



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

الرقم: ٢٨٩/٢٠١٨/١ هـ/أ

التاريخ: ٢٠١٨/١١/٨

السادة هيئة الأوراق المالية المحترمين

تحية وبعد،،،

To: Jordan Securities Commission Amman Stock Exchange Date: 8/11/2018 Subject: Quarterly Report in English as of <u>30/9/2018</u>	السادة هيئة الأوراق المالية السادة بورصة عمان التاريخ: ٢٠١٨/١١/٨ الموضوع: التقرير ربع السنوي باللغة الانجليزية كما هي في ٢٠١٨/٩/٣٠
Attached the Quarterly Report of (United Financial Investment) in English as of 30/9/2018	مرفق طيه نسخة من البيانات المالية ربع السنوية باللغة الانجليزية لشركة (المتحدة للاستثمارات المالية) كما هي بتاريخ ٢٠١٨/٩/٣٠ م
Kindly accept our highly appreciation and respect Company's Name United Financial Investment General Manager's Signature	وتفضلوا بقبول فائق الاحترام،،، شركة المتحدة للاستثمارات المالية توقيع المدير العام

وتفضلوا بقبول فائق الاحترام،،،

المدير العام
ناصر العبد

الشركة المتحدة
للإستثمارات المالية م.ع.م.
هاتف: ٥١٠٥١١١ / ٥١٠٥٥٦٦
فاكس: ٥٦٩٤٠٣١
ص.ب. ٩٢٧٢٥٠ عمان ١١١٩٢ الأردن

بورصة عمان
الدائرة الإدارية والمالية
الديوان
٠٨ تموز ٢٠١٨
٥١٨٦
الرقم المتسلسل:
رقم الملف:
الجهة المختصة:

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

**INTERIM CONDENSED FINANCIAL STATEMENTS
(UNAUDITED)**

30 SEPTEMBER 2018

**UNITED FINANCIAL INVESTMENT COMPANY
(A PUBLIC SHAREHOLDING COMPANY)
INTERIM CONDENSED FINANCIAL STATEMENTS
(UNAUDITED)
30 SEPTEMBER 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
(A PUBLIC SHAREHOLDING COMPANY)**

Introduction

We have reviewed the accompanying condensed interim statement of financial position of United Financial Investment Company (A Public Shareholding Company) as at 30 September 2018 and the condensed statement of comprehensive income for the three and nine months period ended 30 September 2018, and the statements of changes in shareholders' equity and cash flows for the nine 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
PricewaterhouseCoopers "Jordan" L.L.C.
Amman, Jordan
30 October 2018

**UNITED FINANCIAL INVESTMENT COMPANY
(PUBLIC SHAREHOLDING COMPANY)
INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION
AS OF 30 SEPTEMBER 2018**

	<u>Note</u>	30 September 2018	31 December 2017
		JD (unaudited)	JD (audited)
ASSETS			
Non-current assets			
Property and equipment		399,826	419,081
Intangible assets		312	791
Settlement guarantee deposit fund		25,000	25,000
Deferred tax assets		863,607	905,002
Investment in an associate	4	<u>41,672</u>	<u>41,672</u>
		<u>1,330,417</u>	<u>1,391,546</u>
Current assets			
Financial assets at fair value through profit and loss	5	4,491,776	4,315,859
Net receivables - financial brokerage customers	6	2,965,889	2,659,557
Due from related parties	14	4,411	-
Other debit balances		65,201	80,138
Cash on hand and at banks	7	<u>1,461,811</u>	<u>1,579,379</u>
		<u>8,989,088</u>	<u>8,634,933</u>
TOTAL ASSETS		<u>10,319,505</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
Financial asset valuation reserve - net		(35,505)	(35,505)
Accumulated losses		<u>(924,462)</u>	<u>(939,656)</u>
NET SHAREHOLDERS' EQUITY		<u>8,723,777</u>	<u>8,708,583</u>
Liabilities			
Bank overdraft	10	50,000	-
Payables - financial brokerage customers		1,425,869	1,199,499
Due to related parties	14	20,518	21,687
Income tax provision	11	60,660	61,146
Other credit balances		<u>38,681</u>	<u>35,564</u>
TOTAL LIABILITIES		<u>1,595,728</u>	<u>1,317,896</u>
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		<u>10,319,505</u>	<u>10,026,479</u>

General Manager

Financial Manager

The attached notes from 1 to 15 are an integral part of these interim condensed financial statement

