

**UNITED FINANCIAL INVESTMENTS COMPANY**

**PUBLIC SHAREHOLDING COMPANY**

**CONSOLIDATED FINANCIAL STATEMENTS**

**31 DECEMBER 2024**

**INDEPENDENT AUDITOR'S REPORT**  
**To the Shareholders of United Financial Investments Company**  
**Amman – Jordan**

**Report on the Audit of the Consolidated Financial Statements**

**Opinion**

We have audited the consolidated financial statements of United Financial Investments Company (the "Company"), (and its subsidiaries (the Group)) which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

**Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards, are further described in the Auditor's Responsibilities for the Audit of the consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants* (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in Jordan, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Other matter**

The consolidated financial statements for the year ended 31 December 2023 were audited by another auditor who issued an unqualified opinion on 20 March 2024.

## Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

<p><b>Adequacy of provision for expected credit losses for receivables from brokerage customers</b></p> <p>Receivables from brokerage customers are considered a significant balance for the Group, as they represent 57% of the Group's assets as of 31 December 2024.</p> <p>The provision for expected credit losses for receivables from brokerage customers is set based on the Group's policy which is in line with IFRS (9).</p> <p>The risks related to the inaccuracy of the booked impairment consist of the use of incorrect information or unrealistic assumptions, these assumptions include determining the recoverability of receivables, which depends on management estimates.</p> <p>The management takes into consideration when preparing these assumptions specific factors including the age of receivables, existence of disputes with customers, collection patterns for previous periods and any other information available about the creditworthiness of the customers. Management uses this information to determine the ECL from customers and whether there is a need to record a provision for receivables</p>	<p><b>Audit procedures</b></p> <p>Audit procedures that we have performed include the following:</p> <p>We have read and understood the Group's policy in calculating provisions compared with the requirements of IFRS (9).</p> <p>We have evaluated the Group's expected credit loss model, with a special focus on the suitability of the Group's expected credit losses model and the methodology with the requirements of IFRS (9).</p> <p>We have examined a sample of receivables from brokerage customers individually, and we have performed the following procedures:</p> <ul style="list-style-type: none"> <li>- Evaluate the reasonableness of estimates and assumptions used by the Group's management in regard to the mechanism used for estimating the provision for expected credit losses.</li> <li>- Examine and compare the market value of customers' investment portfolios compared to their book value.</li> </ul>
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<p>either for a specific transaction or for the entire customer balance.</p> <p>Our focus on this matter is as a result of the fact that this provision is based on management's estimates in this regard, and that the provision to be recorded may have a material impact on the Group's profits.</p> <p>Receivables from brokerage customers amounted to JD 20,198,758 and the provision for expected credit losses against them amounted to JD 7,053,297 as at 31 December 2024 (disclosure number (10) to the consolidated financial statements).</p> <p>The expected credit loss policy is presented in the material accounting policy information in disclosure number (7) to the consolidated financial statements.</p>	<ul style="list-style-type: none"> <li>- Test a sample of key items of receivables from brokerage customers to assess their recoverability based on management's estimates. We have also checked whether these balances exceeded the due date and collection date for the customer and if any payments were received after the end of the year up to the date of completing our audit procedures.</li> </ul>
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### **Other information included in the Group's 2024 annual report**

Other information consists of the information included in the Group's 2024 Annual Report other than the consolidated financial statements and our auditor's report thereon. Management is responsible for the other information. The Group's 2024 Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

### **Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB), and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exist, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period, and are therefore the key audit matters. We describe these matters in our auditor's report, unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonable be expected to outweigh the public interest benefits of such communication.



## **Report on Other Legal and Regulatory Requirements**

The Company maintains proper books of accounts which are in agreement with the consolidated financial statements.

The partner in charge of the audit resulting in this auditor's report was Ali Hasan Samara license number 503

Amman – Jordan  
11 March 2025

**ERNST & YOUNG**  
Amman - Jordan

UNITED FINANCIAL INVESTMENTS COMPANY  
PUBLIC SHAREHOLDING COMPANY  
CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AT 31 DECEMBER 2024

	Notes	2024 JD	2023 JD
<b><u>Assets</u></b>			
Cash and bank balances	8	800,509	4,189,786
Financial assets at fair value through other comprehensive income	9	47,962	1,402,903
Receivables from brokerage customers and other receivables, net	10	13,066,405	16,314,940
Brokerage guarantee fund deposits	11	100,000	100,000
Due from a related party	25	964,808	400,000
Other debit balances	12	1,554,235	315,838
Intangible assets	13	54,901	76,547
Property and equipment	14	969,519	1,089,524
Assets seized by the Group against due debts	15	4,057,768	4,057,768
Deferred tax assets	16- E	1,302,167	1,296,744
<b>Total Assets</b>		<b>22,918,274</b>	<b>29,244,050</b>
<b><u>Liabilities and Equity</u></b>			
<b><u>Liabilities</u></b>			
Loans	17	16,173,504	19,218,504
Bank overdrafts	8	1,210,813	-
Payables to financial brokerage customers		1,680,802	2,285,888
Income tax provision	16- A	387,602	178,170
Other credit balances	18	1,294,371	913,443
End of service indemnity provision		386,964	419,020
<b>Total Liabilities</b>		<b>21,134,056</b>	<b>23,015,025</b>
<b><u>Equity</u></b>			
Authorized and paid-in capital	1	10,000,000	10,000,000
Statutory reserve	19	1,770,381	1,770,381
Voluntary reserve		40,873	40,873
Fair value reserve	9	(3,202,485)	(1,847,544)
Accumulated losses		(6,824,551)	(3,734,685)
<b>Net Equity</b>		<b>1,784,218</b>	<b>6,229,025</b>
<b>Total Liabilities and Equity</b>		<b>22,918,274</b>	<b>29,244,050</b>

The attached notes from 1 to 31 form part of these consolidated financial statements

**UNITED FINANCIAL INVESTMENTS COMPANY**  
**PUBLIC SHAREHOLDING COMPANY**  
**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2024**

	Notes	2024 JD	2023 JD
<b>Revenues:</b>			
Net brokerage commission income		595,248	495,516
Interest income		2,588,374	1,422,526
Rental income		112,252	128,775
Financial consultations income		52,080	25,000
Issuance management income		10,000	149,260
Other revenues	20	754,502	838,498
<b>Total revenues</b>		<b>4,112,456</b>	<b>3,059,575</b>
<b>Expenses:</b>			
Employees' expenses	21	(1,226,754)	(1,226,393)
Administrative expenses	22	(1,122,948)	(670,224)
Provision for expected credit losses	8,10	(3,016,789)	(821,440)
Depreciation and amortization	13,14	(188,023)	(84,950)
Finance costs		(1,247,058)	(1,353,404)
<b>Total expenses</b>		<b>(6,801,572)</b>	<b>(4,156,411)</b>
<b>Loss for the year before income tax expense</b>		<b>(2,689,116)</b>	<b>(1,096,836)</b>
Income tax expense for the year	16- B	(400,750)	(93,161)
<b>Loss for the year</b>		<b>(3,089,866)</b>	<b>(1,189,997)</b>
Add: Other comprehensive income items that will not be reclassified to income statement in subsequent periods (net of tax):			
Loss on revaluation of financial assets at fair value through other comprehensive income	9	(1,354,941)	(423,931)
<b>Total comprehensive income for the year</b>		<b>(4,444,807)</b>	<b>(1,613,928)</b>
		JD / Share	JD / Share
Basic and diluted earnings per share	26	(0,31)	(0,12)

The attached notes from 1 to 31 form part of these consolidated financial statements

**UNITED FINANCIAL INVESTMENTS COMPANY**  
**PUBLIC SHAREHOLDING COMPANY**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 DECEMBER 2024**

	Authorized and paid-in capital	Statutory reserve	Voluntary reserve	Fair value reserve	Accumulated losses	Net equity
	JD	JD	JD	JD	JD	JD
<b>2024 –</b>						
Balance as at 1 January	10,000,000	1,770,381	40,873	(1,847,544)	(3,734,685)	6,229,025
Total comprehensive income for the year	-	-	-	(1,354,941)	(3,089,866)	(4,444,807)
<b>Balance as of 31 December</b>	<u>10,000,000</u>	<u>1,770,381</u>	<u>40,873</u>	<u>(3,202,485)</u>	<u>(6,824,551)</u>	<u>1,784,218</u>
<b>2023 –</b>						
Balance as at 1 January	10,000,000	1,770,381	40,873	(1,463,844)	(2,504,457)	7,842,953
Total comprehensive income for the year	-	-	-	(423,931)	(1,189,997)	(1,613,928)
Loss on sale of financial assets at fair value through other comprehensive income	-	-	-	40,231	(40,231)	-
<b>Balance as of 31 December</b>	<u>10,000,000</u>	<u>1,770,381</u>	<u>40,873</u>	<u>(1,847,544)</u>	<u>(3,734,685)</u>	<u>6,229,025</u>

