

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

**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)**

30 JUNE 2022

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REVIEW REPORT ON THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

TO THE CHAIRMAN AND THE BOARD OF DIRECTORS OF UNITED FINANCIAL INVESTMENTS COMPANY
(PUBLIC SHAREHOLDING COMPANY)

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of United Financial Investment Company (later on "the company") and its subsidiaries (together "the group") as at 30 June 2022 and the interim condensed consolidated statement of comprehensive income for the three and six months period ended 30 June 2022, and the interim condensed consolidated statements of changes in shareholders' equity and interim condensed consolidated statement of cash flows for the six months period then ended and other explanatory notes. Management is responsible for the preparation and presentation of this interim condensed consolidated financial statements in accordance with International Accounting Standard (34) "interim financial reporting". Our responsibility is to express a conclusion on this interim condensed consolidated financial statement 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 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.

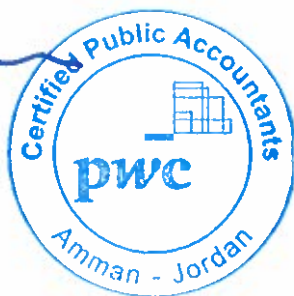
Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements have not been prepared, in all material respects, in accordance with IAS 34 related to interim financial reporting, as amended by the Central Bank of Jordan investments.

For and on behalf of PricewaterhouseCoopers "Jordan"


Hazem Sababa
License No (802)

Amman, Jordan
28 July 2022



UNITED FINANCIAL INVESTMENTS COMPANY
(PUBLIC SHAREHOLDING COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022

	<u>Note</u>	30 June 2022 JD (unaudited)	31 December 2021 JD (audited)
ASSETS			
Non-current assets			
Property and equipment		337,162	339,797
Intangible assets		1,932	51
Seized assets	4	3,348,781	3,394,086
Deposits of settlement guarantee fund	5	50,000	25,000
Deferred tax assets	13	522,276	1,025,409
Financial assets at fair value through other comprehensive income	8	3,741,897	-
Financial assets at amortized cost	6	3,487,909	-
Right-of-use assets		21,280	-
		<u>11,511,237</u>	<u>4,784,343</u>
Current assets			
Financial assets at fair value through profit and loss	7	7,625	3,422,733
Due from related parties	20	438,126	1,429
Receivables from financial brokerage customers - net	9	12,154,320	1,719,992
Other debit balances		377,714	209,873
Cash on hand and at banks	10	3,952,126	56,474
		<u>16,929,911</u>	<u>5,410,501</u>
TOTAL ASSETS		<u>28,441,148</u>	<u>10,194,844</u>
SHAREHOLDERS' EQUITY AND LIABILITIES			
SHAREHOLDERS' EQUITY			
Authorized and paid-in capital	11	8,000,000	8,000,000
Statutory reserve	12	1,690,658	1,690,658
Voluntary reserve		40,873	40,873
Fair value reserve – net		(261,786)	(35,505)
Accumulated losses		(2,120,440)	(2,125,051)
NET SHAREHOLDERS' EQUITY		<u>7,349,305</u>	<u>7,570,975</u>
Liabilities			
Non-current liabilities			
Long -term loan	20	240,000	270,000
End of service provision		139,262	130,192
Lease liabilities		21,899	-
		<u>401,161</u>	<u>400,192</u>
Current liabilities			
Current portion - Ejara loan	20	105,000	120,000
Borrowings	18	8,670,000	-
Due to banks	16	3,947,699	757,330
Due to related parties	20	91,805	183,392
Payables to financial brokerage customers	21	2,515,642	668,834
Trade and other credit balances	19	5,164,406	435,916
Income tax provision	13	196,130	58,205
TOTAL LIABILITIES		<u>20,690,682</u>	<u>2,223,677</u>
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		<u>21,091,843</u>	<u>2,623,869</u>
		<u>28,441,148</u>	<u>10,194,844</u>

The attached notes from 1 to 23 are an integral part of the interim condensed consolidated financial statements

UNITED FINANCIAL INVESTMENTS COMPANY
(PUBLIC SHAREHOLDING COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE AND SIX MONTHS PERIOD ENDED 30 JUNE 2022

