

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

**INTERIM FINANCIAL STATEMENTS  
TOGETHER WITH REVIEW REPORT  
FOR THE THREE MONTHS ENDED 31 MARCH 2021**

DAR AL AMAN FOR ISLAMIC FINANCE COMPANY  
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Phone: +962-6-581-6033  
Fax: +962-6-581-6657  
[www.bdo.com.jo](http://www.bdo.com.jo)  
[info@bdo.com.jo](mailto:info@bdo.com.jo)

Samman & Co.  
Public Accountants and  
Business Advisors  
P.O. Box 922564  
Amman 11192, Jordan  
256 King Abdullah II St., Jandaweel

## REVIEW REPORT

### 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 31 March 2021 and the interim statement of profit or loss and other comprehensive income, the interim statement of changes in equity and the interim 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 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

We draw attention to Note (4) to the interim financial statements which indicates that the accumulated losses of the Company represent 36% of the capital. Also, the granting of funds remains suspended until the date of the interim financial statements. These events or circumstances, in addition to the other matters mentioned in the Note, are considered an indication of a material uncertainty that may cast significant doubt on the Company's ability to continue, as the Note shows the Company's actions and its future plan to counter that. Our opinion has not been modified in respect of this matter.



## REVIEW REPORT (Continued)

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 financial statements do not present fairly from all material respects the interim financial position for the Company as at 31 March 2021 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)



29 April 2021  
Amman - Jordan

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

Interim statement of financial position

	Note	31 March 2021 JD	31 Dec. 2020 JD
<b><u>ASSETS</u></b>			
Cash and cash equivalents		81,306	39,824
Financial assets at fair value through profit or loss		18,840	34,668
Financial assets at amortized cost	(5)	4,871,287	4,986,643
Other debit balances		51,054	89,849
Investment in associate company		98,270	98,270
Property and equipment		262,835	264,361
Properties seized against debts		2,841,563	2,909,723
Deferred tax assets		2,846,631	2,846,631
<b>TOTAL ASSETS</b>		<b>11,071,786</b>	<b>11,269,969</b>
<b><u>LIABILITIES AND SHAREHOLDERS EQUITY</u></b>			
<b><u>LIABILITIES</u></b>			
Other credit balances		375,594	372,898
Loans		135,000	260,000
<b>Total liabilities</b>		<b>510,594</b>	<b>632,898</b>
<b><u>SHAREHOLDERS EQUITY</u></b>			
Subscribed capital		16,000,000	20,000,000
Statutory reserve		122,605	122,605
Voluntary reserve		220,512	220,512
Accumulated losses		(5,781,925)	(9,706,046)
<b>Net shareholders equity</b>		<b>10,561,192</b>	<b>10,637,071</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS EQUITY</b>		<b>11,071,786</b>	<b>11,269,969</b>

The interim financial statements on pages [1] to [6] were approved and authorized for issue by the Board of Directors on 29 April 2021 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 three months ended 31 March 2021

	2021	2020
	JD	JD
Revenues - net	8,215	15,298
Other revenues	70	1,987
Financial assets losses at fair value through profit or loss	(15,828)	(18,792)
Losses from selling properties seized against debts	-	(30,045)
Employees benefits expenses	(30,655)	(52,030)
Administrative expenses	(37,681)	(40,093)
End-of-service compensation expense	-	(18,563)
Lawyer fees	-	(39,440)
<b>Operation loss</b>	<b>(75,879)</b>	<b>(181,678)</b>
Impairment of investment in the associate	-	(52,505)
Finance costs	-	(1,619)
<b>Total comprehensive loss for the period</b>	<b>(75,879)</b>	<b>(235,802)</b>
<b>Loss per share for the period JD / share</b>	<b>(0.0047)</b>	<b>(0.0118)</b>

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

Interim statement of changes in equity  
For the three months ended 31 March 2021

	Subscribed capital	Statutory reserve	Voluntary reserve	Accumulated losses	Total
	JD	JD	JD	JD	JD
<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	-	-	-	(75,879)	(75,879)
31 March 2021	16,000,000	122,605	220,512	(5,781,925)	10,561,192
<u>2020</u>					
1 January 2020	20,000,000	122,605	220,512	(9,681,673)	10,661,444
Comprehensive loss for the period	-	-	-	(235,802)	(235,802)
31 March 2020	20,000,000	122,605	220,512	(9,917,475)	10,425,642



