UNITED FINANCIAL INVESTMENTS COMPANY
(A PUBLIC LIMITED SHAREHOLDING COMPANY)

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

30 SEPTEMBER 2022

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(PUBLIC SHAREHOLDING COMPANY)

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**REVIEW REPORT ON THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
TO THE CHAIRMAN AND THE BOARD OF DIRECTORS OF UNITED FINANCIAL INVESTMENTS COMPANY
(A PUBLIC LIMITED SHAREHOLDING COMPANY)**

Introduction

We have reviewed the interim condensed consolidated statement of financial position of the United Financial Investments Company (a public limited shareholding company) and its subsidiaries (together "the Group") as at 30 September 2022 and the interim condensed consolidated statement of comprehensive income for the three and nine months ended 30 September 2022, and the interim condensed consolidated statement of changes in shareholders' equity and the interim condensed consolidated statement of cash flows for the nine months period then ended and other explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard No. 34 "Interim Financial Reporting" as amended by the Central Bank of Jordan instructions. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements 2410 "Review of interim financial information performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurances that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not properly prepared, in all material respects, in accordance with International Accounting Standard (34) as amended by the Central Bank of Jordan Instructions.

For and on behalf of PricewaterhouseCoopers "Jordan"

Hazem Sababa
License No. (802)

Certified Public Accountants
pwc
Amman - Jordan

Amman - Jordan
31 October 2022

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

	Note	30 September 2022	31 December 2021
		JD (Unaudited)	JD (Audited)
Assets			
Non-current assets			
Property and equipment		357,234	339,797
Intangible assets		1,746	51
Assets seized against debts	4	3,348,781	3,394,086
Deposits of settlement guarantee fund	5	50,000	25,000
Deferred tax assets	12	1,019,255	1,025,409
Financial assets at fair value through other comprehensive income	7	2,446,780	-
Right of use leased assets		19,977	-
Financial assets at amortised cost		3,487,909	-
		10,731,682	4,784,343
Current assets			
Financial assets at fair value through statement of income	6	4,048	3,422,733
Due from related parties	16	-	1,429
Receivables of financial brokerage clients - net	8	11,157,745	1,719,992
Other receivables		564,438	209,873
Cash on hand and at banks	9	2,355,779	56,474
		14,082,010	5,410,501
Total assets		24,813,692	10,194,844
Shareholders' equity and liabilities			
Shareholders' equity			
Authorised and paid in capital	10	10,000,000	8,000,000
Statutory reserve	11	1,690,658	1,690,658
Voluntary reserve		40,873	40,873
Reserve of valuation of financial assets at fair value - net		(1,556,903)	(35,505)
Accumulated losses		(2,191,192)	(2,125,051)
Net shareholders' equity		7,983,436	7,570,975
Liabilities			
Non-current liabilities			
Long term loan	16	10,905,000	270,000
Provision for employees' end of service		134,379	130,192
Commitments against an operating lease		20,695	-
		11,060,074	400,192
Current liabilities			
Current portion of long-term loan	16	1,105,000	120,000
Bank overdraft	9	2,007,712	757,330
Other payables		159,610	435,916
Payables to financial brokerage clients		2,215,092	668,834
Due to related parties	16	91,804	183,392
Income tax provision	12	190,964	58,205
		5,770,182	2,223,677
Total liabilities		16,830,256	2,623,869
Total shareholders' equity and liabilities		24,813,692	10,194,844

The accompanying notes from 1 to 18 form an integral part of these Interim condensed consolidated financial statements