		For the six months ended 30 June		For the three months ended 30 June	
	Note	2022	2021	2022	2021
		JD	JD	JD	JD
		(unaudited)	(unaudited)	(unaudited)	(unaudited)
Revenues					
Commission income - net		327,736	316,369	197,522	177,438
Income/ (losses) from the valuation of financial assets at fair value through profit and loss		(2,969)	(312,058)	109,335	77,053
Gain on sale of financial asset at fair value through profit and loss		559,330	4,033	560,360	4,187
Rental income		52,260	52,260	26,130	26,130
Interest Income		134,849	12,145	116,559	10,561
Other income		1,473	-	-	(45)
Reversal of expected credit losses		323,000	-	323,000	-
Gross income		1,395,679	72,749	1,332,907	295,324
EXPENSES					
Employees expenses		(291,208)	(218,238)	(160,927)	(109,923)
Other expenses	14	(300,629)	(96,048)	(229,050)	(59,613)
Impairment expense - seized assets		(53,583)	-	(53,583)	-
Expected credit loss provision	9	-	(37,099)	-	(35,667)
Depreciation and amortization		(9,582)	(7,987)	(5,054)	(3,949)
Finance costs		(74,266)	(41,845)	(32,308)	(25,300)
Total expenses		(729,268)	(401,217)	(480,922)	(234,452)
Income/ (loss) before income tax		666,411	(328,468)	851,985	60,872
Tax surplus (expense) for the period	13	(661,800)	96,467	(661,791)	(12,355)
Income/ (loss) for the period		4,611	(232,001)	190,194	48,517
Add: other comprehensive income items		(226,281)	-	-	-
Total comprehensive (loss) / income for the period		(221,670)	(232,001)	190,194	48,517
(loss) / Earnings per share for the period	13	(0.028)	(0.03)	0.024	0.006

The attached notes from 1 to 23 are an integral part of the interim condensed consolidated financial statements

**UNITED FINANCIAL INVESTMENT COMPANY
(PUBLIC SHAREHOLDING COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE 2022**

	Paid-in capital	Statutory reserve	Voluntary reserve	Fair Value reserve - net	Accumulated losses	Net shareholder's equity
	JD	JD	JD	JD	JD	JD
(Unaudited) 2022						
Balance as 1 January 2022	8,000,000	1,690,658	40,873	(35,505)	(2,125,051)	7,570,975
Other comprehensive income items	-	-	-	(226,281)	-	(226,281)
Total Comprehensive income for the period	-	-	-	-	4,611	4,611
Balance as at 30 June 2022	<u>8,000,000</u>	<u>1,690,658</u>	<u>40,873</u>	<u>(261,786)</u>	<u>(2,120,440)</u>	<u>7,349,305</u>
(Unaudited) 2021						
Balance as at 1 January 2021	8,000,000	1,690,658	40,873	(35,505)	(1,168,305)	8,527,721
Total comprehensive loss for the period	-	-	-	-	(280,518)	(280,518)
Balance as at 30 June 2021	<u>8,000,000</u>	<u>1,690,658</u>	<u>40,873</u>	<u>(35,505)</u>	<u>(1,448,823)</u>	<u>8,247,203</u>

The attached notes from 1 to 23 are an integral part of the interim condensed consolidated financial statements

UNITED FINANCIAL INVESTMENTS COMPANY
(PUBLIC SHAREHOLDING COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 JUNE 2022

	Notes	30 June 2022 JD (unaudited)	30 June 2021 JD (unaudited)
Operating activities:			
Income (loss) for the period before tax		666,411	(328,468)
Adjustments for:			
Depreciation and amortization		9,582	7,987
Expected credit loss provision	9	(323,000)	37,099
Loss from the valuation of financial assets at fair value through profit and loss	7	559,330	312,058
Gain from sale of financial assets at fair value through profit and loss		(2,969)	(4,033)
Provision for employees' end-of-service benefits		9,070	
Interest income		(134,849)	(12,145)
Interest expense		74,266	41,845
Changes in working capital:			
Seized assets	4	45,305	-
Deposits of settlement guarantee fund	5	(25,000)	(34,000)
Financial assets at fair value through profit and loss	7	2,632,466	6,464
Financial assets at fair value through the other comprehensive income	8	(3,741,897)	-
Receivables from financial brokerage customers – net	9	(10,111,328)	(549,369)
Due from related parties	20	(436,697)	(165,286)
Other debit balances		(167,841)	(56,265)
Payables for financial brokerage customers	21	1,846,808	468,432
Due to related parties	20	(76,587)	52,771
Tarife and other credit balances	19	4,728,490	46,387
Cash flows used in operating activities before income tax paid		(4,448,440)	(176,523)
Income tax paid		(20,742)	-
Net cash flows used in operating activities		(4,469,182)	(176,523)
Investing activities:			
Purchases of property and equipment		(30,108)	-
Financial assets at amortized cost	6	(3,487,909)	-
Interest income		134,849	12,145
Net cash flows (used in) generated from investing activities		(3,383,168)	12,145
Financing Activities			
Lease liabilities		21,899	-
Long-term loan	18	8,640,000	-
Loans paid		(30,000)	(60,000)
Interest paid		(74,266)	(41,845)
Net cash flows generated from (used in) financing activities		8,557,633	(101,845)
Net change in cash and cash equivalents		705,283	(266,223)
Cash and cash equivalents at 31 December		(700,856)	268,768
Cash and cash equivalents at 30 June	10	4,427	2,545

The attached notes from 1 to 23 are an integral part of the interim condensed consolidated financial statements

(1) GENERAL INFORMATION

United Company for Financial Investments (the "Company") was established as a public shareholding limited company under No. (297) on October 8, 1995 under the Companies Law.

