



الشركة المتحدة للاستثمارات المالية م.ع.م.
United Financial Investments PLC

الرقم: ١٦٣/٢٠١٨/أ هـ /١
التاريخ: ٢٠١٨/٥/٢

السادة هيئة الأوراق المالية المحترمين

تحية وبعد،،،

<p>To: Jordan Securities Commission Amman Stock Exchange Date: 2/5/2018 Subject: Quarterly Report in English as of <u>31/3/2018</u></p>	<p>السادة هيئة الأوراق المالية السادة بورصة عمان السادة مركز ايداع الأوراق المالية التاريخ: ٢٠١٨/٥/٢ الموضوع: التقرير الربع سنوي باللغة الانجليزية كما هي في ٢٠١٧/٣/٣١</p>
<p>Attached the Quarterly Report of (United Financial Investment) in English as of 31/3/2018</p>	<p>مرفق طيه نسخة من البيانات المالية ربع السنوية باللغة الانجليزية لشركة (المتحدة للاستثمارات المالية كما هي بتاريخ ٢٠١٨/٣/٣١ م</p>
<p>Kindly accept our highly appreciation and respect Company's Name United Financial Investment General Manager's Signature</p>	<p>وتفضلوا بقبول فائق الاحترام،،، شركة المتحدة للاستثمارات المالية توقيع المدير العام</p>

وتفضلوا بقبول فائق الاحترام،،،

المدير العام
ناصر العمد

الشركة المتحدة
للإستثمارات المالية م.ع.م.
هاتف: ٥١٠٥١١١ / ٥١٠٥٥٦٦
فاكس: ٥٦٩٤٠٣٦
ص.ب ٩٢٧٢٥٠ عمان ١١١٩٢ الأردن

بورصة عمان
الدائرة الإدارية والمالية
الديوان
٢٠١٨ - ٣
الرقم المتسلسل: ٤٧٧٨
رقم الملف: ٤١٠٩
الجهة المختصة: المتابعة الاعراض

**UNITED FINANCIAL INVESTMENT COMPANY
(PUBLIC SHAREHOLDING COMPANY)**

**INTERIM CONDENSED FINANCIAL STATEMENTS
(UNAUDITED)**

31 MARCH 2018

**UNITED FINANCIAL INVESTMENT COMPANY
(PUBLIC SHAREHOLDING COMPANY)**

**INTERIM CONDENSED FINANCIAL STATEMENTS
(UNAUDITED)**

31 MARCH 2018

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**REVIEW REPORT ON THE INTERIM CONDENSED FINANCIAL STATEMENTS
TO THE CHAIRMAN AND THE BOARD OF DIRECTORS OF
UNITED FINANCIAL INVESTMENT COMPANY**

Introduction

We have reviewed the accompanying condensed interim statement of financial position of United Financial Investment Company (Public Shareholding Company) as at 31 March 2018 and the related condensed statements of comprehensive income, changes in shareholders' equity and cash flows for the three months period then ended. Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with International Accounting Standard (34) "interim financial reporting". Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with the 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 assurances 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 condensed interim financial Statements are not properly prepared, in all material respects, in accordance with IAS (34).


PricewaterhouseCoopers "Jordan" L.L.C.

Osama Marouf
License No. (748)

30 April 2018

**UNITED FINANCIAL INVESTMENT COMPANY
(PUBLIC SHAREHOLDING COMPANY)
INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION
AS OF 31 MARCH 2018**