UNITED FINANCIAL INVESTMENT COMPANY
(PUBLIC SHAREHOLDING COMPANY)
INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2018

	Note	For the nine months ended 30 September		For the three months ended 30 September	
		2018	2017	2018	2017
		JD (unaudited)	JD (unaudited)	JD (unaudited)	JD (unaudited)
Revenues					
Trading commission - net		583,963	552,501	176,090	99,146
Gain (Losses) from the valuation of financial assets at fair value through profit and loss		79,870	(1,219,755)	149,251	71,403
(Loss) Gain on sale of financial asset at fair value through profit and loss		(16,219)	370,300	(264)	(28,485)
Dividends Income		-	62,470	-	-
Interest Income		22,853	11,414	7,857	4,672
Other Income		4,906	724	4,428	(224)
Gross income		675,373	(222,346)	337,362	146,512
Expenses					
Employees expenses		(412,126)	(387,152)	(156,388)	(138,391)
General and administrative expenses		(154,593)	(112,619)	(49,152)	(34,336)
Investors protection fund expenses		(18,991)	(18,380)	(2,120)	(3,129)
Depreciation and amortization		(29,019)	(38,986)	(9,699)	(13,497)
Reversal of provision for doubtful debts		-	-	10,547	-
Finance costs		(4,541)	(12,533)	(464)	(4,051)
Total expenses		(619,270)	(569,670)	(207,276)	(193,404)
Income (loss) before income tax		56,103	(792,016)	130,086	(46,892)
Income tax (expenses) surplus	11	(40,909)	112,820	(35,632)	(17,153)
Income (loss) for the period		15,194	(679,196)	94,454	(64,045)
Add: other comprehensive income items					
Net change in financial assets valuation reserve		-	(2,432)	-	(1,172)
Gain from sale of financial assets at fair value through other comprehensive income		-	55,483	-	36,822
Total comprehensive income (loss) for the period		15,194	(626,145)	94,454	(28,395)
Earnings (loss) per share for the period	12	0.002	(0.085)	0.012	(0.008)

The attached notes from 1 to 15 are an integral part of these interim condensed financial statements

**UNITED FINANCIAL INVESTMENT COMPANY
(PUBLIC SHAREHOLDING COMPANY)
INTERIM CONDENSED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2018**

	Paid-in capital		Statutory reserve		Voluntary reserve		Financial assets reserve valuation- Net		Accumulated losses		Total shareholder's equity	
	JD		JD		JD		JD		JD		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	-	-	-	-	-	-	-	-	15,194	-	15,194	
Balance as at 30 September 2018	<u>8,000,000</u>	<u>-</u>	<u>1,642,871</u>	<u>-</u>	<u>40,873</u>	<u>-</u>	<u>(35,505)</u>	<u>-</u>	<u>(924,462)</u>	<u>-</u>	<u>8,723,777</u>	
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 loss for the period	-	-	-	-	-	-	-	-	(679,196)	-	(679,196)	
Change in financial assets valuation reserve	-	-	-	-	-	-	(2,432)	-	-	-	(2,432)	
Gain (loss) on sale of financial assets at fair value through comprehensive income	-	-	-	-	-	-	274,355	-	(218,872)	-	55,483	
Balance as at 30 September 2017	<u>8,000,000</u>	<u>-</u>	<u>1,642,871</u>	<u>-</u>	<u>40,873</u>	<u>-</u>	<u>(40,143)</u>	<u>-</u>	<u>(727,942)</u>	<u>-</u>	<u>8,915,659</u>	

The attached notes from 1 to 15 are an integral part of these interim condensed financial statement

UNITED FINANCIAL INVESTMENT COMPANY
(PUBLIC SHAREHOLDING COMPANY)
INTERIM CONDENSED STATEMENT OF CASH FLOWS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2018

	30 September 2018	30 September 2017
	JD	JD
	(unaudited)	(unaudited)
Operating activities:		
Income (loss) for the period before tax	56,103	(792,016)
Adjustments for:		
Depreciation and amortization	29,019	38,986
Allowance for doubtful debts	10,547	-
Reversal of Allowance for doubtful debts	(10,547)	-
Interest income	22,853	11,414
Changes in working capital:		
Financial assets at fair value through profit and loss	(175,917)	(187,169)
Receivables - financial brokerage customers	(306,332)	966,752
Other debit balances	14,937	(141,639)
Due from related parties	(5,580)	198,634
Payables - financial brokerage customers	226,460	45,241
Other credit balances	3,117	(80,181)
Cash flows from operating activities before income tax paid	(135,430)	60,022
Income tax paid	-	(74,093)
Net cash from operating activities	(135,430)	(14,071)
Investing activities:		
Purchases of property and equipment	(9,285)	(5,882)
Purchase of intangible assets	-	(609)
Proceeds from the sale of financial assets through other comprehensive income	-	288,585
Interest proceeds	(22,853)	(11,414)
Net cash from investing activities	(32,138)	270,680
Net change in cash and cash equivalents	(167,568)	256,609
Cash and cash equivalents at 31 December	1,579,379	1,633,685
Cash and cash equivalents at 30 September	1,411,811	1,890,294