The Company's capital was JOD 1,500,000, divided into 1,500,000 shares of JOD 1 per share. The Company's capital was increased multiple times to reach 8,000,000 JOD divided into 8,000,000 shares of JOD 1 each.

The Company is listed on Amman Stock Exchange.

The Company is 97.819% owned by Jordan Kuwait Bank. The headquarter is in Amman Shmeisani area - Abdul Aziz Al Thaalbi Street, PO Box 927250 Amman - 11192 - Hashemite Kingdom of Jordan.

The financial statements of United Financial Investments Company are consolidated with the consolidated financial statements of Jordan Kuwait Bank.

The Company's main objectives are to provide administrative and advisory services to investment portfolios and financial services to deal in the local market, to provide agent or financial advisor services, to invest in securities, to provide economic feasibility studies, and to own movable and immovable funds in the interest of the company.

The interim condensed consolidated financial statements were approved by the Board of Directors on 26 July 2022.

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

2.1 Basis of preparation

These interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standards No. (34) ("Interim Financial Reporting") as amended by the Central Bank of Jordan instructions.

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

The interim condensed consolidated 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 consolidated financial statements.

These interim condensed consolidated 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 2021. The results of the six months ended 30 June 2022 do not necessary state the expected results for the year ending 31 December 2022.

The main differences between the IFRSs as they must be applied and what has been approved by the Central Bank of Jordan are the following:

Some items in the statement of financial position and income statement and the detailed explanations are shown and classified, such as credit facilities, suspended interest, expected credit losses, restricted balances, assets acquired against debts, fair value levels, sectoral classification, and clarifications regarding risks and others, in accordance with the requirements and instructions of the Central Bank of Jordan and the indicative forms issued. It may not include all the requirements of IFRSs such as those contained in IFRS No. (7), (9) and (13).

Provisions for expected credit losses are formed in accordance with the instructions of the Central Bank of Jordan (No. 13/ 2018) "Application of the IFRS (9)" dated 6 June 2018 and in accordance with the instructions of the supervisory authorities in the countries in which the bank operates, whichever is stricter. The significant differences are as follows:

(a) Debt instruments issued or guaranteed by the Jordanian government are excluded, so that credit exposures are treated and guaranteed by the Jordanian government without credit losses.

(b) When calculating credit losses against credit exposures as per IFRS 9 instructions, the calculation results are compared with the Central Bank of Jordan instructions No. (47/2009) of 10 December 2009 for each stage separately and the stricter results are taken.

As stated in Central Bank of Jordan (CBJ) instructions for classification of credit facilities and calculating impairment provision No. (47/2009) dated 10 December 2009, the credit facilities are classified into the following categories

a) Low Risk Credit Facilities, no provisions calculated on :

The credit facilities that have any of the following characteristics:

- 1) Granted to and Guaranteed by the Jordanian Government and to the governments of countries in which the Jordanian banks have foreign branches, provided that such facilities are held in the host country's currency.
- 2) 100% collateralized by cash margin (of the any-time outstanding amount).
- 3) 100% guaranteed by an acceptable bank guarantee

b) Acceptable Risk Credit Facilities, no provisions calculated on:

The credit facilities that have the following characteristics:

- 1) Strong financial positions and adequate cash flows.
- 2) Legally documented and well covered by acceptable collaterals.
- 3) Good alternative cash resources for repayment.
- 4) Active movement of the relative account and timely payment of principal and interest.
- 5) Competent management of the obligor.

- c) **Watch-List Credit Facilities (Requiring special attention), impairment provisions** are calculated on the below at a rate between 1.5% and 15%

The credit facilities that have any of the following characteristics:

- 1) The existence of past dues of principal and/or interest for a period exceeding (60) days but less than (90) days.
- 2) Overdraft exceeding the approved limit by (10%) or more for a period exceeding (60) days but less than (90) days.
- 3) Credit facilities which were previously classified as non-performing loans, and then reclassified as performing loans according to rescheduling.
- 4) Acceptable risk credit facilities which have been restructured twice within 12 months
- 5) Credit facilities that are more than (60) days old and less than (90) days have passed since their expiry date and have not been renewed.