	Note	For the nine months ended at 30 September 2022	For the nine months ended at 30 September 2021	For the three months ended at 30 September 2022	For the three months ended at 30 September 2021
		JD (Unaudited)	JD (Unaudited)	JD (Unaudited)	JD (Unaudited)
Revenue					
Net of financial brokerage commission income		449,330	383,799	121,594	67,430
(Losses) profits from valuation of financial assets at fair value through the statement of income		(6,546)	(260,433)	(3,577)	51,625
Profits (Losses) from sale of financial assets at fair value through the statement of income		559,330	(9,694)	-	(13,727)
Rental income		102,645	102,645	50,385	50,385
Interest income		488,192	19,257	353,343	7,112
Other income		281,107	9,790	279,634	9,790
Net revenues		1,874,058	245,364	801,379	172,615
Expenses					
Employees' expenses		(457,353)	(391,673)	(166,145)	(173,435)
Other expenses		(468,719)	(152,745)	(168,090)	(56,803)
Expense of impairment of property acquired against debts		(53,583)	-	-	-
Depreciation and amortization		(16,063)	(12,928)	(6,481)	(4,941)
Expected credit losses	8	(442,339)	6,169	(119,339)	43,374
Finance costs		(289,556)	(62,778)	(215,290)	(20,933)
Total expenses		(1,727,613)	(613,955)	(675,345)	(212,738)
Profit (loss) for the year before tax		146,445	(368,591)	126,034	(40,123)
Income tax for the period	12	(212,586)	(399,871)	449,214	(496,338)
Loss for the period		(66,141)	(768,462)	575,248	(536,461)
Add: other comprehensive income items		(1,521,398)	-	(1,295,117)	-
Total comprehensive loss for the period		(1,587,539)	(768,462)	(719,869)	(536,461)
Loss per share for the period	13	(0,16)	(0,10)	(0,07)	(0,07)

The accompanying notes from 1 to 18 form an integral part of these Interim condensed consolidated financial statements

UNITED FINANCIAL INVESTMENTS COMPANY
(PUBLIC SHAREHOLDING COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE NINE AND THREE MONTHS ENDED 30 SEPTEMBER 2022

	Authorised and paid in capital	reserve Statutory	reserve Voluntary	Reserve of valuation of financial assets at fair value - net	Accumulated losses	Net shareholders' equity
	JD	JD	JD	JD	JD	JD
(Unaudited)						
2022						
Balance as at 1 January 2022	8,000,000	1,690,658	40,873	(35,505)	(2,125,051)	7,570,975
Increase in authorized and paid in capital	2,000,000	-	-	-	-	2,000,000
Other comprehensive loss items	-	-	-	(1,521,398)	-	(1,521,398)
Loss for the period	-	-	-	-	(66,141)	(66,141)
Balance as at 30 September 2022	10,000,000	1,690,658	40,873	(1,556,903)	(2,191,192)	7,983,436
(Unaudited)						
2021						
Balance as at 1 January 2021	8,000,000	1,690,658	40,873	(35,505)	(1,168,305)	8,527,721
Total comprehensive loss for the period	-	-	-	-	(768,462)	(768,462)
Balance as at 30 September 2021	8,000,000	1,690,658	40,873	(35,505)	(1,936,767)	7,759,259

The accompanying notes from 1 to 18 form an integral part of these Interim condensed consolidated financial statements