The attached notes from 1 to 31 form part of these consolidated financial statements

**UNITED FINANCIAL INVESTMENTS COMPANY**  
**PUBLIC SHAREHOLDING COMPANY**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2024**

	Notes	2024 JD	2023 JD
<b>Operating activities</b>			
Loss for the year before income tax		(2,689,116)	(1,096,836)
<b>Adjustments:</b>			
Depreciation and amortization	13,14	188,023	84,950
Provision for expected credit losses – receivables from brokerage customers	10	3,016,789	769,217
Provision for expected credit losses – cash and bank balances	8	-	52,223
Gain on sale of property and equipment	20	(2,246)	(2,360)
End of service indemnity provision	21	48,828	294,031
Dividends distributed from financial assets at fair value through other comprehensive income	20	-	(115,402)
Accrued revenues from a related party against guaranteed portfolios	20	(564,808)	(400,000)
Finance costs		1,247,058	1,353,404
Interest income		(2,588,374)	(1,422,526)
Gain from the acquisition of a subsidiary	27	-	(85,504)
Provision for employees' bonuses	21	64,370	55,285
Provision for employees' leaves	21	5,122	48,145
<b>Changes in working capital:</b>			
Receivables from brokerage customers		231,746	(4,335,247)
Brokerage guarantee fund deposits		-	(50,000)
Other debit balances		(1,238,397)	335,671
Interest income received		2,588,374	1,422,526
Payables to financial brokerage customers		1,048,252	530,596
Other credit balances		270,687	(618,050)
<b>Net cash flows from (used in) operating activities before income tax and provisions</b>		<u>1,626,308</u>	<u>(3,179,877)</u>
Income tax paid	16	(196,741)	(400,149)
Payments of employees' bonuses provision		(4,731)	(45,285)
Payments of employees' leaves provision		(5,787)	(4,932)
Payments of end of service indemnity provision		(80,884)	(70,007)
<b>Net cash flows from (used in) operating activities</b>		<u>1,338,165</u>	<u>(3,700,250)</u>
<b>Investing activities</b>			
Purchase of property and equipment	14	(13,982)	(482,581)
Purchase of intangible assets	13	(32,390)	(90,970)
Purchase of financial assets at fair value through other comprehensive income		-	(2,440,335)
Proceeds from sale of financial assets at fair value through other comprehensive income		-	2,400,104
Proceeds from dividends distributed from financial assets at fair value through other comprehensive income	20	-	115,402
Proceeds from sale of property and equipment		2,246	2,360
<b>Net cash flows used in investing activities</b>		<u>(44,126)</u>	<u>(496,020)</u>
<b>Financing activities</b>			
Proceeds from loans		-	4,074,754
Repayments of loans		(3,045,000)	(1,829,583)
Interest paid		(1,247,058)	(1,352,819)
Lease liability payments		-	(31,363)
<b>Net cash flows (used in) from financing activities</b>		<u>(4,292,058)</u>	<u>860,989</u>
<b>Net decrease in cash and cash equivalents</b>		<u>(2,998,019)</u>	<u>(3,335,281)</u>
Cash and cash equivalents as at 1 January		1,955,465	5,290,746
<b>Cash and cash equivalents as at 31 December</b>	8	<u>(1,042,554)</u>	<u>1,955,465</u>

The attached notes from 1 to 31 form part of these consolidated financial statements

**(1) GENERAL**

United Financial Investments Company (the "Company") was established as a Public Shareholding Company under registration number (297) on 8 October 1995 in accordance with the companies law with an authorized and paid-in capital of JD 1,500,000 divided into 1,500,000 shares at a par value JD 1 per share. The Company's authorized and paid-in capital was increased gradually, the last of which was made during 2022 where the Company's paid-in capital became JD 10,000,000 divided into 10,000,000 shares at a par value JD 1 per share.

The General Assembly resolved in their extraordinary meeting held on 13 October 2024 to increase the authorized and paid-in capital by JD 15,484,685 divided into 15,484,685 shares at a par value of JD 1 per share, through a private issuance for strategic shareholders in the Company with each shareholders' contribution determined to maintain their ownership percentage in the Company as follows:

- Jordan Kuwait Bank 12,387,761 shares
- Invest Bank 3,096,924 shares

As a result, the Company's authorized and paid-in capital would become JD 25,484,685 divided into 25,484,685 shares with a par value of JD 1 per share. The capital increase procedures were not completed up to the date of these consolidated financial statements.

The General Assembly of the Company decided in their extraordinary meeting held on 28 April 2024 to approve the merge of United Financial Investments Company with its subsidiaries, Arab Financial Investments Company, Al Mawared for Financial Brokerage Company and United Financial Brokerage Group, with United Financial Investments Company being the merging Company. The final approval was granted by the General Assembly in their extraordinary meeting held on 26 September 2024, based on the financial position of the companies as of 31 December 2023. The merger procedures were completed at the Ministry of Industry and Trade, the Securities Depository Center and Jordan Securities Commission on 26 September 2024. The merging Company, which is United Financial Investments Company, is considered the legal successor to the merged companies and replaces them in all their rights and obligations.

The Company is a Public Shareholding Company. The Company's shares are listed in Amman Stock Exchange.

The Company is 78.4% owned by Jordan Kuwait Bank and its head office is in Amman, Shmeisani – Abdel Aziz Al Thaalbi St. PO. Box 927250 Amman – 11192 – The Hashemite Kingdom of Jordan.

The Company's financial statements are consolidated with the financial statements of Jordan Kuwait Bank (the "Parent Company").

**UNITED FINANCIAL INVESTMENTS COMPANY**  
**PUBLIC SHAREHOLDING COMPANY**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**31 DECEMBER 2024**

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The Company's main objectives are to provide administrative and advisory services for investment portfolios, offer financial services for local market transactions, provide agent or financial advisor services, invest in securities, provide economic feasibility studies, own movable and immovable assets in a way that aligns with the Company's interests and deal in securities in Amman Stock Exchange, as well as other Arab and international financial markets.

The consolidated financial statements were approved by the Board of Directors in their meeting held on 6 February 2025.

**(2) BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS**

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

The consolidated financial statements have been prepared on a historical cost basis except for the financial assets at fair value through other comprehensive income, that have been measured at fair value on the date of the consolidated financial statements.

The consolidated financial statements have been presented in Jordanian Dinars ("JD") which is the functional currency of the Group.

**(3) BASIS FOR CONSOLIDATION OF THE CONSOLIDATED FINANCIAL STATEMENTS**

The consolidated financial statements comprise the financial statements of United Financial Investments Company (the "Company") and its following subsidiaries (together referred to as the "Group") as at 31 December 2024:

Company	Date of control	Country of origin	Paid-in capital	Ownership percentage
			JD	
The Specialized Managerial Company for Investment and Consultancy	12 September 2021	Jordan	530,000	100%
Jordan Investors for the Development of Commercial Complexes and Real Estate Company	20 November 2020	Jordan	5,000	100%

Control is achieved when the Group is exposed, or has rights to, variable returns arising from its involvement with the investee and has the ability to affect these returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee).
- Exposure, or rights, to variable returns from its involvement with the investee.
- The ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangements with the other vote holders of the investee.
- Rights arising from other contractual arrangements.
- The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated income statement from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and profit and losses relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it derecognizes the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognized. Any investment retained is recognized at fair value.

#### **(4) CHANGES IN ACCOUNTING POLICIES**

The accounting policies used in the preparation of the consolidated financial statements are consistent with those used in the preparation of the annual consolidated financial statements for the year ended 31 December 2023 except for the adoption of new amendments on the standards effective as of 1 January 2024 shown below:

##### **Amendments to IFRS (16) - Lease Liability in a Sale and Leaseback**

The amendments in IFRS (16) specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

The amendments had no material impact on the Group's consolidated financial statements.

##### **Amendments to IAS (1) - Classification of Liabilities as Current or Non-current**

The amendments to IAS (1) specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a "right to defer settlement",
- That a right to defer must exist at the end of the reporting period,
- That classification is unaffected by the likelihood that an entity will exercise its deferral right,
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

In addition, an entity is required to disclose when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

The amendments had no material impact on the Group's consolidated financial statements.

