmad Maharmeh	Board Member
Mohammad Ahmad Musa Al-azb	Board Member

2) Basis of preparation

The interim financial statements have been prepared in accordance with IAS (34) "Interim Financial Reporting" and in accordance with local standard. They do not include all disclosures that would otherwise be required in a complete set of financial statements and should be read in conjunction with the 2021 annual report.

3) Significant accounting policies

The Company has applied the same accounting policies and methods of computation in its interim financial statements as in its 2021 annual financial statements.

The preparation of interim financial statements in accordance with Standard (34) "Interim Financial Reporting" requires the use of significant and limited accounting estimates, and it also requires management to use its own estimates in the process of applying the Company's accounting policies.

None of the new standards, interpretations and amendments have any material impact on the interim financial statements.

Use of estimates and assumptions

There are no material changes to the nature and values of the estimates and assumptions used in the 2021 financial statements.

4) Financial assets at amortized cost

	<u>30 September 2022</u>	<u>31 December 2021</u>
	JD	JD
Finance receivables	15,092,386	15,400,526
Deduct: Unearned revenue from financing contracts	(11,552)	(24,148)
	15,080,834	15,376,378
Deduct: Expected credit loss provision	(10,858,815)	(10,424,542)
Suspended revenues	(554,643)	(566,991)
	3,667,376	4,384,845

5) Investment in associate

On 17 May 2022, the company transferred its 750,000 shares in the associate company (Jordanian Saudi Emirati Financial Investments Company) to Al Mai General Trading Company, based on the decision of the General Assembly in its extraordinary meeting on 20 April 2022, in exchange for plot No. 215 of Naour lands its area is 9.755 acres, where the total value of the land was evaluated at JD 370,690 and the book value of the investment was JD 98,270, as a result the company has achieved profits of JD 272,420.

6) Properties seized against debts

This item represents the value of the lands that have been seized by the company in exchange for defaulting customers, which have been recognized according to the estimation of seizure by the competent courts, in addition to the legal fees and registration expenses related to them. The fair value of these properties amounted to around 3.2 million Jordanian dinars, according to the latest evaluations by real estate experts.

7) Accumulated losses and management future plan

The company's board of directors decided during 2017 to suspend all types of financing. In 2018, the Securities Commission's Board of Commissioners decided to transfer trading in the company's shares to the unlisted stock market. In addition, the company's accumulated losses amounted to JD (6,434,203) as at the date of the financial position, which represents 40% of the capital.

In the coming period, the company's management looks forward to improving the company's financial situation by continuing its efforts to collect its debts through making the necessary settlements and reconciliations to find solutions for defaulting customers and reduce the severity of severe default in the credit portfolio. The company also seeks to liquidate its owned plots of lands and to achieve benefits for shareholders, in addition, the company continues to duly follow up all cases in the courts.