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2022

	Note	30 September 2022	30 September 2021
		JD (Unaudited)	JD (Unaudited)
Operating activities			
Profit (loss) for the year before tax		146,445	(368,591)
Amendments			
Depreciation and amortization		16,063	12,928
Expected credit losses		(442,339)	(6,275)
Profit on sale of property and equipment		(1,570)	-
Provision for employee end of service indemnity fund		22,100	15,435
Losses on valuation of financial assets through the statement of income	6	6,546	260,433
Profits (Losses) on sale of financial assets through statement of income		(559,330)	9,694
Interest expenses		289,556	62,778
Interest income		(488,192)	(19,257)
Change in assets and liabilities			
Additions to properties acquired against debts	4	45,305	-
Financial assets at fair value through statement of income		3,971,469	76,726
Financial assets at fair value through the statement of comprehensive income	7	(2,446,780)	-
Receivables of financial brokerage clients - net	8	(8,995,414)	51,363
Deposits of settlement guarantee fund	5	(25,000)	(125,000)
Other receivables		(354,565)	(525)
Due from related parties	16	1,429	(63,440)
Due to related parties	16	(91,588)	76,926
Payables to financial brokerage clients		1,546,258	221,728
Other payables		(276,309)	56,955
Net cash flows (used in)/ generated from operating activities before paid income tax		(7,635,916)	261,878
Payment of end of service benefits		(26,287)	-
Income tax paid	12	(248,198)	(129)
Net cash flows (used in) / generated from operating activities		(7,910,401)	261,749
Investing activities			
Proceeds from sale of property and equipment		4,330	-
Purchase of property and equipment		1,746	-
Financial assets at amortised cost		(2,865,391)	-
Proceeds from interest payable		488,192	19,257
Net cash flows (used in) / generated from investing activities		(2,371,123)	19,257
Financing activities			
Received from loan		11,620,000	(90,000)
Interests receivable paid		(289,556)	(62,778)
Net cash flows generated from / (used in) financing activities		11,330,444	(152,778)
Net change in cash on hand and at banks		1,048,923	128,228
Cash and cash equivalents as at 31 December		(700,856)	268,768
Cash and cash equivalents as at 30 September	9	348,067	396,996

The accompanying notes from 1 to 18 form an integral part of these Interim condensed consolidated financial statements

(1) GENERAL INFORMATION

United Financial Investments Company (the "Company") was established as a public limited shareholding company under No. (297) on 8 October 1995 according to the Companies Law with a share capital of JD 1,500,000 divided into 1,500,000 shares with a nominal value of one JD per share.

The Company's paid-up capital was increased over the years to reach JD 8,000,000 with a nominal value of 1 JD per share.

The Company is 77,886% owned by the Jordan Kuwait Bank, and its head office is located in Amman, Shmeisani - Abdul Aziz Al Th'albi street, P.O. Box 927250 - Amman 11192, the Hashemite Kingdom of Jordan.

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

The Company's main objectives are to provide administrative and consultation services on investment portfolios an providing the services of an agent or financial consultant, investing securities, providing economic feasibility studies.

These Interim condensed consolidated financial statements were approved by the Board of Directors at its meeting held on 24 October 2022.

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied by the Group in the preparation of these Interim condensed consolidated financial statements are set out below.

2-1 Basis of preparation

The Interim condensed consolidated financial statements of the Company have been prepared in accordance with IAS 34, ("Interim Financial Statements") as amended by the instructions of the Central Bank of Jordan.

The Interim condensed consolidated financial statements are presented in Jordanian Dinars, which represents the functional currency of the Company.

The Interim condensed consolidated financial statements have been prepared according to the historical cost convention except for the financial assets at fair value through the statement of income which is recognised at fair value at the date of the Interim condensed consolidated financial statements.

These Interim condensed consolidated financial statements do not include all information and notes required in the annual financial statements which are prepared in accordance with the IFRS and should be read in conjunction with the Company's financial statements as at and for the year ended 31 December 2021. The results for the nine months ended 30 September 2022 are not necessarily indicative of the results that may be expected for the year ending 31 December 2022.

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

1. Some items are classified and presented in the Interim Condensed Consolidated Statement of Financial Position, Interim Condensed Consolidated Statement of Income and the Interim Condensed Consolidated Statement of Cash Flows and the related disclosure, such as credit facilities, interest in suspense, expected credit losses, investments, fair value levels, segments classification and disclosures related to risks and others, are presented and disclosed in accordance with the requirements of the Central Bank of Jordan, its instructions and circulated guidance which might not include all the requirements of IFRS such as IFRS 7, 9 and 13.