	Note	31 March 2018 JD (unaudited)	31 December 2017 JD (audited)
ASSETS			
Non-current assets			
Property and equipment		412,246	419,081
Intangible assets		630	791
Settlement guarantee deposit fund		25,000	25,000
Financial assets at fair value through other comprehensive income		1	1
Deferred tax assets		895,649	905,002
Investment in an associate	4	41,672	41,672
		<u>1,375,198</u>	<u>1,391,547</u>
Current assets			
Financial assets at fair value through profit and loss	5	4,435,067	4,315,859
Account receivables	6	2,886,736	2,659,557
Other debit balances		92,161	80,137
Cash on hand and at banks	7	1,954,484	1,579,379
		<u>9,368,448</u>	<u>8,634,932</u>
TOTAL ASSETS		<u>10,743,646</u>	<u>10,026,479</u>
SHAREHOLDERS' EQUITY AND LIABILITIES			
SHAREHOLDERS' EQUITY			
Paid-in capital	8	8,000,000	8,000,000
Statutory reserve	9	1,642,871	1,642,871
Voluntary reserve		40,873	40,873
Fair value reserve – net		(35,505)	(35,505)
(Accumulated losses) retained earnings		(1,014,850)	(939,656)
TOTAL SHAREHOLDERS' EQUITY		<u>8,633,389</u>	<u>8,708,583</u>
Liabilities			
Due to banks		67,223	-
Accounts payable		1,942,423	1,199,499
Due to related parties	13	9,513	21,687
Income tax provision	10	61,002	61,146
Other credit balances		30,096	35,564
TOTAL LIABILITIES		<u>2,110,257</u>	<u>1,317,896</u>
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		<u>10,743,646</u>	<u>10,026,479</u>

The attached notes from 1 to 13 are an integral part of these interim condensed financial statements

**UNITED FINANCIAL INVESTMENT COMPANY
(PUBLIC SHAREHOLDING COMPANY)
INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS ENDED 31 MARCH 2018**

	Note	31 March 2018 JD (unaudited)	31 March 2017 JD (unaudited)
Revenues			
Trading commission - net		119,622	287,083
(Losses) gains from the valuation of financial assets at fair value through profit and loss		38,971	(803,977)
Gain (loss) on sale of financial asset at fair value through profit and loss		(5,335)	370,007
Interest Income		4,098	3,284
Other Income		-	1,055
Net (losses) revenues		<u>157,356</u>	<u>(142,548)</u>
Expenses			
Employees expenses		(141,969)	(135,636)
General and administrative expenses		(67,890)	(54,239)
Investors protection fund expenses		(3,810)	(10,410)
Depreciation and amortization		(9,444)	(12,743)
Interest expense		(228)	-
Total expenses		<u>(223,341)</u>	<u>(213,028)</u>
(Loss) income before income tax		(65,985)	(355,576)
Income tax	10	(9,209)	83,202
(Loss) income for the period		<u>(75,194)</u>	<u>(272,374)</u>
Add: other comprehensive Income items			
Net change in financial assets valuation reserve		-	1,909
Loss on sale of financial assets at fair value through comprehensive income		-	-
Total comprehensive (loss) income for the period		<u>(75,194)</u>	<u>(270,465)</u>
Earnings per share	11	<u>(0.009)</u>	<u>(0.034)</u>

The attached notes from 1 to 13 are an integral part of these interim condensed financial statements

**UNITED FINANCIAL INVESTMENT COMPANY
(PUBLIC SHAREHOLDING COMPANY)
INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED 31 MARCH 2018**

	Paid-in capital JD	Statutory reserve JD	Voluntary reserve JD	Financial assets reserve valuation- Net JD	(Accumulated losses) retained earnings JD	Total shareholder's equity JD
2018						
(unaudited)						
Balance as at January 1, 2018	8,000,000	1,642,871	40,873	(35,505)	(939,656)	8,708,583
Total comprehensive loss for the period	-	-	-	-	(75,194)	(75,194)
Balance as at 30 June 2018	8,000,000	1,642,871	40,873	(35,505)	(1,014,850)	8,633,389
2017						
(Unaudited)						
Balance as at January 1, 2017	8,000,000	1,642,871	40,873	(312,066)	170,126	9,541,804
Total comprehensive income for the period	-	-	-	-	(272,374)	(272,374)
Change in financial assets valuation reserve	-	-	-	1,909	-	1,909
Balance as at 31 March 2017	8,000,000	1,642,871	40,873	(310,157)	(102,248)	9,271,339

The attached notes from 1 to 13 are an integral part of these interim condensed financial statements

**UNITED FINANCIAL INVESTMENT COMPANY
(PUBLIC SHAREHOLDING COMPANY)
INTERIM CONDENSED STATEMENT OF CASH FLOWS
FOR THE THREE MONTHS ENDED 31 MARCH 2018**