The above is in addition to the conditions mentioned in detail in the instructions

- d) **Non-Performing Credit Facilities** The credit facilities that have any of the following characteristics:

- 1) The maturity of the credit facilities or of one of its installments, irregularity of repaying of principal and/or interest of credit facilities and / or dormant overdraft have been past due for the following periods:

Category	Days overdue	Percentage allocated for the first year
Substandard	From (90) days to (179) days	25%
Doubtful	From (180) days to (359) days	50%
Loss	From (360) days or more	100%

- 2) Overdraft facilities exceeding approved limits by (10%) or more for a period of (90) days or more.
- 3) Credit facilities which have matured and become invalid for a period of (90) days or more and have not been renewed.
- 4) Credit facilities extended to any obligor who went bankrupt, or to companies which were subjected to liquidation.
- 5) Credit facilities which have been restructured for three times within 12 months.
- 6) Overdrawn current and on demand accounts for a period of (90) days or more.
- 7) Guarantees claimed by the beneficiary and paid by the bank on behalf of the clients, where their values have not been debited to their accounts and are still unpaid for a period of (90) days or more.

A low provision is calculated on credit facilities according to the instructions of 47/2009 for this category of facilities according to the above rates and the amount of the facilities not covered by acceptable guarantees during the first year, while the provision is completed for the amount covered by 25% over a period of four years.

Interest and commissions are suspended on non-performing credit facilities and facilities classified as third stage granted to clients in accordance with the instructions of the Central Bank of Jordan and in accordance with the instructions of the supervisory authorities in the countries in which the bank operates, whichever is stricter.

Assets that have been reverted to the Bank appear in the consolidated statement of financial position within other assets at the amount of which they were reverted to the Bank or the fair value, whichever is less, and are reassessed on the date of the consolidated financial statements individually. Any impairment in their value is recorded as a loss in the consolidated statement of profit or loss and the increase is not recorded as revenue. The subsequent increase is taken to the consolidated statement of profit or loss to the extent that it does not exceed the value of the previously recorded impairment

2.2 Changes in accounting policy and disclosures

A- New standards issued and not yet applicable or early adopted by the Group for the periods starting on or after 1 January 2022:

Standard	Description	Effective date
A number of narrow-scope amendments to IFRS 3, IAS 16, IAS 17 and some annual improvements on IFRS 1, IFRS 9, IAS 41 and IFRS 16	<ul style="list-style-type: none"> • Amendments to IFRS 3, 'Business combinations' update a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations. • Amendments to IAS 16, 'Property, plant and equipment' prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognize such sales proceeds and related cost in profit or loss. • Amendments to IAS 37, 'Provisions, contingent liabilities and contingent assets' specify which costs a company includes when assessing whether a contract will be loss-making. <p>Annual improvements make minor amendments to IFRS 1, 'First-time Adoption of IFRS', IFRS 9, 'Financial instruments', IAS 41, 'Agriculture' and the Illustrative Examples accompanying IFRS 16, 'Leases'.</p>	1 January 2022

Standard	Description	Effective date
Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12	The amendments to IAS 12 Income Taxes require companies to recognised deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. They will typically apply to transactions such as leases of lessees and decommissioning obligations and will require the recognition of additional deferred tax assets and liabilities.	1 January 2022
Sale or contribution of assets between an investor and its associate or joint venture – Amendments to IFRS 10 and IAS 28	The IASB has made limited scope amendments to IFRS 10 condensed consolidated financial statements and IAS 28 Investments in associates and joint ventures. The amendments clarify the accounting treatment for sales or contribution of assets between an investor and its associates or joint ventures. They confirm that the accounting treatment depends on whether the non- monetary assets sold or contributed to an associate or joint venture constitute a 'business' (as defined in IFRS 3 Business Combinations).	1 January 2022
Amendments to IAS 1, Presentation of financial statements on classification of liabilities	These narrow-scope amendments to IAS 1, 'Presentation of financial statements', clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (for example, the receipt of a waiver or a breach of covenant). The amendment also clarifies what IAS 1 means when it refers to the 'settlement' of a liability.	

B) New and amended standards and interpretations issued but not yet effective:

The Group has not early adopted the following new standards, amendments and interpretations that have been issued but are not yet effective:

Standard	Description	Effective date
IFRS 17, 'Insurance contracts'	This standard replaces IFRS 4, which currently permits a wide variety of practices in accounting for insurance contracts. IFRS 17 will fundamentally change the accounting by all entities that issue insurance contracts and investment contracts with discretionary participation features. Early application is permitted if it coincides with the application of IFRS 15 Revenue from Contracts with Customers and IFRS 9 Financial Instruments.	1 January 2023

IFRS 17 requires an existing measurement model where estimates are re-measured in each reporting period. The measurement is based on a discounted weighted cash flow basis, an adjustment for risk, and a contractual service margin, which represents unearned contract profits. A simplified premium allocation method is permitted for liabilities over the remaining coverage period if this method provides for a measurement method that is not materially different from the general model or if the coverage period extends for a year or less. However, claims incurred must be measured on a risk-adjusted and discounted weighted cash flow basis.