##### **Supplier Finance Arrangements - Amendments to IAS (7) and IFRS (7)**

The amendments to IAS (7) Statement of Cash Flows and IFRS (7) Financial Instruments: Disclosures clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The amendments had no material impact on the Group's consolidated financial statements.

**UNITED FINANCIAL INVESTMENTS COMPANY**  
**PUBLIC SHAREHOLDING COMPANY**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**31 DECEMBER 2024**

**(5) BUSINESS COMBINATION**

The General Assembly of the Company decided in their extraordinary meeting held on 28 April 2024 to approve the merge of United Financial Investments Company with its subsidiaries, Arab Financial Investments Company, Al Mawared for Financial Brokerage Company and United Financial Brokerage Group, with United Financial Investments Company being the merging Company. The final approval was granted by the General Assembly in their extraordinary meeting held on 26 September 2024, based on the financial position of the companies as of 31 December 2023. The merger procedures were completed at the Ministry of Industry and Trade, the Securities Depository Center and Jordan Securities Commission on 26 September 2024. The merging Company, which is United Financial Investments Company, is considered the legal successor to the merged companies and replaces them in all their rights and obligations.

Below are the details of the statement of financial position as of 31 December 2023:

	United Financial Investments Company	Arab Financial Investments Company	Al Mawared for Financial Brokerage Company	United Financial Brokerage Group	Transaction between the companies		31 December 2023
	(Merger)	(Merged)	(Merged)	(Merged)	Debit	Credit	
	JD	JD	JD	JD	JD	JD	JD
<b>Assets</b>							
Cash on bank balances	1,061,927	1,834,714	916,748	376,397	-	-	4,189,786
Receivables from brokerage customers and other receivables, net	3,656,505	1,946,474	6,811,827	3,807,195	92,939	-	16,314,940
Brokerage guarantee fund deposits	25,000	25,000	25,000	25,000	-	-	100,000
Due from related parties	8,309,092	5,586,391	-	-	-	8,354,684	5,540,799
Other debit balances	106,280	131,936	19,550	31,162	26,910	-	315,838
Intangible assets	40,889	28,710	10	6,938	-	-	76,547
Property and equipment	1,065,841	1,751	27	21,905	-	-	1,089,524
Assets seized by the Company against due debts	2,767,826	-	-	-	-	-	2,767,826
Deferred tax assets	744,260	-	344,677	225,155	-	17,348	1,296,744
Investment in subsidiaries	14,726,670	2,500	-	-	-	14,637,362	91,808
<b>Total Assets</b>	<b>32,504,290</b>	<b>9,557,476</b>	<b>8,117,839</b>	<b>4,493,752</b>	<b>119,849</b>	<b>23,009,394</b>	<b>31,783,812</b>

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	United Financial Investments Company	Arab Financial Investments Company	Al Mawared for Financial Brokerage Company	United Financial Brokerage Group	Transaction between the companies		31 December 2023
	(Merger)	(Merged)	(Merged)	(Merged)	Debit	Credit	
	JD	JD	JD	JD	JD	JD	JD
<b><u>Liabilities and Equity</u></b>							
<b>Liabilities</b>							
Loans	19,218,504	-	-	-	-	-	19,218,504
Payables to financial brokerage customers	500,006	553,389	850,667	381,826	-	-	2,285,888
Income tax provision	48,720	32,499	96,951	-	-	-	178,170
Other credit balances	119,368	576,869	143,329	73,877	-	-	913,443
End of service indemnity provision	134,927	71,918	88,113	124,062	-	-	419,020
Due to related parties	4,571,070	-	1,924,228	1,859,386	8,354,684	-	-
<b>Total Liabilities</b>	<b>24,592,595</b>	<b>1,234,675</b>	<b>3,103,288</b>	<b>2,439,151</b>	<b>8,354,684</b>	<b>-</b>	<b>23,015,025</b>
<b>Equity</b>							
Authorized and paid-in capital	10,000,000	4,800,000	3,000,000	3,000,000	10,800,000	-	10,000,000
Statutory reserve	1,690,658	2,179,503	1,724,725	128,237	3,977,238	-	1,745,885
Voluntary reserve	40,873	-	-	-	-	-	40,873
Fair value reserve	(35,505)	-	-	-	-	-	(35,505)
Accumulated losses	(2,883,901)	1,480,439	471,798	(750,905)	1,630,822	1,531,717	(1,781,674)
Other comprehensive income	(40,231)	-	-	-	-	-	(40,231)
Results of the period	(860,199)	(137,141)	(181,972)	(322,731)	-	341,482	(1,160,561)
<b>Net Equity</b>	<b>7,911,695</b>	<b>8,322,801</b>	<b>5,014,551</b>	<b>2,054,601</b>	<b>16,408,060</b>	<b>1,873,199</b>	<b>8,768,787</b>
<b>Total Liabilities and Equity</b>	<b>32,504,290</b>	<b>9,557,476</b>	<b>8,117,839</b>	<b>4,493,752</b>	<b>24,762,744</b>	<b>1,873,199</b>	<b>31,783,812</b>

**(6) USE OF ESTIMATES**

The preparation of the consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities. These estimates and assumptions also affect the revenues and expenses and provisions. Considerable judgment by management is required in the estimation of the amount and timing of future cash flows resulting from the conditions of those estimates in the future. Such estimates are necessarily based on assumptions about several factors involving varying degrees of judgment and uncertainty and actual results may differ resulting from future changes in the condition of such provisions.

**Significant estimates are as follows:**

**Useful lives of property and equipment and intangible assets**

The Group's management determines the estimated useful lives of its property and equipment and intangible assets for calculating depreciation and amortization based on expected usage of the assets. Management reviews the residual value and useful lives annually and future depreciation and amortization charge would be adjusted prospectively where the management believes the useful lives differ from previous estimates.

**Provision for expected credit losses**

In determining impairment of financial assets, judgement is required in the estimation of whether the credit risk on the financial asset has increased significantly since initial recognition and incorporation of forward-looking information in the measurement of expected credit losses in accordance with IFRS (9).

**Impairment in the value of seized assets**

Impairment in the value of seized assets is recorded based on recent real estate valuations performed by qualified independent appraisers for the purpose of calculating the impairment in the value of the asset, which is reviewed periodically.

**Income tax**

The financial year is charged with the income tax expense in accordance with the accounting standards, laws, and regulations. Moreover, deferred tax assets and liabilities and the required income tax provision are recognized.

**(7) MATERIAL ACCOUNTING POLICY INFORMATION**

**Property and equipment**

Property and equipment are recorded at cost less accumulated depreciation. Property and equipment (except for land) are depreciated to their estimated residual values on a straight-line basis when they are ready for use. The depreciation rates are as follows:

	<u>%</u>
Buildings	2
Machinery and office equipment	20
Furniture and fixture	20
Vehicles	15

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of comprehensive income when the asset is derecognized.

When the recoverable amount of property and equipment is lower than its carrying amount, its value is reduced to the recoverable amount, and the impairment loss is recorded in the consolidated statement of comprehensive income.

Useful lives and depreciation method are reviewed on regular basis to ensure that the depreciation method and the period of depreciation are selected based on the economic benefits expected from assets.

**Intangible assets**

Intangible assets are measured at cost on acquisition or at fair value if they resulted from the acquisition of subsidiaries.

Intangible assets are classified based on their estimated useful lives as either finite or indefinite. Intangible assets with finite useful lives are amortized over their useful economic lives and recorded as an expense in the consolidated statement of comprehensive income. Annual amortization rates range between 40% to 50%. Intangible assets with indefinite lives are reviewed for impairment at the date of the consolidated financial statements and impairment losses are recorded in the consolidated statement of comprehensive income.

Intangible assets resulting from the Group's operations are not capitalized, they are rather recorded in the consolidated statement of comprehensive income in the same year.

Any indications of impairment in the value of intangible assets as at the date of the consolidated financial statements are reviewed. Furthermore, the estimated useful lives of the impaired intangible assets are reassessed, and any adjustment is made in subsequent years.

### **Assets seized by the Group against due debts**

Assets seized by the Group against due debts are presented in the consolidated statement of financial position at their value seized by the Group or fair value, whichever is lower. Seized assets are revalued individually at the date of the consolidated financial statements and any decline in their fair value is recognized as an impairment loss in the consolidated statement of comprehensive income. Increase in value is not recognized as revenue. Subsequent increases in value are recorded in the consolidated statement of comprehensive income only to the extent that they do not exceed the previously recorded impairment losses.