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

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

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

* According to the instructions of the Central Bank of Jordan No. (47/2009) issued on 10 December 2009 regarding the classification of credit facilities and the calculation of the impairment provisions, credit facilities were classified into the following categories:

a. Low risk Credit Facilities, no provision calculated on:

The credit facilities that have any of the following characteristics:

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

b. Acceptable Risk Credit Facilities, no provision calculated on:

The credit facilities that have the following characteristics:

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

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

The credit facilities that have the following characteristics:

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

This is in addition to other conditions mentioned in details in the instructions.

d. Non-Performing Credit Facilities

The credit facilities that have any of the following characteristics:

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

Category	Days Overdue	Percentage of provision for the first year
Substandard	90-179 days	25%
Doubtful	180-359 days	50%
Loss	More than 360 days	100%

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

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

3. Interest and commissions are suspended on non-performing credit facilities classified in stage 3 granted to clients in accordance with the instructions of the Central Bank of Jordan and in accordance with the instructions of the supervisory authorities in the countries in which the bank operates, whichever is stricter.

4. Seized assets are carried at the amount of which they were reverted to the Bank or the fair value, whichever is less, and are reassessed on the date of the consolidated financial statements individually. Any impairment in their value is recorded as a loss in the consolidated statement of profit or loss and the increase is not recorded as income. The subsequent increase is taken to the consolidated statement of profit or loss to the extent that it does not exceed the value of the previously recorded impairment. As of the beginning of 2015, a gradual provision was made for real estate acquired for more than 4 years against debts according to the circular of the Central Bank of Jordan No. 4076/1/15 dated 27 March 2014 and No. 2510/1/10 dated 14 February 2017.

   It is to be noted that the Central Bank of Jordan issued Circular No. 13967/1/10 dated 25 October 2019, in which the Central Bank acknowledged the enforceability of the circular No. 16607/1/10 dated 17 December 2017, in which the Central Bank confirmed the deferment of the calculation of the provision until the end of the year 2020. According to the Central Bank's Circular No. 16239/1/10 dated 21 November 2020, deduction of the required provisions against real estate acquired is to be provided for at a rate of (5%) of the total book value of these seized properties (regardless of the violation period) as of the year 2021, so that the required percentage of (50%) of these properties are to be reached by the end of the year 2029.

   The Central Bank of Jordan, pursuant to Circular No. 16239/1/10 dated 10 October 2022, canceled the above circular, and all previous circulars, which stipulate the deduction of provisions against seized assets that violates the law, while maintaining the provisions balances against real estate and to be released upon the disposal of such assets.

5. Cash and balances with the Central Bank item include, the cash reserve requirement item, which represents restricted balances according to the Central Bank's instructions and in accordance with the instructions of the supervisory authorities in the countries in which the Bank operates, whichever is stricter.

Basis of Consolidation

The interim condensed consolidated financial statements comprise the financial statements of the Company and its subsidiaries (together the "The Group"). Control exists when the Company controls the subsidiaries and relevant activities, and is exposed, or has right, to variable returns from its involvement with the subsidiaries, and has the ability to affect those returns.

The financial statements of the subsidiaries are prepared under the same reporting period as the Company, using consistent accounting policies. If different accounting policies were applied by the subsidiaries, adjustments shall be made to their financial statements in order to comply with those of the Company.

Non-controlling interest represents the Companys unowned part of the subsidiaries equity.

The Company owns the following subsidiaries as of 30 September 2022:

Name of the Company	Paid in capital	Company's ownership	Country of incorporation	Date of acquisition
	JD	%		
Al Mawared for Borkerage Services	3,000,000	78.29	Amman	1 June 2022
Specialised managerial	530,000	100	Amman	12 September 2021

2-2 **Changes in accounting policies and disclosures**

(A) New and amended standards and interpretations adopted by the Group in the financial year beginning on 1 January 2022:

New standards, amendments and interpretations	Effective for annual periods beginning on or after
• **Amendments to IAS 16, "Property, Plant and Equipment":** The Company is prohibited from deducting amounts received from the sale of items produced while the Company prepares the asset for its intended use from the cost of property, plant and equipment. Instead, the Company will recognize this sales yields and the related cost in profit or loss. Companies shall separately disclose amounts of yields and costs related to the items produced that are not an output of the entity's normal activities.	1 January 2022
• **Amendments to IFRS 3, "Business Combinations":** Reference update in the IFRS 3 to the conceptual framework for financial reporting without **changing** the accounting requirements of business combinations to add an exception for the recognition of liabilities and contingent liabilities within the scope of IAS 37 "Provisions, Contingent Liabilities and Assets" and Interpretation 21 "fees". The amendments also emphasize that contingent assets should not be recognized on the acquisition date.	1 January 2022