<p>Disclosure of Accounting Policies– Amendments to IAS 1 and IFRS Practice Statement 2</p>	<p>The IASB amended IAS 1 to require entities to disclose their material rather than their significant accounting policies. The amendments define what is 'material accounting policy information' and explain how to identify when accounting policy information is material. They further clarify that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information.</p>	<p>1 January 2023</p>
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To support this amendment, the IASB also amended IFRS Practice Statement 2 Making Materiality Judgements to provide guidance on how to apply the concept of materiality to accounting policy disclosures.

<p>Definition of Accounting Estimates– Amendments to IAS 8</p>	<p>The amendment to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors clarifies how companies should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, but changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period.</p>	<p>1 January 2023</p>
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There are no other standards that are not effective that are expected to have a material impact on the Group in current or future reporting periods, and on expected future transactions.

The management is still in the process of evaluating the impact of these new amendments on the interim condensed consolidated financial statements of the group, and in its belief that there will be no material impact on the interim condensed consolidated financial statements when applied.

(3) CAPITAL RISK MANAGEMENT

3.1 Capital risk factors

The Company is exposed to various financial risks as a result of its operations, and these risks include the impact of fluctuations in the market (foreign exchange risk, interest rate risk, Risks of changing stock prices), liquidity risk, and credit risk. The company's overall risk management focuses on minimizing the potential negative impact on the company's financial results to the lowest 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, stock 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

Based on this analysis, the impact of change in interest rate on the year loss is as follows:

Currency	Increase in interest rate %	Effect on loss for the year JD
30 June 2022		
JD	1	(43,146)
31 December 2021		
JD	1	(11,473)

The financial impact of decreases in interest by the same percentages is expected to be equal and opposite to the effect shown above.

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	30 June 2022 JD (unaudited)	31 December 2021 JD (audited)
Impact on profit and loss	5%	187,476	171,137

In the event of an adverse change in the indicator, the effect is expected to be equal and opposite to the effect shown above.

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.

3.4 Credit risk

Financial assets that are subject to credit risk are limited to cash at banks and receivables and other debit balances. The Company only deals with financial institutions of high credit solvency. The Company has a policy for limiting the value exposed to credit risk at a single financial institution. Utilized credit limits are monitored on a regular basis.

The following table shows the cash at banks and their credit rating as of December 31 and distributed as follows:

	Rating	30 June 2022 JD	31 December 2021 JD
Invest Bank	BB	2,139,902	-
Jordan Kuwait Bank (Parent Company)	B+	1,811,727	55,115
Cairo Amman Bank	B1	136	1,056
Capital Bank	B	100	-
		<u>3,951,865</u>	<u>56,171</u>

(4) SEIZED ASSETS

Below is a summary movement in real estate that has been seized by the company against outstanding debts.

	30 June 2022 JD (unaudited)	31 December 2021 JD (audited)
Cost		
Beginning Balance	3,394,086	3,307,006
Additions (Disposals) during the period – United	(572,230)	87,080
Additions (Disposals) during the period – SPEC	580,508	-
Provision for Impairment of seized assets	(53,583)	-
Ending Balance	<u>3,348,781</u>	<u>3,394,086</u>

At its meeting held on December 1, 2019, the Board of Directors decided to acquire a property against debts, as the company had evaluated this property by several real estate appraisers. An acquired property was sold against debts of JD 572,230 to the Specialized Managerial Company for Investment and Financial Consultation. The company re-evaluated the property in June 2022, and based on it, an impairment provision was booked.

(5) DEPOSITS OF SETTLEMENT GUARANTEE FUND

This amount represents total amounts deposited by the Company to The Securities Commission, this amount is determined according to the volume of trading in the Stock Exchange Market.