### **Financial assets at fair value through other comprehensive income**

Financial assets at fair value through other comprehensive income are recognized at fair value plus transaction costs at purchase date and are subsequently measured at fair value. Change in fair value is recorded in the statement of comprehensive income and within owner's equity including the changes in fair value resulting from translation of non-monetary assets stated in foreign currencies. Gain or loss from the sale of these investments or part of them is recognized in the consolidated statement of comprehensive income and within owner's equity and the balance of the revaluation reserve for these assets should be transferred directly to the retained earnings not to the consolidated statement of comprehensive income.

These assets are not subject to impairment testing. Dividends received are recognized in the consolidated statement of comprehensive income .

### **Cash and cash equivalents**

Cash and cash equivalents consist of cash on hand, bank balances and short-term deposits with an original maturity of three months or less which are not subject to risks of changes in value.

### **Accounts receivable**

Accounts receivables are stated at original invoice amount less any provision for expected credit losses. The Group's management calculates provision based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. The receivable is written off when the Group no longer expects to recover the contractual cash flows.

### **Impairment of financial assets**

The adoption of IFRS (9) has fundamentally changed the Group's accounts receivable loss impairment method by replacing IAS (39)'s incurred loss approach with a forward-looking expected credit loss (ECL) approach.

The expected credit loss (ECL) provision is based on the credit losses expected to arise over the life of the asset, the lifetime expected credit loss (or LTECL), unless there has been no significant increase in credit risk since origination, in which case ,the provision is based on the 12 months' expected credit loss.

The 12 months expected credit loss (12mECL) is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Both LTECLs and 12mECLs are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments.

The Group has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

The Group assesses at each financial statement date whether there is evidence of impairment of the financial asset or a group of financial assets. The following indicators indicate an impairment of financial assets:

- The presence of significant financial difficulties with the issuer of the financial instrument or the counterparty in the financial contracts.
- The failure of the party benefiting from the financial instrument to comply with the terms of the contract, such as non-payment of the value of the bonds upon maturity, or the late payment thereof.
- A high probability of bankruptcy of the issuer of the financial instrument or the scheduling of bad debts.
- The absence of an active market for that financial asset due to financial difficulties at the source of that asset.
- Provides information about impairment in the estimated future cash flows from a group of financial assets since the date the assets were recognized.

The expected credit loss (ECL) is measured at the level of the individual financial instrument. The expected credit loss provision is calculated with three main components; the probability of default (PD), the default loss (LGD), and EAD, discounted at the effective interest rate. The methodology reflects the following:

- Determine the time of the increase affecting credit risk since the initial recognition of the financial asset;
- Measuring credit losses for 12 months and the credit exposure period;
- Probable expected value.
- Time value of money;
- Future information.

The mechanics of the ECL calculations are outlined below and the key elements are as follows:

#### Probability of Default

The Probability of Default (PD) is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognized and is still in the portfolio.

#### Exposure at Default

The Exposure at Default (EAD) is the exposure at the reporting date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.

#### Loss Given Default

The Loss Given Default (LGD) is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realization of any collateral. It is usually expressed as a percentage of the EAD.

Impairment losses and releases are accounted for and disclosed separately from modification losses or gains that are accounted for as an adjustment of the financial asset's gross carrying value.

Based on the above process, the Group classifies its financial assets into Stage (1), Stage (2) and Stage (3), as described below:

Stage 1: When financial assets are initially recognized, the Group recognizes a provision based on 12mECLs. Stage 1 financial assets also include the financial asset has been reclassified from Stage 2.

Stage 2: When there is a significant increase in credit risk since origination, the Group records a provision for the LTECLs. Stage 2 financial assets also include financial assets, where the credit risk has improved, and the financial asset has been reclassified from Stage 3.

Stage 3: Facilities considered credit impaired. The Group records a provision for the LTECLs.

Facilities and related provision for expected credit loss are written-off when collection procedures become ineffective. The excess in the provision, if any, is transferred to the consolidated statement of comprehensive income, and cash recoveries of facilities previously written-off are credited to income.

#### **Impairment of non-financial assets**

The Group assesses, at the date of preparation of the consolidated financial statements, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value or cash-generating unit's (CGU) fair value less costs to sell and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing fair value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

In determining fair value less costs to sell, recent market transactions are considered. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

### **Fair value**

The Group evaluates its financial instruments at the date of the consolidated financial statements. Fair values of financial instruments are disclosed in note (24).

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place in the principal market for the asset or liability.

In the absence of a principal market, the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to by the Group.

The Group measures the fair value of an asset, or a liability is using the assumptions that market participants would use when pricing the asset or liability is used, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

At the date of preparation of the consolidated financial statements, the Group's management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1: Quoted market prices in active markets for identical assets or liabilities.

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Group's management, in coordination with the Group's external appraisers, compares relevant changes and external information related to the fair value of assets and liabilities to assess the reasonableness of those changes.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

### **Offsetting**

Financial assets and financial liabilities are only offset and the net amount is reported in the consolidated statement of financial position when there is a legally enforceable right to set off the recognized amounts and the Group intends to either settle on a net basis, or to realize the asset and settle the liability simultaneously.

### **Provisions**

Provisions are recognized when the Group has a present obligation (legal or constructive) arising from a past event and the costs to settle the obligation are both probable and able to be reliably measured.

### **Loans**

Loans are initially recognized at fair value of the consideration received less directly attributable transaction costs. After initial recognition, loans are subsequently measured at amortized cost using the effective interest method.

Interests on loans are recognized in the consolidated statement of comprehensive income in the period they occur including the grace period, if any.

### **Trade payables and accruals**

Liabilities are recognized for amounts to be paid in the future for goods or services received, whether billed by the supplier or not.

### **End of service indemnity provision**

Provision for end of service indemnity is established by the Group to cover any legal and contractual obligations related to employees' end of service based on the service terms of each employee as at the date of the consolidated statement of financial position in accordance with the Group's applicable regulations.

### **Revenue recognition**

The Group engages in brokerage and financial services activities. Brokerage revenues are recognized under IFRS (15) five step model which include determining the contract, price, performance obligation and revenue recognition based on satisfaction of performance obligation. Revenues are recognized as follow:

- Brokerage commission revenue  
Brokerage commission from the purchase and sale of shares is recorded as revenue when the invoice is issued to the client.
- Interest and other revenue  
Interest and other revenues are recognized on an accrual basis.

### **Expenses**

Expenses are recognized on an accrual basis.

### **Finance costs**

Finance costs are recognized as an expense in the consolidated statement of comprehensive income when incurred. Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized.

### **Income tax**

Tax expense comprises current tax and deferred taxes.

Current tax is based on taxable profits, which may differ from accounting profits published in the consolidated financial statements. Accounting profits may include non-taxable profits or expenses which may not be tax deductible in the current but in subsequent financial years.

Current income tax is calculated in accordance with the Income Tax law applicable in the Hashemite Kingdom of Jordan.

Deferred taxes are taxes expected to be paid or recovered as a result of temporary differences between the time value of the assets or liabilities in the consolidated financial statements and the value that is calculated on the basis of taxable profit. Deferred income tax is provided using the liability method on temporary differences at the date of the consolidated financial statements. Deferred income tax is measured at the tax rates that are expected to apply to the year when the tax liability is settled, or the tax asset is realized.

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The balance of deferred income tax assets is reviewed at the date of the consolidated financial statements and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

**Foreign currencies**

Transactions in foreign currencies are initially recorded in the functional currency at the spot rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency at rates of exchange at the date of the consolidated financial statements. Gains or losses resulting from foreign currency translation are recorded in the consolidated statement of comprehensive income.

**(8) CASH AND BANK BALANCES**

	<u>2024</u>	<u>2023</u>
	JD	JD
Cash on hand	-	1,560
Bank balances	168,259	953,905
Bank balances – customers' accounts	633,206	2,286,544
Term deposits	-	1,000,000
	<u>801,465</u>	<u>4,242,009</u>
Less: provision for expected credit losses *	(956)	(52,223)
	<u>800,509</u>	<u>4,189,786</u>

\* The movement on provision for expected credit losses during the year was as follows:

	<u>2024</u>	<u>2023</u>
	JD	JD
Balance as at 1 January	52,223	-
Provision during the year	-	52,223
Transfer to other provisions (Note 18)	(51,267)	-
Balance as at 31 December	<u>956</u>	<u>52,223</u>

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Cash and cash equivalents shown in the consolidated statement of cash flows consist of the following:

	2024	2023
	JD	JD
Cash on hand	-	1,560
Bank balances	168,259	953,905
Bank balances – customers' accounts	633,206	2,286,544
Term deposits	-	1,000,000
	<u>801,465</u>	<u>4,242,009</u>
Less:		
Bank balances – customers' accounts	(633,206)	(2,286,544)
Bank overdrafts *	(1,210,813)	-
Cash and cash equivalents	<u>(1,042,554)</u>	<u>1,955,465</u>

- \* This item represents the utilized balance as of 31 December 2024 and 31 December 2023 of the credit facilities granted to the Group in the form of overdraft accounts by Housing Bank at a ceiling of JD 2,000,000 and an interest rate of 9.25% and by Jordan Kuwait Bank at a ceiling of JD 750,000 and an interest rate of 9.75%. The interest rate of Housing Bank overdraft was decreased to become 8.75% starting from 1 May 2024.