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

The Group did not apply the following new standards, amendments and interpretations which have been issued but are not yet effective to date:

New standards, amendments and interpretations	**Effective for annual periods beginning on or after**
Amendments to IAS 1, "Presentation of Financial Statements" on classification of liabilities - These minor amendments to IAS 1, "Presentation of Financial Statements" clarify that liabilities are classified as either current or non-current liabilities, depending on the rights at the end of reporting period. The classification is not affected by the entity's expectations or events subsequent to the reporting date (for example, receipt of a waiver or breach of an undertaking). The amendment also clarifies any reference to a "settlement" of liability as mentioned in the IAS 1. These amendments may affect the classification of financial liabilities, particularly for entities that have previously considered management's intentions to determine classification and for some liabilities that can be converted into equity as they must be applied retrospectively in accordance with the normal requirements of IAS 8 "Accounting Policies and Changes in Accounting Estimates and Errors".	1 January 2023
Disclosure of accounting policies: Amendments to IAS 1 The International Accounting Standards Board has amended IAS 1 to require entities to disclose material accounting policies, but not their significant accounting policies. It also clarifies that insignificant accounting policy information does not need to be disclosed. If disclosed, it should not affect the significant accounting information. To support this amendment, the IASB also amended Practice Statement No. 2 of IFRSs "Make material judgments to provide guidance on how to apply the concept of materiality to accounting policy disclosures".	1 January 2023
Definition of accounting estimates – Amendments to IAS 8 The amendment to IAS 8 explains accounting policies, changes in accounting estimates and errors, and how companies shall distinguish between changes in accounting policies and changes in accounting estimates. The distinction shall be considered significant because the changes in accounting estimates are applied prospectively to future transactions and other future events, but changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as to the current period.	1 January 2023

Deferred tax assets and liabilities arising from a single transaction - Amendments to IAS 12 The amendments to IAS 12 “Income Taxes” require companies to recognize deferred tax on transactions that, on initial recognition, result in equal amounts of deductible and taxable temporary differences. It will typically apply to transactions such as lessees lease contracts and termination obligations and will require recognition of additional deferred tax assets and liabilities. This amendment should be applied to transactions that occur on or after the beginning of the first comparative period presented. In addition, entities should recognize deferred tax assets (to the extent that it is probable that they can be used) and deferred tax liabilities at the beginning of the earliest comparative period for all deductible and taxable temporary differences associated with: • Right of use assets and lease liabilities, • Decommissioning, recovery, similar liabilities and corresponding amounts recognized as part of the cost of the related assets. The cumulative effect of recognizing these amendments is recognized in retained earnings, or in another item of equity, as applicable. IAS 12 did not previously address how to calculate the tax effects of leases in the statement of financial position and similar transactions, and different methods were considered acceptable. Some companies may have already included such transactions in line with the new requirements. These companies will not be affected by the amendments.	1 January 2023

There are no other standards that are not yet effective and that would be expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

The management is still in the process of evaluating the impact of these new amendments on the Group's Interim condensed consolidated financial statements, and it believes that there will be no material impact on the Interim condensed consolidated financial statements when they are applied.

(3) CAPITAL RISK MANAGEMENT

3-1 Financial risk factors

The Group's activities expose it to a variety of financial risks, including the risk of fluctuation in the market (which includes foreign currency translation risks, interest rate risks and stock price change risks), credit risk and liquidity risk. The Group's overall risk management programme focuses on minimising potential adverse effect on the Group's financial results.

3-2 Market risk

Market risks are losses of the value arising from changes in market prices as the change in interest rates, foreign exchange rates, share prices and therefore changes in fair value of the cash flows of financial instruments within and outside the statement of financial position.

