

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

**INTERIM CONDENSED FINANCIAL STATEMENTS
TOGETHER WITH REVIEW REPORT
FOR THE THREE MONTHS ENDED 31 MARCH 2023**

DAR AL AMAN FOR ISLAMIC FINANCE COMPANY
(LIMITED PUBLIC SHAREHOLDING)
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REVIEW REPORT 31 March 2023

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

Introduction

We have reviewed the interim condensed statement of financial position of Dar Al Aman for Islamic Finance Company (Limited Public Shareholding) as at 31 March 2023 and the interim condensed financial statement of profit or loss and other comprehensive income, the interim condensed financial statement of changes in equity and the interim condensed financial statement of cash flows for the three 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 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 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 referred to in Note No. (6) of the financial statements, the accumulated losses of the Company represent 43% of the capital. Also, the granting of funds remains suspended since 2017 until the date of the interim condensed financial statements, 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, the note also shows the Company's future plan to face this, and our conclusion has not been modified in this matter.

REVIEW REPORT (CONTINUED)

31 March 2023

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 believe that the interim condensed financial statements do not present fairly from all material respects the interim condensed financial position for the Company as at 31 March 2023 and its interim financial performance and its interim cash flows for the three months then ended in accordance with IAS (34) "Interim Financial Reporting".

Samman & Co.



Ahmad Ramahi
License No. (868)

1 May 2023
Amman - Jordan



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

Interim condensed financial statement of financial position

	<u>Note</u>	<u>31 March 2023</u>	<u>31 December 2022</u>
		JD	JD
<u>ASSETS</u>			
Cash at banks		247,609	396,053
Financial assets at fair value through profit or loss		27,881	31,756
Financial assets at amortized cost	(4)	3,207,795	3,183,316
Other receivables		111,571	108,548
Property and equipment		250,383	251,905
Properties seized against debts	(5)	2,607,856	2,563,405
Investment property		389,534	389,534
Deferred tax assets		2,846,631	2,846,631
TOTAL ASSETS		<u>9,689,260</u>	<u>9,771,148</u>
<u>LIABILITIES AND SHAREHOLDERS EQUITY</u>			
<u>LIABILITIES</u>			
Other payables		289,675	316,302
<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		(6,943,532)	(6,888,271)
NET SHARE HOLDERS EQUITY		<u>9,399,585</u>	<u>9,454,846</u>
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY		<u>9,689,260</u>	<u>9,771,148</u>

The interim condensed financial statements on pages [1] to [6] were approved and authorized for issue by the Board of Directors on 1 May 2023 and were signed by:


Dr. Farooq Mohammad Murad
Deputy chairman of the board


Nabil Mohammad Muzuk
Acting Chief Executive Officer

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

Interim condensed financial statement of profit or loss and other comprehensive income
For the three months ended 31 March 2023

	<u>2023</u>	<u>2022</u>
	JD	JD
Revenues - net	23,123	6,455
Other revenues	20	57,171
Valuation losses of financial assets at fair value through profit or loss	(3,875)	(6,959)
Employees benefits expenses	(28,177)	(28,444)
Administrative expenses	<u>(46,352)</u>	<u>(44,997)</u>
Total comprehensive loss for the period	<u>(55,261)</u>	<u>(16,774)</u>
Loss per share for the period JD / share	(0.0035)	(0.0010)

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

Interim condensed financial statement of changes in equity
For the three months ended 31 March 2023

	Subscribed capital	Statutory reserve	Voluntary reserve	Accumulated losses	Total
	JD	JD	JD	JD	JD
2023					
1 January 2023	16,000,000	122,605	220,512	(6,888,271)	9,454,846
Comprehensive loss for the period	-	-	-	(55,261)	(55,261)
31 March 2023	16,000,000	122,605	220,512	(6,943,532)	9,399,585
2022					
1 January 2022	16,000,000	122,605	220,512	(6,130,721)	10,212,396
Comprehensive loss for the period	-	-	-	(16,774)	(16,774)
31 March 2022	16,000,000	122,605	220,512	(6,147,495)	10,195,622

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

Interim condensed financial statement of cash flows
For the three months ended 31 March 2023

	<u>2023</u>	<u>2022</u>
	JD	JD
<u>Operating activities</u>		
Loss of the period before tax	(55,261)	(16,774)
<i>Adjustments for:</i>		
Depreciation and amortization	1,522	1,552
Valuation losses of financial assets at fair value through profit or loss	3,875	6,959
	<u>(49,864)</u>	<u>(8,263)</u>
Financial assets at amortized cost (4)	(24,479)	77,611
Other receivables	(3,023)	(6,664)
Other payables	<u>(26,627)</u>	<u>23,311</u>
Net cash flows from operating activities	<u>(103,993)</u>	<u>85,995</u>
<u>Investing activities</u>		
Properties seized against debts (5)	<u>(44,451)</u>	<u>-</u>
Net cash flows from investing activities	<u>(44,451)</u>	<u>-</u>
Net change in cash and cash equivalents during the period	(148,444)	85,995
Cash at banks - Beginning of the period	<u>396,053</u>	<u>306,682</u>
Cash at banks - Ending of the period	<u><u>247,609</u></u>	<u><u>392,677</u></u>

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

Notes forming part of the interim condensed financial statements
For the three months ended 31 March 2023

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 Murad	Deputy chairman
Aal Al-Bayt University represented by Hany Hamed Al-Dmour	Board Member
Al-Rifaiat Investment and Real Estate Development Company represented by Mohammed Taha Al-Qassim Al-Harabsheh	Board Member
Eng. Mohammad Ismael Mohammad Attieh	Board Member
Kefah Ahmad Mostafa Al-Maharmeh	Board Member
Mohammad Ahmad Musa Al-Azb	Board Member

2) Basis of preparation

The interim condensed financial statements have been prepared in accordance with IAS (34) "Interim Financial Reporting" and in accordance with local standards. 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 2022 annual report.

3) Significant accounting policies

The Company has applied the same accounting policies and methods of computation in its financial statements as in its 2022 annual financial statements.

The preparation of interim condensed 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 condensed 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 2022 financial statements.

Notes forming part of the interim condensed financial statements (Continued)
For the three months ended 31 March 2023

4) Financial assets at amortized cost

	31 March 2023	31 December 2022
	JD	JD
Finance receivables	15,031,492	15,011,316
Deduct: Deferred revenue from financing contracts	(29,678)	(22,859)
	15,001,814	14,988,457
Deduct:		
Expected credit loss provision	(11,258,254)	(11,258,254)
Suspended revenues	(535,765)	(546,887)
	3,207,795	3,183,316

5) Properties seized against debts

This item represents a balance of real estate seized against non-performing finance receivables which has been recorded according to the competent court's assessment of seized property in addition to the related registration and legal fees. The fair value of those seized properties approximately amounted to JD 3,330 million according to the latest ratings of real estate experts.

6) Accumulated losses and the Company's future plan

The Company's board of directors decided during 2017 to suspend all types of financing. In 2018, the Board of Commissioners of the Securities Commission decided to transfer trading in the Company's shares to the unlisted stock market, in addition to that the accumulated losses of the Company amounted to JD (6,943,532) as of the financial position date, which represents 43% of the capital.

The Company's management is looking forward in the coming period to improve the Company's financial position 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 lands and achieve benefits for shareholders. Moreover, the Company continues to duly follow up all cases with the courts.