**(9) FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME**

The movement on financial assets at fair value through other comprehensive income during the year was as follows:

	Jordanian Mutual Funds Management Company	
	2024	2023
	JD	JD
Balance as at 1 January	1,402,903	1,786,603
Additions	-	2,440,335
Disposals	-	(2,400,104)
Change in fair value during the year	(1,354,941)	(423,931)
Balance as at 31 December	<u>47,962</u>	<u>1,402,903</u>

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The movement on the fair value reserve during the year was as follows:

	2024	2023
	JD	JD
Balance as at 1 January	(1,847,544)	(1,463,844)
Change in fair value during the year	(1,354,941)	(423,931)
Loss on sale of financial assets at fair value through other comprehensive income	-	40,231
Balance as at 31 December	<u>(3,202,485)</u>	<u>(1,847,544)</u>

**(10) RECEIVABLES FROM BROKERAGE CUSTOMERS AND OTHER RECEIVABLES, NET**

	2024	2023
	JD	JD
Receivables from brokerage customers	1,552,395	1,508,592
Receivables from margin customers *	18,646,363	19,006,563
	20,198,758	20,515,155
Provision for expected credit losses **	<u>(7,053,297)</u>	<u>(4,036,508)</u>
	13,145,461	16,478,647
Trade receivables	67,650	67,650
Provision for expected credit losses **	<u>(67,150)</u>	<u>(67,150)</u>
	500	500
Interest in suspense ***	<u>(79,556)</u>	<u>(164,207)</u>
	<u>13,066,405</u>	<u>16,314,940</u>

\* The Group grants facilities to customers up to a maximum of 100% of the value of the initial cash margin deposited in cash by the customer in the margin accounts or the market value of the securities deposited in the customer's margin account, or any other percentage determined by the Securities Depository Center from time to time.

The customer pledges that the maintenance margin percentage in the margin accounts shall not be less than 20% or any other percentage determined by the Securities Depository Center. The maximum interest rate is 13% as of 31 December 2024 (31 December 2023: 12.75%) and is guaranteed by the financed investments and is monitored periodically.

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The details of customers' margin accounts as at 31 December 2024 and 31 December 2023 were as follows:

- The total market value of the portfolios amounted to JD 24,734,703 as at 31 December 2024 (31 December 2023: JD 35,640,716).
- The total amount financed by the Group amounted to JD 18,646,363 as at 31 December 2024 (31 December 2023: JD 19,006,563).
- Total amount financed by customers (maintenance margin) amounted to JD 6,088,340 as at 31 December 2024 (31 December 2023: JD 16,634,153).
- The percentage of amounts financed by customers to the total market value of the portfolios amounted to 25% as at 31 December 2024 (31 December 2023: 47%).

The Group follows a policy of obtaining adequate collateral from customers where appropriate, in order to reduce the risk of expected credit losses arising from non-performance of obligations.

The aging of brokerage receivables and other receivables was as follows:

	2024 JD	2023 JD
<u>Receivables from brokerage customers</u>		
1 day – 7 days	149,553	685,584
8 days – 30 days	238,498	58,528
31 days – 60 days	-	-
61 days – 90 days	-	-
91 days – 120 days	-	-
More than 120 days	1,164,344	764,480
	<u>1,552,395</u>	<u>1,508,592</u>
<u>Receivables from margin customers</u>		
1 day – 7 days	12,835,674	14,221,422
8 days – 30 days	-	-
31 days – 60 days	-	1,140
61 days – 90 days	1,582,105	3,114,596
91 days – 120 days	668,928	1,123
More than 120 days	3,559,656	1,668,282
	<u>18,646,363</u>	<u>19,006,563</u>
<u>Trade receivables</u>		
More than 120 days	67,650	67,650
	<u>20,266,408</u>	<u>20,582,805</u>

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The total receivables from brokerage customers and other receivables are distributed in an aggregate manner according to the credit stages in accordance with the requirements of International Financial Reporting Standard no. (9) as follows:

	2024			
	Stage 1	Stage 2	Stage 3	Total
	JD	JD	JD	JD
Balance as at 1 January	14,450,082	3,627,694	2,505,029	20,582,805
New facilities during the year	6,839,178	1,120,244	-	7,959,422
Settled facilities	(6,279,951)	(1,857,019)	(138,849)	(8,275,819)
Transferred to stage 3	(2,819,698)	(461,861)	3,281,559	-
Balance as at 31 December	<u>12,189,611</u>	<u>2,429,058</u>	<u>5,647,739</u>	<u>20,266,408</u>

  

	2023			
	Stage 1	Stage 2	Stage 3	Total
	JD	JD	JD	JD
Balance as at 1 January	8,607,838	4,025,828	3,155,431	15,789,097
New facilities during the year	5,838,614	764,885	-	6,603,499
Settled facilities	(1,268,066)	(382,103)	(159,622)	(1,809,791)
Transferred to stage 1	2,463,862	(1,973,082)	(490,780)	-
Transferred to stage 2	(1,192,166)	1,192,166	-	-
Balance as at 31 December	<u>14,450,082</u>	<u>3,627,694</u>	<u>2,505,029</u>	<u>20,582,805</u>

\*\* The movement on provision for expected credit losses during the year was as follows:

	2024	2023
	JD	JD
Balance as at 1 January	4,103,658	3,077,380
Provision during the year	3,016,789	769,217
Acquisition of a subsidiary	-	257,061
Balance as at 31 December	<u>7,120,447</u>	<u>4,103,658</u>

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Below are the details of the movement on the provision for expected credit losses:

	2024			
	Stage 1	Stage 2	Stage 3	Total
	JD	JD	JD	JD
Balance as at 1 January	1,637,528	45,761	2,420,369	4,103,658
Provision during the year	174,830	305,250	3,363,028	3,843,108
Recoveries from provision during the year	(45,684)	(45,761)	(734,874)	(826,319)
Transferred to stage 3	(1,599,070)	-	1,599,070	-
Balance as at 31 December	<u>167,604</u>	<u>305,250</u>	<u>6,647,593</u>	<u>7,120,447</u>

  

	2023			
	Stage 1	Stage 2	Stage 3	Total
	JD	JD	JD	JD
Balance as at 1 January	1,671,706	138,084	1,267,590	3,077,380
Provision during the year	26,434	28,551	1,067,386	1,122,371
Recoveries from provision during the year	(136,255)	(131,053)	(85,846)	(353,154)
Transferred to stage 1	76,941	(7,725)	(69,216)	-
Transferred to stage 2	(4,668)	4,668	-	-
Acquisition of a subsidiary	3,370	13,236	240,455	257,061
Balance as at 31 December	<u>1,637,528</u>	<u>45,761</u>	<u>2,420,369</u>	<u>4,103,658</u>

\*\*\* Below are the details of the movement on interest in suspense:

	2024	2023
	JD	JD
Balance as at 1 January	164,207	31,713
Add: Interest in suspense during the year	29,516	143,199
Less: Interest transferred to revenues during the year	(114,167)	(10,363)
Written-off interest in suspense	-	(342)
Balance as at 31 December	<u>79,556</u>	<u>164,207</u>

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**(11) BROKERAGE GUARANTEE FUND DEPOSITS**

This item represents the total amounts deposited by the Group at the Securities Depository Center. These amounts are determined based on the volume of trading in the stock market.