A - Foreign currency risks

Foreign currency risks result from the change in prices of financial instruments due to changes in exchange rates.

Most of the Group's transactions are in Jordanian Dinars and US Dollars. Since the Jordanian Dinars (the group's operational currency) is linked to the US dollar, the group's management believes that the foreign currency risk is not significant.

B - Interest rate risk

Interest rate risks are the risks related to change the value of a financial instrument as a result of changes in market interest rates.

Based on this analysis, the impact of an increase or decrease in the interest rate on the loss for the period/year after tax is as follows:

Currency	Increase in interest rate	Impact on loss after tax
	%	JD
30 September 2022	1	(140,177)
31 December 2021	1	(11,473)

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

C- **Risk of change in shares prices**

The change in the prices of shares traded in securities as at the date of the consolidated financial statements by 5% increase or 5% decrease has the following impact on the Company's business results:

	Change in price	30 September 2022	31 December 2021
		JD (Unaudited)	JD (Audited)
Effect on loss	5%	122,541	171,137

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

3-3 **Liquidity risk**

Liquidity risk, also known as finance risk, is the risk that the company will face difficulty in providing the necessary funds to meet the obligations. The Group manages liquidity risk by maintaining adequate levels of funds through the ongoing control over the actual and expected cash flows and aligning the accruals of financial assets with financial liabilities. Also, part of the company's funds are invested in short-term deposits at banks.

3-4 **Credit risk**

Financial assets that are subject to credit risk are limited to cash with banks, receivables of financial brokerage clients, other receivables, deposits of settlement guarantee fund, excluding prepaid expenses and amounts due from related parties. The Company deals only with financial institutions with high credit ratings. The Company has a policy of reducing the credit risk exposure of a single financial institution. Credit limits are regularly monitored.

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

	Rating	30 September 2022	31 December 2021
		JD	JD
Cairo Amman Bank	B1	-	1,056
Jordan Kuwait Bank	B+	1,312,175	55,115
Invest Bank	BB	1,043,280	-
		2,355,455	56,171

(4) ASSETS SEIZED AGAINST DEBTS

	30 September 2022	31 December 2021
	JD	JD
	(Unaudited)	(Audited)
Cost		
Balance as at the beginning of the period / year	3,394,086	3,307,006
(Exclusions) during the period /year - United	(572,230)	-
Additions during the period year - Specialized	580,508	-
Provision of impairment of property acquired against debts	(53,583)	87,080
Balance as at the end of the period / year	3,348,781	3,394,086

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

(5) DEPOSITS OF SETTLEMENT GUARANTEE FUND

This amount represents the sum of the sums deposited by the Company with Jordan Securities Commission. As this amount is determined based on the trading volume on the stock market.

	30 September 2022	31 December 2021
	JD	JD
	(Unaudited)	(Audited)
Deposits of settlement guarantee fund - United	25,000	25,000
Deposits of settlement guarantee fund - Mawared	25,000	-
	50,000	25,000

(6) FINANCIAL ASSETS AT FAIR VALUE THROUGH STATEMENT OF INCOME

	30 September 2022	31 December 2021
	JD	JD
	(Unaudited)	(Audited)
Companies' shares traded in Amman Stock Exchange	10,594	3,817,572
Change in fair value during the period /the year	(6,546)	(394,829)
	4,048	3,422,743

(7) FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	30 September 2022	31 December 2021
	JD	JD
	(Unaudited)	(Audited)
Companies' shares traded in Amman Stock Exchange	3,968,178	-
Change in fair value during the period /the year	(1,521,398)	-
	2,446,780	-

(8) RECEIVABLES OF FINANCIAL BROKERAGE CUSTOMERS – NET

	30 September 2022	31 December 2021
	JD	JD
	(Unaudited)	(Audited)
Receivables of financial brokerage customers	1,224,524	2,004,291
Receivables of margin trading customers	12,407,510	1,164,176
Specialized administrative receivables	68,150	68,150
	13,700,184	3,236,617
Provision of expected credit loss for receivables of financial brokerage clients and margin receivables	(2,447,393)	(1,448,975)
Interests in suspense*	(27,396)	-
Provision for expected credit losses for the specialized managerial company for investment and financial consultancy	(67,650)	(67,650)
	11,157,745	1,719,992