	30 June 2022 JD (unaudited)	31 December 2021 JD (audited)
Deposits of settlement guarantee fund – United	25,000	25,000
Deposits of settlement guarantee fund – Mawared	25,000	-
	<u>50,000</u>	<u>25,000</u>

(6) FINANCIAL ASSETS AT AMORTIZED COST

	30 June 2022 JD (unaudited)	31 December 2021 JD (audited)
Jordan Ahli Bank Corporate Bond – Long term	3,500,000	3,500,000
Provision for expected credit loss*	(12,091)	(11,926)
	<u>3,487,909</u>	<u>3,488,074</u>

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* The movement in the provision for credit losses during the period was as follows:

	30 June 2022	31 December 2021
	JD	JD
	(unaudited)	(audited)
Beginning balance	11,926	11,654
Additions during the period	165	2,229
(Released) during the period	-	(1,957)
Ending balance	12,091	11,926

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

	30 June 2022	31 December 2021
	JD	JD
	(unaudited)	(audited)
Shares listed on Amman Stock Exchange	10,594	3,817,562
Change in fair value during the period/year	(2,969)	(394,829)
	7,625	3,422,733

**(8) FINANCIAL ASSETS AT FAIR VALUE THROUGH THE STATEMENT OF OTHER
COMPREHENSIVE INCOME**

	30 June 2022	31 December 2021
	JD	JD
	(unaudited)	(audited)
Shares listed on Amman Stock Exchange	3,968,178	-
Change in fair value during the period/ year	(226,281)	-
	3,741,897	-

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(9) NET RECEIVABLES - FINANCIAL BROKERAGE CUSTOMERS

	30 June 2022	31 December 2021
	JD (unaudited)	JD (audited)
Receivables - financial brokerage customers	2,925,904	2,004,291
Receivables - margin trading customers	1,849,957	1,164,176
Receivables - financial brokerage customers – Mawared	695,607	-
Receivables - margin trading customers - Mawared	8,393,777	-
Other receivable for Specialized managerial company for investment and financial consulting	68,150	68,150
	<u>13,933,395</u>	<u>3,236,617</u>
Expected credit loss provision for financial brokerage customers and margin trading*	(1,448,975)	(1,448,975)
Expected credit loss provision for the Specialized managerial company for investment and financial consulting*	(67,650)	(67,650)
Expected credit loss provision for financial brokerage customers and margin trading* - Mawared	(233,079)	-
Interest in suspense	(29,371)	-
Net receivables for financial brokerage customers	<u>12,154,320</u>	<u>1,719,992</u>

- * The company grants facilities to clients with a maximum of 50% initial margin of the market value of the securities on the date of purchase, provided that this percentage is not less than 20% (maintenance margin) of the value of the client's investment, according to the Margin Financing Instructions for the year 2006 issued by the Securities Commission and its limit interest rate the maximum is 11.75% and with the guarantee of the funded investments, and it is monitored periodically. Its details as on June 30, 2022, and 2021 are as follows:

United Company:

- The total market value of the portfolios is JD (4,014,556) (2021: JD 1,261,420).
- The total funded by the company at JD (1,510,102) (2021: JD 212,497).
- Total financed by customers (security margin) JD (2,695,538) (2021: JD 1,048,922).
- The percentage of amounts funded by customers to the total market value of the portfolios is (67.144%) (2021: 83%).

Mawared Company:

- The total market value of the portfolios is JD (11,590,860)
- The total funded by the company at JD (8,393,777)
- Total financed by customers (security margin) JD (3,196,483)
- The percentage of amounts funded by customers to the total market value of the portfolios is 28%
- The Company has a policy of obtaining adequate guarantees from customers where appropriate, to reduce the risk of financial losses resulting from failure to fulfill the obligations. The company takes a provision against receivables that may not be collected in accordance with the International Financial Reporting Standards.

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The following table shows the maturity of due accounts receivable:

	30 June 2022	31 December 2021
	JD	JD
	(unaudited)	(audited)
Financial brokerage customers		
1 day - 7 days	2,473,842	495,178
8 days - 30 days	23,744	955,850
31 days - 60 days	517,163	16,996
61 days - 90 days	-	530
91 days - 120 days	66,208	535,737
Over 120 days	540,554	-
	<u>3,621,511</u>	<u>2,004,291</u>
Margin trading customers – United	1,849,957	1,164,176
Margin trading customers – Mawared	8,393,777	-
The Specialized managerial company for investment and financial consulting receivables		
	68,150	68,150
	<u>13,933,395</u>	<u>3,236,617</u>

* The movement of expected credit loss provision during the period / year is as follows:

	30 June 2022	31 December 2021
	JD	JD
	(unaudited)	(audited)
Balance at 1 January – United and Specialized managerial company for investment and financial consulting	1,516,625	1,674,429
Provision – Mawared	255,973	-
Provision provided during the period/year	175,765	-
Write-offs	-	(151,030)
Reversed from provision during the period/year	(198,659)	(6,774)
Balance at the end of the period/year	<u>1,749,704</u>	<u>1,516,625</u>

Details of expected credit loss stages in accordance with IFRS (9) were as follows:

	30 June 2022	31 December 2021
	JD	JD
	(unaudited)	(audited)
Stage 1	13,762	-
Stage 2	12,750	75,684
Stage 3	1,723,192	1,440,941
Total	<u>1,749,704</u>	<u>1,516,625</u>