	31 March 2018	31 March 2017
	JD	JD
	(unaudited)	(unaudited)
Operating activities:		
(Loss) profit for the period before tax	(65,985)	(355,576)
Adjustments for:		
Depreciation and amortization	9,444	12,743
Interest income	(4,098)	(3,284)
Changes in working capital:		
Financial assets at fair value through profit and loss	(119,208)	77,979
Account receivables	(227,179)	371,228
Other debit balances	(12,024)	(2,999)
Due from related parties	-	184,049
Settlement guarantee deposit fund	-	(190,292)
Due to related parties	(12,174)	(286,285)
Accounts payable	742,924	(233,237)
Other credit balances	(5,468)	(76,766)
Cash flows from (used in) operating activities before income tax paid	306,232	(502,440)
Income tax paid	-	(30,505)
Net cash from (used in) operating activities	306,232	(532,945)
Investing activities:		
Purchases of property and equipment	(2,448)	(500)
Interest income	4,098	3,284
Net cash from investing activities	1,650	2,784
Net change in cash and cash equivalents	307,882	(530,161)
Cash and cash equivalents at the beginning of the period	1,579,379	1,633,685
Cash and cash equivalents at 31 March (Note 7)	1,887,261	1,103,524

The attached notes from 1 to 13 are an integral part of these interim condensed financial statements

**UNITED FINANCIAL INVESTMENT COMPANY
(PUBLIC SHAREHOLDING COMPANY)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2018**

(1) GENERAL INFORMATION

United Financial Investment Company was established on 8 October, 1995, according to the Companies Law in force, as a public shareholding limited company and registered with the Ministry of Industry and Trade under No. (297). The company address is Abdul Aziz Al-Tha'alibi Street, Shmeisani, P.O. Box 927250 Amman, 11192 Jordan. The Company's capital was JD 1.5 million, divided into 1.5 million shares of JD 1 each. The Company's capital was increased in several stages, the last of which was during 2010. Accordingly, the Company's paid-up capital has become JD 8 million, divided into 8 million shares of JD 1 each.

The Company is 50.02% owned by the Jordan Kuwait Bank, and its financial statements are consolidated with those of the Bank.

The Company's main objectives are to provide administrative and consultation services on investment portfolios. In addition, the company provides agency or financial consultancy services, investing in securities, and performing feasibility studies.

The Company has been granted approval from the Jordan Securities Commission to operate in margin financing on 30 October 2006.

The condensed financial statements were approved by the Board of Directors at their meeting held on 25 April 2018.

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Following are the significant accounting policies used by the Company in the preparation of these interim condensed financial statements.

2.1 Basis of preparation

The interim condensed financial statements for the period ending 31 March 2018 for the Company have been prepared in accordance with International Accounting Standards No. (34) ("Interim Financial Reporting").

The reporting currency of these interim condensed financial statements is the Jordanian Dinar Which is the functional currency of the Company.

The interim condensed financial statements are prepared under the historical cost convention, except for financial assets at fair value through profit or loss and comprehensive income that have been measured at fair value at the date of the interim condensed financial statements.

These interim condensed financial statements do not include all the information and disclosures required in the annual financial statements prepared in accordance with International Financial Reporting Standards and should be read in conjunction with the financial statements of the company for the year ended 31 December 2017. The results of the three months ended March 30, 2018 do not necessary state the expected results for the year ending December 31, 2018.

2.2 Changes in accounting policies and disclosures

The accounting policies, used in the preparation of these interim condensed financial statements are consistent with those used in the preparation of the Company's financial statements for the year ended 31 December 2017, except for the adoption of the following new standards and amendments to existing standards, which had no significant impact on these interim condensed financial statements:

(a) **New and amended standards adopted by the Company, which have insignificant effect on the financial statements:**

- Amendments to IAS 12 - 'Income tax' which explains measurement and accounting for deferred tax assets.
- Amendments to IAS 7, 'Statement of cash flows'. The amendment requires additional disclosures about changes in liabilities arising from financing activities. The standard is effective for annual periods beginning on or after 1 January 2017 and early adoption is permitted.
- Amendments to IAS 40, 'Transfers of Investment Property'.
- Annual Improvements to IFRSs – 2012-2014 Cycle.
- **IFRS 15 "Revenue from Contracts with Customers"**

Nature of change: The IASB has issued a new standard for the recognition of revenue. This will replace IAS 18 which covers contracts for goods and services and IAS 11 which covers construction contracts.