	<u>2024</u>	<u>2023</u>
	JD	JD
Brokerage guarantee fund deposits	<u>100,000</u>	<u>100,000</u>

**(12) OTHER DEBIT BALANCES**

	<u>2024</u>	<u>2023</u>
	JD	JD
Trading settlement – Security Depository Center	1,137,449	-
Prepaid expenses	127,832	124,731
Cash margins against bank guarantees (Note 23)	89,150	89,150
Trading settlement – foreign trading	83,098	-
Employees’ receivables	77,887	13,784
Refundable deposits	32,340	33,143
Tax deposits	-	6,372
Others	6,479	48,658
	<u>1,554,235</u>	<u>315,838</u>

**(13) INTANGIBLE ASSETS**

	<u>Computer programs</u>	
	<u>2024</u>	<u>2023</u>
	JD	JD
<b>Cost:</b>		
Balance as at 1 January	218,983	128,013
Additions	32,390	90,970
Balance as at 31 December	<u>251,373</u>	<u>218,983</u>
<b>Accumulated amortization:</b>		
Balance as at 1 January	142,436	126,453
Amortization during the year	54,036	15,983
Balance as at 31 December	<u>196,472</u>	<u>142,436</u>
<b>Net book value as at 31 December</b>	<u>54,901</u>	<u>76,547</u>

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**(14) PROPERTY AND EQUIPMENT**

	Land and buildings	Machinery and office equipment	Furniture and fixture	Vehicles	Projects in progress	Total
	JD	JD	JD	JD	JD	JD
<b>2024 –</b>						
<b>Cost:</b>						
Balance as at 1 January	753,184	442,896	366,047	60,619	-	1,622,746
Additions	1,891	12,091	-	-	-	13,982
Disposals	-	(3,651)	-	-	-	(3,651)
Balance as at 31 December	<u>755,075</u>	<u>451,336</u>	<u>366,047</u>	<u>60,619</u>	<u>-</u>	<u>1,633,077</u>
<b>Accumulated depreciation:</b>						
Balance as at 1 January	173,428	271,426	33,550	54,818	-	533,222
Depreciation during the year	15,014	46,928	70,002	2,043	-	133,987
Disposals	-	(3,651)	-	-	-	(3,651)
Balance as at 31 December	<u>188,442</u>	<u>314,703</u>	<u>103,552</u>	<u>56,861</u>	<u>-</u>	<u>663,558</u>
<b>Net book value as at 31 December</b>	<u>566,633</u>	<u>136,633</u>	<u>262,495</u>	<u>3,758</u>	<u>-</u>	<u>969,519</u>

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	Land and buildings	Machinery and office equipment	Furniture and fixture	Vehicles	Projects in progress	Total
	JD	JD	JD	JD	JD	JD
<b>2023 –</b>						
<b>Cost:</b>						
Balance as at 1 January	468,644	477,587	60,673	41,469	321,985	1,370,358
Additions	-	5,875	4,473	-	472,233	482,581
Acquisition of a subsidiary	-	75,896	-	19,150	-	95,046
Disposals	-	(274,002)	(51,237)	-	-	(325,239)
Transfers	284,540	157,540	352,138	-	(794,218)	-
Balance as at 31 December	753,184	442,896	366,047	60,619	-	1,622,746
<b>Accumulated depreciation:</b>						
Balance as at 1 January	162,169	459,912	60,641	33,631	-	716,353
Acquisition of a subsidiary	-	53,991	-	19,150	-	73,141
Depreciation during the year	11,259	31,525	24,146	2,037	-	68,967
Disposals	-	(274,002)	(51,237)	-	-	(325,239)
Balance as at 31 December	173,428	271,426	33,550	54,818	-	533,222
<b>Net book value as at 31 December</b>	<b>579,756</b>	<b>171,470</b>	<b>332,497</b>	<b>5,801</b>	<b>-</b>	<b>1,089,524</b>

**(15) ASSETS SEIZED BY THE GROUP AGAINST DUE DEBTS**

The Company's board of directors decided in their meeting held on 1 December 2019 to acquire real estate in exchange for debts. The Group evaluated these properties by several independent real estate appraisers. These assets were evaluated on 31 December 2024 and the fair value of these properties amounted to JD 4,201,725.

**(16) INCOME TAX**

**A - Income tax provision**

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

	2024	2023
	JD	JD
Balance as at 1 January	178,170	275,137
Income tax expense for the period/ year *	406,173	303,182
Income tax paid during the year	(179,731)	(381,500)
Income tax deposits paid during the year	(17,010)	(18,649)
Balance as at 31 December	<u>387,602</u>	<u>178,170</u>

Income tax provision was calculated for the year ended 31 December 2024 and 2023 in accordance with Income Tax Law No. (34) of 2014 and its amendments.

The statutory income tax rate, including the national contribution tax rate for United Financial Investments Company is 28% and for the Specialized Managerial Company for Consultancy and Jordan investors for the Development of Commercial Complexes and Real Estate Company is 21%.

\* The details for income tax expense for the period ended 26 September 2024 and the year ended 31 December 2023 for the merged companies was as follows (note number (5)):

	26 September 2024	31 December 2023
	JD	JD
Arab Financial Investments Company	148,186	115,789
Al Mawared for Financial Brokerage Company	231,188	187,393
United Financial Brokerage Group	26,799	-
	<u>406,173</u>	<u>303,182</u>

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**B - Income tax expense**

The income tax expense included in the consolidated statement of comprehensive income comprise of the following:

	2024	2023
	JD	JD
Income tax expense for the period/ year	406,173	303,182
Deferred tax assets	(5,423)	(210,021)
	400,750	93,161

**C - Summary of reconciliation between accounting income and taxable income**

	2024	2023
	JD	JD
Accounting loss	(2,689,116)	(1,096,836)
Non-deductible expenses	2,403,616	1,136,194
Non-taxable profits	(617,951)	(192,165)
Taxable loss	(903,451)	(152,807)
Statutory income tax rate	28%	28%
Effective income tax	28%	28%
Income tax expense for the year	400,750	93,161

**D - Tax status**

**United Financial Investments Company:**

The Company filed its tax returns for the years 2022 and 2023 within the statutory period. The Company has reached a final settlement with the Income and Sales Tax Department until 2021. The Income and Sales Tax department has not reviewed the accounting records for the years 2022 and 2023 up to the date of these consolidated financial statements.

**The Specialized Managerial Company for Consultancy:**

The Company filed its tax returns for the years 2022 and 2023 within the statutory period. The Company has reached a final settlement with the Income and Sales Tax Department until 2021. The Income and Sales Tax department has not reviewed the accounting records for the years 2022 and 2023 up to the date of these consolidated financial statements.

**Jordan Investors for the Development of Commercial Complexes and Real Estate Company:**

The Company filed its tax returns for the years 2022 and 2023 within the statutory period. The Income and Sales Tax department has not reviewed the accounting records for the years 2022 and 2023 up to the date of these consolidated financial statements.

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**E - Deferred tax assets**

The movement on the deferred tax assets was as follows:

	2024 JD	2023 JD
Balance as at 1 January	1,296,744	957,467
Additions during the year	5,423	327,341
Released during the year	-	(117,320)
Acquisition of a subsidiary	-	129,256
Balance as at 31 December	<u>1,302,167</u>	<u>1,296,744</u>

**(17) LOANS**

	2024			2023		
	Loans installments			Loans installments		
	Short-term	Long-term	Total	Short-term	Long-term	Total
	JD	JD	JD	JD	JD	JD
Invest Bank loan	2,925,000	4,143,751	7,068,751	2,925,000	7,068,751	9,993,751
Capital Bank loan	-	9,074,753	9,074,753	-	9,074,753	9,074,753
Ejara Leasing Company loan	30,000	-	30,000	120,000	30,000	150,000
	<u>2,955,000</u>	<u>13,218,504</u>	<u>16,173,504</u>	<u>3,045,000</u>	<u>16,173,504</u>	<u>19,218,504</u>

**Invest Bank loan**

On 29 June 2022, the Company signed a loan agreement with Invest Bank amounting to JD 11,700,000 at an interest rate of 6%. The loan is repayable in 48 monthly installments of JD 243,750. The first installment was due on 30 September 2023. The interest rate increased gradually to become 8.25%. On 24 September 2023, the Company signed an amendment to the loan agreement where the interest rate became 6%.

**Capital Bank loan**

On 23 August 2023, the Company signed a loan agreement with Capital Bank amounting to JD 10,000,000 at an interest rate of 6.25%. The loan is repayable in one installment due after 4 years from the date of granting the loan.

**Ejara Leasing Company loan**

On 12 February 2020, the Company signed a loan agreement with Ejara Leasing Company amounting to JD 600,000 at an interest rate of 5.13%. The loan is repayable in 20 quarterly installments of JD 30,000. The first installment was due on 15 May 2020 and the last installment is due on 15 February 2025.