The attached notes from 1 to 15 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 NINE MONTHS ENDED 30 SEPTEMBER 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's capital was JOD 1.5 million, divided into 1.5 million shares of JOD 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 JOD 8 million, divided into 8 million shares of JOD 1 each.

The Company is 50.02% owned by the Jordan Kuwait Bank, The company address is Abdul Aziz Al-Tha'alibi Street, Shmeisani, P.O. Box 927250 Amman, 11192 Jordan.

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 condensed financial statements were approved by the Board of Directors at their meeting held on 29 October 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 ended 30 September 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 nine months ended September 30, 2018 do not necessary state the expected results for the year ending December 31, 2018.

**UNITED FINANCIAL INVESTMENT COMPANY
(PUBLIC SHAREHOLDING COMPANY)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2018**

2.2 Changes in accounting policy and disclosures

2.1.1 New standards and interpretations issued and adopted by the Company in the fiscal year beginning on 1 January 2018:

(a) Standard with no material impact on 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'.
- Investment property transfers - Amendments to IAS 40 "Investment properties".
- Annual Improvements to IFRSs – 2012-2014 Cycle
- IFRS 15 - "Revenue from contracts with customers", effective 1 January 2018. This standard replaces IAS 18, which covers contracts for goods and services, and IAS 11 covering construction contracts. Based on the new standard, revenue is recognized when the control of the asset or service is transferred to the customer and therefore the idea of control replaces the notion of risk and return. The standard permits full retroactive or retrospective application.

Impact: There is no impact from the application of the Standard on the Company's financial statements, since most of the Company's revenues are derived from sources not subject to this standard.

(b) Standard with material impact on financial statements

- IFRS 9 Financial Instruments,

Nature of change: The Standard addresses the classification, measurement, De-recognition of financial assets and liabilities, and introduces new rules for hedge accounting. The Standard introduces the new impairment model to recognize impairment provisions.

- **Effect of application of IFRS 9:**

The Company is required to apply IFRS 9 as of January 1, 2018. Accordingly, the Company has been guided by a draft of the relevant Central Bank's instructions to conduct an impact assessment as of 1 January 2018 based on the requirements of the Standard. The main aspects of the application are as follows:

a- Classification and measurement of financial assets:

There is no material effect on the application of the Standard. The Company has applied the early adoption of IFRS 9 as of January 1, 2018.

The Company has not reclassified the financial instruments between the categories defined under IFRS 9 (amortized cost at fair value through income statement at fair value through other comprehensive income) and allowed for one time at the beginning of 2018 to meet the requirements of the standard.

b- Classification and measurement of financial liabilities:

IFRS 9 has retained the requirements contained in IAS 39 regarding the classification of financial liabilities. As regards measurement of fair value, IAS 39 requires recognition of the differences in the assessment of financial liabilities classified as financial liabilities at fair value through profit or loss, while IFRS 9 requires the following:

Recognition of differences in the assessment of financial liabilities classified as financial liabilities at fair value through statement of income resulting from changes in credit risk is recognized in the statement of comprehensive income.

The remaining amount of fair value valuation differences is recognized in the statement of income.

c- Hedge accounting:

In applying IFRS 9, the Company has chosen to continue using the hedge accounting policy based on the requirements of IAS 39 instead of IFRS 9.

d- Impairment of financial assets:

IFRS 9 replaces the "loss recognition" model adopted in IAS 39 to calculate the impairment of financial assets to the forward-looking model "expected credit losses", which requires the use of estimates and judgments to estimate the economic factors Have the effect of impairment on the new model. This model has been applied to all financial assets

Debt instruments classified at amortized cost or at fair value through the statement of comprehensive income or at fair value through income statement. Effective 1 January 2018, deals with the classification, measurement and recognition of financial assets and liabilities and introduces new rules for hedge accounting.