The new standard is based on the principle that revenue is recognized when control of a good or service transfers to a customer.

The standard permits a modified retrospective approach for the adoption

Impact: The management is not expecting any impact of adoption this standard over the Company's financial statements, as most of the Company's income is generated through sources not subject to this standard.

Mandatory application date: Is mandatory for financial years beginning on or after 1 January 2018.

(b) **New standards and interpretations applied for annual reporting period commencing 1 January 2018 and that have significant effect:**

- **IFRS 9 "Financial Instruments":**

Nature of change: IFRS 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities and introduces new rules for hedge accounting and introduced a new impairment model.

Impact of adopting IFRS 9:

The Company is required to adopt IFRS 9 starting 1 January 2018, for that, the Company has prepared an assessment over the impact of the adoption with guidance of the Central Bank of Jordan instructions regarding the application of IFRS (9) finally as at 1 January 2018.

**UNITED FINANCIAL INVESTMENT COMPANY
(PUBLIC SHAREHOLDING COMPANY)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2018**

The following are the most important aspects of application:

A- Classification and measurement of financial assets

The Company's management does not expect any material impact from applying this standard; as the Company has early adopted the first phase of IFRS (9) from January 1st, 2011 based on the request of Jordan Securities Commission.

B- Classification and measurement of financial liabilities:

IFRS (9) has retained the requirements of IAS (39) regarding the classification of financial liabilities. IAS 39 (revised) requires recognition of the differences in the assessment of financial liabilities classified as financial liabilities at fair value through profit or loss in the statement of profit or loss, whereas IFRS (9) requires:

- Recognition of differences in the assessment of financial liabilities classified as financial liabilities at fair value through statement of profit or loss as a result of changes in credit risk in the statement of comprehensive income.
- The remaining amount of fair value valuation differences is recognized in the statement of profit or loss.

C- Hedge accounting

When initially applying IFRS (9), the Company choose to continue applying the hedge accounting requirements of IAS (39) instead of the requirements IFRS (9).

D- Impairment of financial assets

IFRS (9) replaced the 'incurred loss' model in IAS (39) with a forward-looking 'expected credit loss' model. Which requires the use of estimates and judgements to estimate economic factors. The model will be applied to all financial assets – debt instruments which classified as amortized cost or at fair value through statement of comprehensive income or at fair value through profit or loss.

Impairment losses were calculated in accordance with the requirements of IFRS (9) in accordance with the following rules:

- 12 month impairment loss: the expected impairment is calculated for the next 12 months from the date of the financial statements.
- Impairment losses for the lifetime of the instrument: the expected impairment of the life of the financial statement is calculated until the maturity date from the date of the financial statements.

The expected credit loss mechanism depends on the probability of default (PD). Which is calculated according to the credit risk and future economic factors, the loss in default (LGD), which depends on the value of the existing collateral, the exposure at default (EAD).

**UNITED FINANCIAL INVESTMENT COMPANY
(PUBLIC SHAREHOLDING COMPANY)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2018**

E- Disclosures

IFRS (9) requires detailed disclosures, particularly with regard to hedge accounting, credit risk, and expected credit losses. The Company is working to provide all the necessary details for these disclosures to be presented in the subsequent financial statements after application.

F- Implementation

There was no significant impact on the interim condensed financial statements of the company as in the management opinion, the provision provided are sufficient for the standard requirements

(c) New standards and interpretations applied for annual reporting period commencing 1 January 2018 and which are not yet adopted by the Company:

- IFRS 16 "Leases"

Nature of change: IFRS 16 was issued in January 2016. It will result in almost all leases being recognized on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognized. The only exceptions are short-term and low-value leases. The accounting for lessors will not significantly change.

Impact: The Standard will primarily affect the accounting of the Company's operating leases. As at the reporting date, most of the company's operating leases are short-term and low-value leases. Therefore, the standard is not expected to have any financial impact on the Company.

Mandatory application date: Mandatory for financial years commencing on or after 1 January 2019. At this stage, the Company does not intend to adopt the standard before its effective date. The company intends to apply the simplified transition approach and will not restate comparative amounts for the year prior to first adoption.