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** The movement on interest in suspense during the period was as follow:

	30 June 2022	31 December 2021
	JD	JD
	(unaudited)	(audited)
Beginning balance for the period/year	166,561	182,434
Additions during the period / year	14,037	86,589
	(144,433)	(101,044)
Interest transferred to revenue during the period/year		
Write-offs	(6,794)	(1,418)
Balance at the end of the period/year	29,371	166,561

(10) CASH ON HAND AND AT BANKS

	30 June 2022	31 December 2021
	JD	JD
	(unaudited)	(audited)
Cash on hand	261	303
Cash at banks	3,951,865	56,171
	3,952,126	56,474

For the purposes of preparing cash flow statement, Cash and cash equivalents represent the following:

	30 June 2022	31 December 2021
	JD	JD
	(unaudited)	(audited)
Cash on hand	3,952,126	56,474
Bank overdrafts	(3,947,699)	(757,330)
	4,427	(700,856)

(11) 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.

The Company is 97.819% owned by Jordan Kuwait Bank.

(12) 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 June 2022 and will be deducted at the end of each reporting period.

(13) INCOME TAX

The movement in the income tax provision during the year was as follows:

	30 June 2022	31 December 2021
	JD	JD
	(unaudited)	(audited)
Balance as of January 1	58,205	58,358
Balance as of January 1 – Mawared	200,969	-
Surplus from previous years' income tax	(237)	-
Income tax expense accrued on results for the period/year – Mawared	132,328	-
Income tax paid - Mawared	(195,030)	-
Income tax paid - United	(105)	(153)
Balance at the end of the period / year	196,130	58,205

United Financial Investment Company has obtained a final settlement with the Income and Sales Tax Department until the end of 2020.

Mawared Company has submitted the tax return for the years 2017 and 2018 on the legally specified date and those tax returns were accepted within the sampling system. The company has submitted the tax return for 2019, 2020 and 2021 on the legally specified date, and the company's accounts have not yet been audited by the Income and Sales Tax Department.

According to management and the Company's tax advisor, the Company will not have any tax obligations exceeding the provision recorded as at 30 June 2022.

The company is subject to an income tax of 28% for the year 2022 and 2021 according to Income Tax Law No. 38 of 2018.

The movement on deferred tax assets is as follows:

	30 June 2022	31 December 2021
	JD	JD
	(unaudited)	(audited)
Beginning balance for United and Specialized managerial company for investment and financial consulting	1,025,409	1,150,825
Beginning balance for Mawared	84,941	-
Additions during the period	140,642	-
Released during the period/year	(728,716)	(125,416)
Ending balance	522,276	1,025,409

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(14) OTHER EXPENSES

	30 June 2022	30 June 2021
	JD	JD
	(Unaudited)	(Unaudited)
Professional fees	65,282	24,970
Bank charges and fees	51,293	12,500
Commission and guarantee stamps	42,465	-
Transportation and meetings	38,500	27,500
Merger expenses	28,617	-
Subscription fees	15,040	5,454
Brokerage fees and licenses	12,012	5,957
Buildings fees	11,020	-
Capital increase fees	10,090	-
Penalties	4,161	-
Insurance and medical expenses	3,836	-
Mail, telephone, and internet	1,937	3,943
Vehicles expenses	1,172	1,555
Stationery	1,083	314
Hospitality expenses	750	200
Cleaning expenses	556	47
Water, electricity and heating	534	305
Maintenance expenses	433	8,102
Advertising	228	819
Land appraisal fees and taxes	-	3,392
Transportation allowance	-	185
Others	11,620	805
	<u>300,629</u>	<u>96,048</u>

(15) LOSS PER SHARE

	30 June 2022	30 June 2021
	JD	JD
	(unaudited)	(unaudited)
Loss for the period	<u>(221,670)</u>	<u>(232,001)</u>
Average number of shares for the period	<u>8,000,000</u>	<u>8,000,000</u>
Losses per share	<u>(0.028)</u>	<u>(0.03)</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.

(16) BANK OVERDRAFT

The Company obtained an overdraft from Jordan Kuwait Bank (The parent company) with a ceiling of JD 750,000 and an average interest of 7.00%. As of 30 June 2022, the utilized balance was JD 0 (31 December 2021: 750,000).

The company has obtained a current account based on a loan facility from Capital Bank with a ceiling of JD 2,000,000 and guarantees of 1,000,000 with an average interest of 4.5%. As of 30 June 2022, the utilized balance was JD 1,992,016. (31 December 2021: 0).

The company has obtained a current account based on a loan facility from Housing Bank with a ceiling of JD 2,000,000 with an average interest of 7%. As of 30 June 2022, the utilized balance was JD 1,955,683. (31 December 2021: zero).