Impairment losses have been calculated in accordance with the requirements of IFRS 9 in accordance with the following rules:

- 12 month impairment losses: The expected impairment is calculated for the 12 months following the date of the financial statements.
- Impairment losses for the useful life of the instrument: The expected impairment is calculated based on the life of the financial instrument up to maturity as at the reporting date.
- The calculation of expected credit losses depends on the probability of default, which is calculated according to credit risk, future economic factors and loss given default, which is based on the collectible value of the existing collateral and the exposure at default.

e- Disclosures:

IFRS 9 requires several detailed disclosures, particularly with respect to hedge accounting, credit risk and expected credit losses. The Company provides all details required for these disclosures to be presented in subsequent financial statements after application.

**UNITED FINANCIAL INVESTMENT COMPANY
(PUBLIC SHAREHOLDING COMPANY)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2018**

f- Application:

The Company has assessed the effect of applying the Standard on the opening balances of retained earnings as at 1 January 2018 which had no material effect on the financial statements.

2.1.2 New standards and interpretations issued but not adopted by the Company in the fiscal year beginning on 1 January 2018:

The following new standards, new interpretations and amendments to standards and interpretations have been issued but are not effective for the financial year beginning 1 January 2017 and have not been early adopted:

Title of standard	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, the Company has no leases as at 30 September 2018. 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 NINE MONTHS ENDED 30 SEPTEMBER 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.

The Company periodically analyzes interest rate risk taking into account any rescheduling and calculates the financial impact on profit and loss by raising / decreasing interest rates by a certain percentage. This analysis is performed on interest bearing liabilities

Based on this analysis, the effect of the 1% interest rate on the loss of the period is as follows:

	<u>Change in interest rate</u>	<u>Effect on period loss</u>
	%	JD (unaudited)
30 September 2018	1+	(500)
	1-	500
30 September 2017	1+	-
	1-	-

**UNITED FINANCIAL INVESTMENT COMPANY
(PUBLIC SHAREHOLDING COMPANY)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2018**

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:

	<u>Change in price</u>	<u>30 September 2018</u> JD (unaudited)	<u>31 December 2017</u> JD (audited)
Impact on profit and loss	5%	224,589	215,793

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

3.3 Capital 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

	<u>30 September 2018</u> JD (unaudited)	<u>31 December 2017</u> JD (audited)
Global First Investment Company (Syria)	41,672	41,672

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

	<u>30 September 2018</u> JD (unaudited)	<u>31 December 2017</u> JD (audited)
Shares listed on Amman Stock Exchange	4,411,906	5,664,657
Change in fair value for the period / year	79,870	(1,348,798)
	<u>4,491,776</u>	<u>4,315,859</u>

**UNITED FINANCIAL INVESTMENT COMPANY
(PUBLIC SHAREHOLDING COMPANY)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2018**

(6) NET RECEIVABLES - FINANCIAL BROKERAGE CUSTOMERS

	30 September 2018	31 December 2017
	JD	JD
	(unaudited)	(audited)
Financial brokerage customers	3,338,927	3,078,637
Margin trading customers *	1,139,931	1,093,889
	<u>4,478,858</u>	<u>4,172,526</u>
Provision for impairment of financial brokerage customers and margin receivables	(1,346,527)	(1,346,527)
Interest in suspense	(166,442)	(166,442)
Net receivables	<u>2,965,889</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 with a max interest rate of 9%, the details as at 30 September 2018 are as follows:

- The total market value of the portfolios is JD 1,139,210 (2017: 1,133,387 JD).
- The total funded by the company at JD 180,507 (2017: 134,466 JD).
- Total financed by customers (security margin) JD 958,703 (2017: 998,921 JD).
- The percentage of amounts funded by customers to the total market value of the portfolios is 84% (2017: 88%).

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:

	30 September 2018	31 December 2017
	JD	JD
	(unaudited)	(audited)
Financial brokerage customers		
1 day - 7 days	815,726	221,683
8 days - 30 days	1,799,218	1,769,247
31 days - 60 days	147,564	534,009
61 days - 90 days	59,838	47,240
91 days - 120 days	1,884	4,828
More than 120 days	514,697	501,630
	<u>3,338,927</u>	<u>3,078,637</u>
Margin trading customers	1,139,931	1,093,889
	<u>4,478,858</u>	<u>4,172,526</u>

**UNITED FINANCIAL INVESTMENT COMPANY
(PUBLIC SHAREHOLDING COMPANY)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2018**