2.3 ACCOUNTING ESTIMATES

Preparation of the interim condensed financial statements and the application of the accounting policies require the Company's management to perform assessments and assumptions that affect the amounts of financial assets and liabilities, fair value reserve and the disclosure of contingent liabilities. Moreover, these assessments and assumptions affect revenues, expenses, provisions, and changes in the fair value shown within the statement of comprehensive income. In particular, this requires the company's management to issue significant judgments and assumptions to assess future cash flow amounts and their timing. Moreover, the mentioned assessments are necessarily based on assumptions and factors with varying degrees of consideration and uncertainty. In addition, actual results may differ from assessments due to changes resulting from the conditions and circumstance of those assessments in the future.

**UNITED FINANCIAL INVESTMENT COMPANY
(PUBLIC SHAREHOLDING COMPANY)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2018**

(3) CAPITAL RISK MANAGEMENT

3.1 Capital risk factors

The Company manages its capital to ensure its ability to continue and maximize returns to shareholders by achieving optimal balance between shareholders' equity and debt.

The Company follows a strategy to maintain the debt to equity ratio at a reasonable level.

3.2 Market risk

Market risk is the loss in value resulting from changes in market prices such as changes in interest rates, foreign exchange rates, equity prices and therefore changes in the fair value of cash flows of financial instruments within and outside the statement of financial position.

A. Foreign exchange risk

Foreign currency risk arises from changes in the prices of financial instruments due to changes in exchange rates.

Most of the company's transactions are in Jordanian Dinars and US Dollars. The fact that the Jordanian Dinar (the Company's functional currency) is linked to the US Dollar, the Company's management believes that the risk of foreign currency is not significant.

B. Interest rate risk

Interest rate risk is the risk associated with changes in the value of a financial instrument as a result of changes in market interest rates.

There are no significant interest obligations as at 30 June 2017 and 31 December 2016

C. Risks of changing stock prices

The change in the prices of shares traded in securities as at the date of the financial statements by 5% increase or 5% decrease has the following effect on the results of the company:

	Change in price	31 March 2018 JD (unaudited)	31 December 2017 JD (audited)
Impact on profit and loss	5%	221,753	215,793
		<u>221,753</u>	<u>215,793</u>

3.3 Liquidity risk

Liquidity risk, also known as financing risk, is the risk that the Company will face difficulty in providing funds to meet commitments. The Company manages liquidity risk by maintaining adequate levels of liquidity through continuous monitoring of actual and forecast cash flows and matching asset maturities finance with financial liabilities. A portion of the company's funds is invested in short-term deposits with banks.

**UNITED FINANCIAL INVESTMENT COMPANY
(PUBLIC SHAREHOLDING COMPANY)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2018**

3.4 Credit risk

Credit risk is the risk that the counterparty will fail to meet its contractual obligation, causing losses to the Company. The Company follows a policy of dealing with creditworthy parties as well as obtaining adequate collateral in order to mitigate the risk of financial losses arising from non-fulfillment of obligations.

The Company's financial assets consist mainly of customer accounts, where credit control is maintained by monitoring the credit limits of each customer on a continuous basis.

(4) INVESTMENT IN AN ASSOCIATE

	31 March 2018	31 December 2017
	JD (unaudited)	JD (audited)
Global First Investment Company* (Syria)	41,672	41,672

(5) FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS

	31 March 2018	31 December 2017
	JD (unaudited)	JD (audited)
Shares listed on Amman Stock Exchange	4,396,096	5,664,657
Change in fair value	38,971	(1,348,798)
	<u>4,435,067</u>	<u>4,315,859</u>

(6) ACCOUNT RECEIVABLES

	31 March 2018	31 December 2017
	JD (unaudited)	JD (audited)
Financial brokerage customers	3,267,644	3,078,637
Margin trading customers *	1,132,061	1,093,889
	<u>4,399,705</u>	<u>4,172,526</u>
Provision for doubtful debts	(1,346,527)	(1,346,527)
Interest in suspense account	(166,442)	(166,442)
Net receivables to brokerage clients	<u>2,886,736</u>	<u>2,659,557</u>