(17) 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.

	Level 1	Level 2	Level 3	Total
	JD	JD	JD	JD
(unaudited)				
30 June 2022				
Financial assets at fair value through the statement of comprehensive income	3,741,897	-	-	3,741,897
Financial assets at fair value through statement of profit and loss	7,625	-	-	7,625
(audited)				
31 December 2021				
Financial assets at fair value through statement of profit and loss	3,422,743	-	-	3,422,743

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(18) BORROWING

The company obtained a loan from Capital Bank with a ceiling of JD 8,670,000 and an average annual interest of 7.25%. The utilized balance was 8,640,000 as of 30 June 2022 (31 December 2021: zero).

(19) TRADE AND OTHER CREDIT BALANCES

	30 June 2022 JD (unaudited)	30 June 2021 JD (unaudited)
Invest Bank – Mawared acquisition	4,798,993	-
Cheques under collection	160,260	175,000
Century Group for Investment Holding	87,080	87,080
Others	118,073	173,836
	<u>5,164,406</u>	<u>435,916</u>

(20) RELATED PARTIES

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:

Related parties represented by the owning company Jordan Kuwait Bank and members of senior executive management and their families.

The balances with related parties were as follows:

	30 June 2022 JD (unaudited)	31 December 2021 JD (audited)
Due to related parties		
Loan obtained from Ejara Leasing Company (sister company) *	345,000	390,000
Jordan Kuwait Bank overdraft (parent Company)	-	757,330
Jordan Kuwait Bank (parent company)	91,805	183,392
Board members and senior executive management	-	25,298
	<u>436,805</u>	<u>1,356,020</u>
Due from related parties		
Board members and senior executive management	438,126	1,429
Current accounts at Jordan Kuwait Bank (Parent Company)	1,811,727	281,455
	<u>2,249,853</u>	<u>282,884</u>

* On February 12, 2020, the company signed a loan agreement of 600,000 at an interest rate of 5.13%. This loan is repaid in 20 installments, with the first installment due on 15 May 2020. The outstanding balance as of 30 June 2022 amounted to JD 345,000.

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The following transactions were made with related parties:

	30 June 2022 JD (unaudited)	30 June 2021 JD (unaudited)
Revenues		
Board Members	57,864	2,094
Jordan Kuwait Bank (Parent Company)	4,611	17,702
Senior executive management	-	20,706
	<u>62,475</u>	<u>40,502</u>
Expenses		
Senior executive management	85,000	75,927
Board Members	38,500	27,500
Jordan Kuwait Bank (Parent Company)	19,509	32,380
	<u>143,009</u>	<u>135,807</u>

The following is a summary of the benefits (salaries, bonuses and other benefits) for senior executive management

	30 June 2022 JD (unaudited)	30 June 2021 JD (unaudited)
Salaries and bonuses	<u>85,000</u>	<u>102,370</u>

(21) PAYABLES TO BROKERAGE CUSTOMERS

	30 June 2022 JD (unaudited)	30 June 2021 JD (unaudited)
Revenues		
Payables to financial brokerage customers	1,362,635	668,811
Trade settlement	1,113,035	-
Payables to marginal trading customers	39,972	-
	<u>2,515,642</u>	<u>668,811</u>

(22) CONTINGENT LIABILITIES

On the date of the statement of financial position, the company had obligations that could arise, represented in bank guarantees, amounting to JD 1,195,000 (31 December 2021: JD 931,000).

The contingent liabilities of Mawared Company as on June 30, 2022 amounted to JD 606,000, represented in Bank Guarantees, (31 December 2021: JD 656,000) .

The value of the cases filed against Mawared Company amounted to JD 10,001 as on June 30, 2022 (December 31, 2021: JD 10,001). In the assessment of the management and the company's legal advisor, the company will not incur any additional obligations in response to these cases.

(23) ACQUISITION OF MAWARED COMPANY

On 1 June 2022, the company has acquired all shares of Mawared Company for Financial Brokerage for JD 4,798,992 from Invest Bank. Following is a summary of company's financial information:

	30 June 2022	31 December 2021
	JD	JD
	(unaudited)	(audited)
Total assets	14,707,350	14,263,621
Shareholders' equity	5,024,165	13,318,876
Total liabilities	9,683,185	944,745
Comprehensive income for the year	375,555	638,738

PURCHASE PRICE ALLOCATION

The results shown above are preliminary and will be updated upon completion of the study of the purchase price allocation for the acquisition process, in accordance with IFRS 3 Business combinations, the company has a period of up to 12 months from the date of acquisition to complete the determination of the fair value and the completion of the study of the purchase price allocation.