* The Company grants facilities to customers up to a maximum of 50% of initial margin of the market value of securities on the date of purchase provided that this percentage is not less than 20% of (maintenance margin) of the customer's investment value as per marginal financing instructions for the year 2006 issued by the Jordan Securities Commission with interest up to 12,75% with a guarantee of financing investments and reviewed on a periodic basis. The details as at 30 September 2022 are as follows:

United Company:

- The total market value of the portfolios is (JD 4,330,252) (2021: JD 1,261,420).
- The total funded by the Company is (JD 3,011,458) (2021: JD 212,497).
- Total funded by customers (security margin) (JD 1,474,471) (2021: JD 1,048,922).
- The percentage of amounts funded by customers to the total market value of the portfolios is 34% (2021: 83%).

Mawared Company:

- The total market value of the portfolios is (JD 11,268,512)
- The total funded by the company is (JD 8,618,071)
- Total funded by customers (security margin) is (JD 2,650,441)
- The percentage of amounts funded by customers to the total market value of the portfolios is (24%)

- The Company follows a policy of obtaining adequate customer guarantees where appropriate to reduce the risk of financial losses arising from non-fulfilment of obligations. The Company takes an allowance for receivables that may not be collected in accordance with International Financial Reporting Standards (IFRS). Total due accounts receivable as follows:

The following is the total receivables due:

	30 September 2022	31 December 2021
	JD (Unaudited)	JD (Audited)
Receivables of brokerage customers		
1 – 7 days	19,593	495,178
8 – 30 days	124,623	955,850
31 – 60 days	35,226	16,996
61 – 90 days	-	530
91 – 120 days	722	1,035
More than 120 days	1,112,510	534,702
	1,292,674	2,004,291
Receivables of margin trading customers	12,407,510	1,164,176
The Company's management receivables	-	68,150
	13,700,184	3,236,617

The movement in the provision for expected credit losses during the period / year is as follows:

	30 September 2022	31 December 2021
	JD (Unaudited)	JD (Audited)
Balance at the beginning of the period / year	1,516,625	1,606,174
Provided during the period/ year	442,339	-
The Company's management provision	-	68,255
Debts write-off	-	(151,030)
Pending benefits deposits	27,396	-
Reversed from provision during the period / year	-	(6,774)
Balance at the end of the period / year	1,986,360	1,516,625

Details of provision for expected credit losses in accordance with IFRS (9):

	30 September 2022	31 December 2021
	JD (Unaudited)	JD (Audited)
Stage 1	-	-
Stage 2	18,821	75,684
Stage 3	2,523,618	1,440,941
	2,542,439	1,516,625

(9) CASH ON HAND AND AT BANKS

	30 September 2022	31 December 2021
	JD	JD
	(Unaudited)	(Audited)
Cash on hand	324	303
Cash at banks	2,355,455	56,171
	2,355,779	56,474

For the purpose of the preparation of the statement of cash flows, cash and cash equivalents compromise the following:

	30 September 2022	31 December 2021
	JD	JD
	(Unaudited)	(Audited)
Cash on hand and at banks	2,355,779	56,474
Bank overdraft	(2,007,712)	(757,330)
	348,067	(700,856)

(10) PAID-IN CAPITAL

The authorized and paid-up capital of the Company is JD 10,000,000 divided into 10,000,000 fully paid-up shares with a par value of JD 1 per share.

The Company, in the meeting of the Board of Directors on 24 July 2022, increased the capital by 2,000,000 shares, through a non-public offer, at the nominal value of the share of 1 JD per share, or 90% of the last closing price of the Company’s share on the date of the Board’s approval of the increase, whichever is higher.

The Company is 77,886% owned by Jordan Kuwait Bank.