* The Company grants credit facilities to margin customers up to a maximum of 50% of the market value of securities on the date of purchase provided that this percentage is not less than 30% of (maintenance margin) of the customer's investment values as per marginal financing instructions for the year 2006 issued by the Jordan Securities Commission, the details as at 31 March 2018 are as follows:

**UNITED FINANCIAL INVESTMENT COMPANY
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FOR THE THREE MONTHS ENDED 31 MARCH 2018**

- The total market value of the portfolios is 1,169,259 JD (2017: 2,833,217 JD).
- The total funded by the company at JD 175,157 (2017: 477,842 JD).
- Total total financed by customers (security margin) 994,097 JD (2017: 2,355,375 JD).
- The percentage of amounts funded by customers to the total market value of the portfolios is 85% (2017: 83%).

The Company follows a policy of obtaining adequate customer guarantees where appropriate to reduce the risk of financial losses arising from non-fulfillment of obligations. The Company takes an allowance for receivables that may not be collected in accordance with International Financial Reporting Standards (IFRS) and the directives of the Central Bank of Jordan. The following table shows the maturity of due accounts receivable:

	31 March 2018	31 December 2017
	JD (unaudited)	JD (audited)
Financial brokerage customers		
1 day - 7 days	2,207,123	221,683
8 days - 30 days	334,657	1,769,247
31 days - 60 days	98,816	534,009
61 days - 90 days	69,041	47,240
91 days - 120 days	19,151	4,828
More than 120 days	<u>538,856</u>	<u>501,630</u>
	3,267,644	3,078,637
Margin trading customers		
	<u>1,132,061</u>	<u>1,093,889</u>
	4,399,705	4,172,526

The movement of provision for impairment of financial brokerage customer during the period / year is as follows:

	31 March 2018	31 December 2017
	JD (unaudited)	JD (audited)
Balance as at 31 st of December	1,346,527	1,346,527
Provision for the period / year	-	-
Balance as at 30 th of June 2017	<u>1,346,527</u>	<u>1,346,527</u>

(7) CASH ON HAND AND AT BANKS

	31 March 2018	31 December 2017
	JD (unaudited)	JD (audited)
Cash on hand	5,170	54
Cash at banks	<u>1,949,314</u>	<u>1,579,325</u>
	1,954,484	1,579,379

**UNITED FINANCIAL INVESTMENT COMPANY
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FOR THE THREE MONTHS ENDED 31 MARCH 2018**

For preparing the interim condensed statement of cash flows, cash and cash equivalents include:

	31 March 2018	31 March 2017
	JD	JD
	(Unaudited)	(Unaudited)
Cash on hand and at banks	1,954,484	1,232,524
Bank overdrafts	(67,223)	(129,000)
	<u>1,887,261</u>	<u>1,103,524</u>

(8) PAID UP SHARE CAPITAL

The authorized and paid-up capital of the Company is JD 8,000,000 divided into 8,000,000 fully paid-up shares with a par value of JD 1 per share.

(9) STATUTORY RESERVE

In accordance with the requirements of the Jordanian Companies Law and the Bylaws, the Company shall deduct 10% of the annual net profits and transfer them to the statutory reserve. This deduction shall continue for each year, provided that the balance of the compulsory reserve shall not exceed 25% of the Company's capital. For the purposes of this Act, net profit represents profit before deduction of income tax provision. This reserve is not available for distribution to shareholders. A statutory reserve has not been deducted during the period ended 31 March 2018, and will be deducted at the end of each reporting period.

(10) INCOME TAX

	31 March 2018	31 December 2017
	JD	JD
	(Unaudited)	(Audited)
Balance at 31 December	61,146	135,925
Income tax paid	-	(74,093)
Income tax due on current period profits	(144)	(686)
Balance at 31 March 2018	<u>61,002</u>	<u>61,146</u>

Income tax expense presented in the interim statement of comprehensive income consists of the following.

	31 March 2018	31 December 2017
	JD	JD
	(unaudited)	(audited)
Income tax payable on profit for the year/period	144	(164)
Deferred tax assets	(9,353)	(83,038)
	<u>(9,209)</u>	<u>(83,202)</u>

**UNITED FINANCIAL INVESTMENT COMPANY
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The income tax provision for the period ended 31 March 2018 and 31 December 2017 has been calculated in accordance with Income Tax Law No. 34 of 2014.