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**(18) OTHER CREDIT BALANCES**

	<u>2024</u>	<u>2023</u>
	JD	JD
Shareholders' deposits	588,474	603,089
Accrued expenses	344,999	46,638
Provision for employees' bonuses	79,639	20,000
Health insurance	56,311	43,166
Customers' deposits	52,434	33,611
Other provisions (note 8)	51,267	-
Provision for employees' leaves	49,731	50,396
Unearned revenues	37,003	-
Employees' payables	23,183	-
Trading settlement – Securities Depository Center	-	90,662
Due to Social Security Corporation	-	4,043
Others	11,330	21,838
	<u>1,294,371</u>	<u>913,443</u>

**(19) STATUTORY RESERVE**

This item represents the amount transferred from the annual profit before income tax at a rate of 10% and is not distributable to shareholders, provided that the total transferred amount should not exceed 25% of the Company's paid-in capital.

**(20) OTHER REVENUES**

	<u>2024</u>	<u>2023</u>
	JD	JD
Accrued revenues from a related party against guaranteed portfolios	564,808	400,000
Margin over limit commission	163,790	36,277
Accrued commission income from Etihad Bank	-	174,829
Dividends distributed from financial assets at fair value through other comprehensive income	-	115,402
Results from acquisition on a subsidiary (note 27)	-	85,504
Gain on sale of property and equipment	2,246	2,360
Others	23,658	24,126
	<u>754,502</u>	<u>838,498</u>

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**(21) EMPLOYEES' EXPENSES**

	<u>2024</u>	<u>2023</u>
	JD	JD
Employees' salaries and benefits	878,438	693,671
Social security contribution	100,176	74,788
Medical insurance	70,303	54,165
Employees' bonus expenses	64,370	55,285
Employees' end of service indemnity	48,828	294,031
Employees' severance pay expenses	44,366	-
Employees' training	12,151	3,308
Employees' leaves provision	5,122	48,145
Board secretary allowances	3,000	3,000
	<u>1,226,754</u>	<u>1,226,393</u>

**(22) ADMINISTRATIVE EXPENSES**

	<u>2024</u>	<u>2023</u>
	JD	JD
Licenses fees and subscriptions	204,631	74,729
Merger related fees	173,154	-
Advertising and marketing	150,764	24,718
Professional fees	145,829	44,250
Network, telephone and internet expenses	106,685	23,160
Board of Directors' transportation and rewards	84,000	84,000
Audit fees	68,373	48,755
Maintenance expense	32,640	50,036
Security and protection	27,984	18,560
Archive expenses	15,844	25,216
Cleaning expense	12,827	8,465
Management expenses – Jordan Kuwait Bank	12,000	12,000
Stationery	11,853	4,895
Transportation expense	10,278	12,679
Water, electricity and heating	10,136	15,203
Hospitality expenses	10,020	6,015
Foreign trading expenses	6,603	5,187
Vehicles expenses	4,191	2,974
Commission and guarantee stamps	1,247	41,412
Short-term rent expenses	1,000	31,827
Contract errors	682	378
Penalties	627	1,581
Acquisition related fees	-	111,019
Technical and electronic support expenses	-	14,647
Others	31,580	8,518
	<u>1,122,948</u>	<u>670,224</u>

**(23) LAWSUITS AND CONTINGENCES**

**- Claims against the Group:**

The Group is a defendant in a lawsuit for the amount of JD 15,000,000 as at 31 December 2024 (31 December 2023: JD 10,001), representing legal claim related to its operations. In the opinion of the Group's management and its legal counsels, the Group will not have any obligations against this case.

**- Bank guarantees:**

The Group has contingent liabilities represented in bank guarantees provided by Jordan Kuwait Bank, Invest Bank, Cairo Amman Bank, and Capital Bank in the amounts of JD 3,359,000 as at 31 December 2024, in favor of Jordan Securities Commission and the Securities Depository Center. Cash margins against bank guarantees amount to 89,150 as at 31 December 2024 (note 12). (31 December 2023: Jordan Kuwait Bank, Invest Bank and Capital Bank in the amount of JD 3,409,000 in favor of Jordan Securities Commission and the Securities Depository Center. Cash margins against bank guarantees amount to 89,150 as at 31 December 2023 (note 12)).

**(24) FAIR VALUE LEVELS**

Financial instruments comprise of financial assets and financial liabilities.

Financial assets consist of cash and bank balances, receivables from brokerage customers, financial assets at fair value through other comprehensive income, brokerage guarantee fund deposit, due from a related party and other debit balances. Financial liabilities consist of payables to financial brokerage customers, bank overdrafts and other credit balances.

The fair values of financial instruments are not materially different from their carrying values.

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: Market prices in active markets for identical assets or liabilities.

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
	<u>JD</u>	<u>JD</u>	<u>JD</u>	<u>JD</u>
<b>31 December 2024</b>				
Financial assets at fair value through other comprehensive income	<u>47,962</u>	<u>-</u>	<u>-</u>	<u>47,962</u>
<b>31 December 2023</b>				
Financial assets at fair value through other comprehensive income	<u>1,402,903</u>	<u>-</u>	<u>-</u>	<u>1,402,903</u>

**(25) RELATED PARTIES BALANCES AND TRANSACTIONS**

Related parties represent the Parent Company; Jordan Kuwait Bank, sister companies, shareholders and key management personnel. Pricing policies and terms of these transactions are approved by the Group's management.

Following is a summary of the balances with related parties included in the consolidated statement of financial position:

	<u>Nature of relationship</u>	<u>2024</u>	<u>2023</u>
		<u>JD</u>	<u>JD</u>
<b>Due from a related party</b>			
Invest Bank	Shareholder	<u>964,808</u>	<u>400,000</u>
<b>Loan from a related party (Note 17)</b>			
Ejara Leasing Company	Sister Company	<u>30,000</u>	<u>150,000</u>
<b>Current accounts and deposits with related parties (Note 8)</b>			
Current accounts at Jordan Kuwait Bank	Parent Company	<u>632,712</u>	<u>1,626,566</u>
Current accounts at Invest Bank	Shareholder	<u>131,108</u>	<u>1,229,273</u>
Deposits at Invest Bank	Shareholder	<u>-</u>	<u>1,000,000</u>

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Following is a summary of transactions with related parties included in the consolidated statement of comprehensive income:

	<u>Nature of relationship</u>	<u>2024 JD</u>	<u>2023 JD</u>
<b>Brokerage commission revenues:</b>			
Jordan Kuwait Bank	Parent Company	<u>30,405</u>	<u>7,507</u>
Invest Bank	Shareholder	<u>5,896</u>	<u>4,735</u>
<b>Interest revenue:</b>			
Invest bank	Shareholder	<u>80,767</u>	<u>161,837</u>
<b>Other revenues:</b>			
Invest bank			
Revenues from a related party against guaranteed portfolios	Shareholder	<u>564,808</u>	<u>400,000</u>

**Bank guarantees:**

The Group has bank guarantees provided by Jordan Kuwait Bank and Invest Bank (Parent Company and shareholder, respectively) in the amount of JD 1,257,000 and JD 467,000 as at 31 December 2024, respectively (31 December 2023: Jordan Kuwait Bank and Invest Bank in the amount of JD 1,257,000 and JD 467,000, respectively) (Note 23).

**Compensation of key management personnel:**

The following is a summary of the benefits (salaries, bonuses and other benefits) of the Group's key management personnel:

	<u>2024 JD</u>	<u>2023 JD</u>
Salaries and bonuses	180,000	209,166
Remuneration and transportation allowance for members of the Board of Directors	<u>84,000</u>	<u>84,000</u>
	<u>264,000</u>	<u>293,166</u>

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**(26) BASIC AND DILUTED EARNINGS PER SHARE**

	<u>2024</u>	<u>2023</u>
	JD	JD
Loss for the year	(3,089,866)	(1,189,997)
Weighted average number of shares during the year	<u>10,000,000</u>	<u>10,000,000</u>
Basic and diluted earnings per share (JD)	<u>(0,31)</u>	<u>(0,12)</u>

**(27) ACQUISITION OF A SUBSIDIARY**

On 31 October 2023, the Company acquired the entire shares comprising the capital of United Financial Brokerage Group of 3,000,000 shares at a price of JD 2,138,369.

The book value of assets and liabilities of United Financial Brokerage Group as at the date of acquisition were as follows:

	<u>31 October</u>
	<u>2023</u>
	JD
Total assets	4,336,072
Total liabilities	<u>2,187,790</u>
Net acquired assets	<u><u>2,148,282</u></u>

**Purchase price allocation assessment:**

A purchase price allocation assessment was conducted by an independent firm resulting in a gain on the acquisition of United Financial Brokerage Group for the amount of JD 85,504. The gain has been recorded in the consolidated statement of comprehensive income under other revenues for the year ended 31 December 2023 (note 20).