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

	30 September 2018	31 December 2017
	JD (unaudited)	JD (audited)
Balance at the beginning of the period/year	1,346,527	1,346,527
Provision for the period / year	10,547	-
Reversal of allowance for doubtful debts	(10,547)	-
Balance at the end of the period/year	<u>1,346,527</u>	<u>1,346,527</u>

Impairment provision in accordance with IFRS 9:

	30 September 2018
	JD
Stage one	45
Stage two	3,518
Stage three	<u>1,342,964</u>
	<u>1,346,527</u>

(7) CASH ON HAND AND AT BANKS

	30 September 2018	31 December 2017
	JD (unaudited)	JD (audited)
Cash on hand	1,848	54
Cash at banks	<u>1,459,963</u>	<u>1,579,325</u>
	<u>1,461,811</u>	<u>1,579,379</u>

For the purpose of preparing the condensed interim statement of cash flows, cash and cash equivalents comprise the following:

	30 September 2018	30 September 2017
	JD (unaudited)	JD (audited)
Cash on hand and at banks	1,461,811	1,890,294
Bank overdraft	<u>(50,000)</u>	<u>-</u>
	<u>1,411,811</u>	<u>1,890,294</u>

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(8) PAID IN 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 30 September 2018, and will be deducted at the end of each reporting period.

(10) BANK OVERDRAFT

During the current period, the company has obtained a bank overdraft from a local bank with a ceiling of 250,000 JD. As of September 30, 2018, the company has withdrawn JD 50,000. The annual interest rate was 9.75%. This credit facility is guaranteed by the parent company.

(11) INCOME TAX

	30 September 2018	31 December 2017
	JD	JD
	(unaudited)	(audited)
Balance at the beginning of the period/year	61,146	135,925
Income tax paid	-	(74,093)
Surplus tax due from loss for the period / year	(486)	(686)
Balance at the end of the period / year	<u>60,660</u>	<u>61,146</u>

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

	30 September 2018	30 September 2017
	JD	JD
	(unaudited)	(unaudited)
Income tax payable on profit for the year/period	(486)	(531)
Deferred tax assets	41,395	(112,289)
	<u>40,909</u>	<u>(112,820)</u>

The income tax provision for the period ended 30 September 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.

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- The company submitted the tax return for 2015, 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 September 30, 2018.

(12) EARNINGS (LOSS) PER SHARE

	<u>30 September 2018</u>	<u>30 September 2017</u>
	JD	JD
	(unaudited)	(unaudited)
Losses for the period	15,194	(679,196)
Average number of shares for the period	8,000,000	8,000,000
Earnings per share	<u>0.002</u>	<u>(0.085)</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.

(13) 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.

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.

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
	JD	JD	JD	JD
(unaudited)				
30 September 2018				
Financial assets at fair value through profit and loss	<u>2,093,652</u>	<u>2,398,124</u>	-	<u>4,491,776</u>
(audited)				
31 December 2017				
Financial assets at fair value through profit and loss	<u>1,917,735</u>	<u>2,398,124</u>	-	<u>4,315,859</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.

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(14) 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:

	30 September 2018	31 December 2017
	JD	JD
	(unaudited)	(audited)
Due from related parties		
Jordan Kuwait Bank (parent company) current accounts (Note 7)	1,459,963	1,579,325
Bank guarantees (Note 15)	733,180	805,000
Board members and top management	4,441	-
	<u>2,197,584</u>	<u>2,384,325</u>
Due to related parties		
Jordan Kuwait Bank (parent company) bank overdraft (note 10)	50,000	-
Board members and top management	20,518	21,687
	<u>70,518</u>	<u>21,687</u>

The following transactions were made with related parties:

	30 September 2018	30 September 2017
	JD	JD
	(unaudited)	(unaudited)
Revenues from related parties		
Jordan Kuwait Bank (parent company)	16,669	10,615
Board members of the bank	14,549	39,070
	<u>31,218</u>	<u>49,685</u>
Expenses from related parties		
Jordan Kuwait Bank (parent company)	37,115	16,548
Board members and top management	3,051	-
	<u>40,166</u>	<u>16,548</u>

Salaries, bonuses, benefits, and key management compensation amounted to JD 162,940 for the nine months ended 30 September 2018 (30 September 2017: JD 160,640).

(15) CONTINGENT LIABILITIES

As at 30 September 2018, the Company had contingent liabilities that arise from bank guarantees provided by Jordan Kuwait Bank (Parent company) amounted to JD 733,180 (31 December 2017: JD 805,000).