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

**Interim statement of cash flows**  
**For the three months ended 31 March 2021**

	2021	2020
	JD	JD
<b><u>Operating activities</u></b>		
Comprehensive loss for the period	(75,879)	(235,802)
<i>Adjustments for:</i>		
Impairment of investment in the associate	-	52,505
Depreciation and amortization	1,810	455
Amortization right of use assets	-	5,404
Finance costs	-	1,619
Financial assets losses at fair value through profit or loss	15,828	18,792
Losses from selling properties seized against debts	-	30,045
	(58,241)	(126,982)
Financial assets at amortized cost	115,356	117,307
Other debit balances	38,795	(12,098)
Other credit balances	2,696	74,889
Provisions	-	58,003
<b>Net cash flows from operating activities</b>	<b>98,606</b>	<b>111,119</b>
<b><u>Investing activities</u></b>		
Purchase of property and equipment	(284)	(150)
Proceeds from sales of properties seized against debts	68,160	238,337
<b>Net cash flows from investing activities</b>	<b>67,876</b>	<b>238,187</b>
<b><u>Financing activities</u></b>		
Loans	(125,000)	-
<b>Net cash flows from financing activities</b>	<b>(125,000)</b>	<b>-</b>
<b>Net change in cash and cash equivalents during the period</b>	<b>41,482</b>	<b>349,306</b>
Cash and cash equivalents - Beginning of the period	39,824	282,511
<b>Cash and cash equivalent - Ending of the period</b>	<b>81,306</b>	<b>631,817</b>



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

**Notes forming part of the interim financial statements  
For the three months ended 31 March 2021**

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**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) On 27 July 2020. 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 Adnan Yousef Al-Atoom	Board Member
Al-Rifaiat Investment and Real Estate Development Company represented by Mohammed Taha Al-Harashneh	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 2020 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 2020 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 2020 financial statements.

**4) Significant events**

On 11 March 2020, the World Health Organization declared the emerging corona virus (Covid-19) as a global epidemic and recommended several measures to contain the epidemic, as the (Covid-19) virus disrupted the movement of people and goods around the world, which affected profitability and the ability to continue in the long term for many companies. As a result of the pandemic, the Company is facing difficulties in selling some lands and completing financial settlements with the owners of troubled loans. On the other hand, the pandemic did not have a significant impact on the Company because its activities were already suspended based on the Board of Directors decision during 2017. These events or circumstances are considered an indication of a material uncertainty that may cast significant doubt on the Company's ability to continue as going concern.

Notes forming part of the interim financial statements  
For the three months ended 31 March 2021 (continued)

to counter this, the Company restructured its capital, and based on the approval of the General Assembly in an extraordinary meeting, it amortized 4 million Jordanian Dinars from the accumulated losses by reducing the capital so that the Company's authorized and subscribed capital became 16 million shares / Jordanian Dinars, and the legal procedures were completed at official authorities on 13 January 2021. The Company is still striving to provide the necessary liquidity to resume its activities by trying to sell some of the lands seized against debts and also to complete financial settlements with the holders of troubled loans.

5) Financial assets at amortized cost

	31 March 2021	31 Dec. 2020
	JD	JD
Finance receivables	15,701,779	15,850,046
Deduct:		
Deferred revenue from financing contracts	(45,323)	(56,888)
	15,656,456	15,793,158
Deduct:		
Expected credit loss provision	(10,214,475)	(10,214,475)
Suspended revenues	(570,694)	(592,040)
	4,871,287	4,986,643

Finance receivables represented by the following:

	31 March 2021			31 Dec. 2020
	Finance receivables	Deferred revenue	Net finance receivables	
	JD	JD	JD	JD
Murabaha financing	12,324,831	45,206	12,279,625	12,416,395
Long term financing sale	3,369,348	-	3,369,348	3,369,347
Istisna'a financing	7,600	117	7,483	7,416
	15,701,779	45,323	15,656,456	15,793,158

The movement on suspended revenues is as follows:

	31 March 2021	31 Dec. 2020
	JD	JD
Balance as at 1 January	592,040	543,978
Net changes during the period / year	(21,346)	48,062
	570,694	592,040