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Following is a comparison between the fair value of the Company's net assets with the purchase price paid:

	31 October 2023 JD
Net book value of the Company's assets	2,148,282
Accounts receivable provisions and margin accounts no longer needed	92,939
Impact of reversing provisions for receivables and margin accounts no longer needed on deferred tax assets	(17,348)
Adjusted net book value	2,223,873
Purchase price	2,138,369
Gain on acquisition	85,504

**(28) RISK MANAGEMENT**

**Interest rate risk**

The Group is exposed to interest rate risk on its interest-bearing financial assets and liabilities such as bank deposits, loans and bank overdrafts.

The sensitivity of the consolidated statement of comprehensive income is the effect of the assumed changes in interest rates on the Group's loss for one year, based on the floating rate financial assets and financial liabilities held at 31 December 2024 and 2023.

The following table demonstrates the sensitivity of the consolidated statement of comprehensive income to reasonably possible changes in interest rates as of 31 December 2024 and 2023, with all other variables held constant.

	<u>Increase in interest rate</u> %	<u>Effect on the loss for the year</u>
<b>2024 –</b>		
Currency		
JD	1%	(173,012)

	<u>Increase in interest rate</u>	<u>Effect on the loss for the year</u>
<b>2023 –</b>	%	
Currency		
JD	1%	(182,185)

If the interest rate decreases by 1%, it will have the same financial impact as outlined above but in the opposite direction.

### Share Prices Risk

Share prices risk relate to the decline in the fair value of the share as a result of the changes in share indices and the change in the value of the individual share.

The Company holds investments in financial assets at fair value through other comprehensive income in Amman Stock Exchange.

The following table summarizes the impact of increase (decrease) in the securities closing price by 5% in 2024 and 2023 price over the fair value of financial assets at fair value through other comprehensive income and equity as at the date of the consolidated financial statements. The analysis has been prepared on the assumption that shares prices change at the same rate of change in market indices.

	<u>+5%</u>	
	<u>2024</u>	<u>2023</u>
	JD	JD
Fair value reserve	<u>2,398</u>	<u>70,145</u>

If the closing price decreases by 5%, it will have the same financial impact as outlined above but in the opposite direction.

### Credit risk

Credit risk is the risk that debtor and other parties will fail to discharge their obligations towards the Group.

The Group believes that it is not exposed to a large extent of credit risk as the Group assigns a credit limit for their customers and they monitor outstanding receivables on an ongoing basis. Additionally, the Group maintains its balances and deposits with reputable financial institutions.

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The Company is exposed to the risk of substantial price decrease in margin portfolios, as per the trading margin laws for the year 2017, the Company has the right to sell liquidate customers' investment portfolio in the event the maintenance margin percentage falls short of the allowed limit and the failure of the client to cover the deficit in the maintenance margin.

**Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet its commitments when due.

The Group manages liquidity risk by ensuring sufficient bank facilities are available.

The table below summarises the maturities of the Group's (undiscounted) financial liabilities at 31 December 2024 and 2023, based on contractual payment dates and current market interest rates:

	1 to 12 months	1 to 5 years	Total
	JD	JD	JD
<b>31 December 2024</b>			
Loans	2,955,000	14,322,970	17,277,970
Bank overdrafts	1,251,255	-	1,251,255
Payables to financial brokerage customers	1,680,802	-	1,680,802
Other credit balances	67,641	-	67,641
	<u>5,954,698</u>	<u>14,322,970</u>	<u>20,277,668</u>
<b>31 December 2023</b>			
Loans	3,258,150	17,629,119	20,887,269
Payables to financial brokerage customers	2,285,888	-	2,285,888
Other credit balances	155,666	-	155,666
	<u>5,699,704</u>	<u>17,629,119</u>	<u>23,328,823</u>

**Currency Risk**

Most of the Group's transactions are in Jordanian Dinars and US Dollars. The Jordanian Dinars exchange rate is fixed against US Dollars (USD 1/1.41 for JD 1).

**(29) CAPITAL MANAGEMENT**

The primary objective of the Group's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximize shareholder value.

Capital comprises of authorized and paid-in capital, statutory reserve, voluntary reserve, fair value reserve and accumulated losses is measured at JD 1,784,218 as at 31 December 2024 against JD 6,229,025 as at 31 December 2023.

The Group's accumulated losses reached JD 6,824,551 representing 68% of the Group's capital as of 31 December 2024 which may indicate that a material uncertainty exists that may cast significant doubt about the Group's ability to continue as a going concern. According to Article (266) of the Jordanian Company's Law No. (22) for the year 1997 and its amendments, if the accumulated losses of the Public Shareholding Company exceeded 75% of its capital, the Company shall be liquidated unless the General Assembly of the Company issues a decision on its extraordinary meeting to increase the Company's capital or to deal with the Company's losses.

The General Assembly resolved in their extraordinary meeting held on 13 October 2024 to increase the authorized and paid-in capital by JD 15,484,685 divided into 15,484,685 shares at a par value of JD 1 per share, through a private issuance for strategic shareholders in the Company with each shareholders' contribution determined to maintain their ownership percentage in the Company as follows:

- Jordan Kuwait Bank 12,387,761 shares
- Invest Bank 3,096,924 shares

As a result, the Company's authorized and paid-in capital would become JD 25,484,685 divided into 25,484,685 shares with a par value of JD 1 per share. The capital increase procedures were not completed up to the date of these consolidated financial statements.

### **(30) STANDARDS ISSUED BUT NOT YET EFFECTIVE**

The standards and interpretations that are issued but not yet effective, up to the date of issuance of the Group's consolidated financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

#### **Amendments to the Classification and Measurement of Financial Instruments— Amendments to IFRS (9) and IFRS (7)**

In May 2024, the IASB issued Amendments to IFRS (9) and IFRS (7), Amendments to the Classification and Measurement of Financial Instruments (the Amendments). The Amendments include:

- A clarification that a financial liability is derecognised on the 'settlement date' and introduce an accounting policy choice (if specific conditions are met) to derecognise financial liabilities settled using an electronic payment system before the settlement date
- Additional guidance on how the contractual cash flows for financial assets with environmental, social and corporate governance (ESG) and similar features should be assessed
- Clarifications on what constitute 'non-recourse features' and what are the characteristics of contractually linked instruments
- The introduction of disclosures for financial instruments with contingent features and additional disclosure requirements for equity instruments classified at fair value through other comprehensive income (OCI)

The Amendments are effective for annual periods starting on or after 1 January 2026. Early adoption is permitted, with an option to early adopt the amendments for classification of financial assets and related disclosures only.

The Group is currently assessing the adjustments on the consolidated financial statements and related disclosures.

**Lack of exchangeability – Amendments to IAS (21)**

In August 2023, the IASB issued amendments to IAS (21) The Effects of Changes in Foreign Exchange Rates to specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments will be effective for annual reporting periods beginning on or after 1 January 2025. Early adoption is permitted, but will need to be disclosed. When applying the amendments, an entity cannot restate comparative information.

The amendments are not expected to have a material impact on the Group's consolidated financial statements.

**IFRS (18) Presentation and Disclosure in Financial Statements**

In April 2024, the IASB issued IFRS (18), which replaces IAS (1) Presentation of Financial Statements. IFRS (18) introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new. It also requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements (PFS) and the notes.

In addition, narrow-scope amendments have been made to IAS (7) Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards.

IFRS (18), and the amendments to the other standards, is effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. IFRS (18) will apply retrospectively.

This standard will result in new presentation of the income statement with some new required totals, in addition to the disclosure of management-defined performance measures.

**IFRS (19) Subsidiaries without Public Accountability: Disclosures**

In May 2024, the IASB issued IFRS (19), which allows eligible entities to elect to apply its reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS (10), cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements, available for public use, which comply with IFRS accounting standards.

IFRS (19) will become effective for reporting periods beginning on or after 1 January 2027, with early application permitted.

As the Group's equity instruments are publicly traded, it is not eligible to elect to apply IFRS (19).

**(31) COMPARATIVE FIGURES**

Some of the consolidated financial statements figures for the year ended 31 December 2023 were reclassified to correspond with the consolidated financial statements figures for the year ended 31 December 2024 presentation, with no effect on loss and equity for the year ended 31 December 2023.