A final clearance has been obtained from the Income and Sales Tax Department for the period since its establishment on October 8, 1995 until the end of 2014.

- The company submitted the tax return for 2015 and 2016 and 2017 on the date specified by law. Moreover, the Income and Sales Tax Department has not reviewed the Company's accounts after that date.
- According to the opinion of the management and the tax advisor, the company will not have any obligations exceeding the appropriation taken as of March 31, 2018.

(11) EARNINGS PER SHARE

	<u>31 March 2018</u>	<u>31 March 2017</u>
	JD	JD
	(Unaudited)	(Unaudited)
Loss (profit) for the period	<u>(75,194)</u>	<u>(272,374)</u>
Average number of shares for the period	<u>8,000,000</u>	<u>8,000,000</u>
Earnings per share	<u>(0.009)</u>	<u>(0.034)</u>

The basic earnings per share of the company is equal to the diluted earnings per share as the company did not issue any financial instruments.

(12) FAIR VALUE HIERARCHY

The following table represents the financial instruments recorded at fair value based on the valuation method. The different levels are defined as follows:

Level 1: quoted (unadjusted) prices of assets or liabilities in active markets, most of the financial assets at fair value through the statement of comprehensive income in the Amman Stock Exchange.

Level 2: quoted prices in active markets for similar financial assets and liabilities, or other valuation methods whose underlying data are based on market information.

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Level 3: Pricing methods where not all material data are based on observable market information and the Company uses the carrying amount, which is the best instrument available to measure the fair value of such investments.

	Level 1 JD	Level 2 JD	Level 3 JD	Total JD
(unaudited)				
31 March 2018				
Financial assets at fair value through other comprehensive income	-	-	1	1
Financial assets at fair value through profit and loss	2,036,943	2,398,124	-	4,435,067
	<u>2,036,943</u>	<u>2,398,124</u>	<u>1</u>	<u>4,435,068</u>
(audited)				
31 December 2017				
Financial assets at fair value through statement of comprehensive income	-	-	1	1
Financial assets at fair value through profit and loss	1,917,135	2,398,124	-	4,315,859
	<u>1,917,135</u>	<u>2,398,124</u>	<u>1</u>	<u>4,315,860</u>

The fair value of financial instruments not carried at fair value in the interim statement of financial position is not materially different from the carrying amount included in the financial statements. The fair value of trade receivables that are carried at amortized cost is not materially different from the carrying amount included in the interim condensed financial statements.

(13) RELATED PARTY TRANSACTIONS

The parties are considered as related parties when they have the ability to control the other party or exercise significant influence in making financial and operational decisions:

The balances and transactions with related parties during the period / year were as follows:

	As at 31 March 2018 (unaudited)				For the three months ending 31 March 2018 (unaudited)	
	Bank Guarantees	Current accounts	Receivables	Payables	Revenues	Expenses
	JD	JD	JD	JD	JD	JD
Jordan Kuwait Bank (The owner)	719,000	1,949,315	-	-	-	762
Board members of the bank	-	-	-	9,513	4,654	58,415
	<u>719,000</u>	<u>1,949,315</u>	<u>-</u>	<u>9,513</u>	<u>4,654</u>	<u>59,177</u>

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	As of 31 December 2017 (audited)				For the three months ending 31 March 2017 (Unaudited)	
	Bank Guarantees	Current accounts	Receivables	Payables	Revenues	Expenses
	JD	JD	JD	JD	JD	JD
Jordan Kuwait Bank (The owner)	746,000	1,579,325	-	-	3,283	3,412
Board members of the bank	-	-	-	21,687	18,429	58,415
Contemporary for Housing projects Company – Member of the Joint Board of Directors	-	-	-	-	1,174	-
Rum Group for Transportation and Tourism Investment					22,886	61,827
	<u>746,000</u>	<u>1,579,325</u>	<u>-</u>	<u>21,687</u>	<u>45,772</u>	<u>123,654</u>

Salaries, bonuses, benefits, and key management compensation amounted to JD 58,415 for the three months ended 31 March 2018 (31 March 2017: JD 58,415).