(11) STATUTORY RESERVE

According to the Jordanian Companies Law and the Company's by-laws, the Company should transfer 10% of its annual net profit to the statutory reserve and continue do so each year provided that the total transferred amounts to the reserve do not exceed the Company’s capital. For the purposes of this law, net profits represent profits before the income tax provision. This reserve is not distributable to shareholders. No statutory reserve is deducted during the period ended 30 September 2022, as the deduction is made at the end of each year.

(12) INCOME TAX

	30 September 2022	31 December 2021
	JD (Unaudited)	JD (Audited)
Balance as at the beginning of the period / year	58,205	58,358
Balance as at 1 January - Mawared	200,970	-
Income tax expense due on the results of the period / the year – Mawared	179,987	-
Income tax paid - Mawared	(248,198)	-
Income tax paid for - United	-	(153)
Balance at the end of the period / year	190,964	58,205

United Financial Investments Company has obtained a final settlement with the Income and Sales Tax Department until the end of 2021.

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

Specialized Managerial Company for Investments and Financial Consultancy - Jordan has submitted the tax returns to the Income & Sales Tax Department for the years 2017, 2019 and 2021, and the years 2018 and 2020 are still under audit by the Income and Sales Tax Department.

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

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

The movement on deferred tax assets is as follows:

	30 September 2022	31 December 2021
	JD (Unaudited)	JD (Audited)
Balance at the beginning of the period/ year		
United and administrative	1,025,409	1,150,825
Mawared Company Balance	84,941	-
Added during the period/year	637,620	-
Released during the period/ year	(728,715)	(125,416)
Balance at the end of the period/ year	1,019,255	1,025,409

(13) LOSS PER SHARE

	30 September 2022	30 September 2021
	JD (Unaudited)	JD (Unaudited)
Loss for the period	(1,587,539)	(768,462)
Weighted average number of shares during the period	10,000,000	8,000,000
Basic earnings per share from loss	(0,16)	(0,10)

The basic net loss per share for the period equals the diluted loss per share as the Company did not issue any financial instruments that may have an impact on the basic loss per share.

(14) BANK OVERDRAFTS

The Company opened a current account in Jordan Kuwait Bank (the parent company) with a maximum limit of JD 750,000 at an annual interest rate of 7%. The utilized balance as at 30 September 2022 amounted to JD - (31 December 2021: JD 750,000).

The Company opened a debit current account in the Capital Bank of Jordan loan with a maximum limit of JD 2,000,000 and 1,000,000 guarantees with an annual interest of 4,5%. The utilized balance as at 30 September 2022 amounted to JD 1,986,049 (31 December 2021).

The Company opened a debit current account in the Housing Bank with a maximum limit of JD 2,000,000 with an annual interest of 8,25%. The utilized balance as at 30 June 2022 reached JD 21,663 (31 December 2021: -).

(15) FAIR VALUE HIERARCHY

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

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

Level 2: quoted prices of similar financial assets and liabilities in active markets, or other price valuation techniques whose significant inputs are based on market data.

Level 3: pricing methods where not all significant inputs are based on observable market data. The Company has used its book value, which is the best available instrument for measuring the fair value of such investments.

	Level 1	Level 2	Level 3	Total
(Unaudited)	JD	JD	JD	JD
30 September 2022				
Financial assets at fair value through comprehensive income	2,446,780	-	-	2,446,780
Financial assets at fair value through the statement of income	4,048	-	-	4,048
(Audited)				
31 December 2021				
Financial assets at fair value through the statement of income	3,422,743	-	-	3,422,743

(16) RELATED PARTY TRANSACTIONS

An entity is considered a related party when it has the ability to control the other party or exercise significant influence over the other party in making financial and operational decisions or have a material impact, directly or indirectly, by those parties:

Related parties represented in Jordan Kuwait Bank (the owner) (Associate), and Board members of the bank and their relatives.

1. Balances with related parties are as follows:

	30 September 2022	31 December 2021
	JD (Unaudited)	JD (Audited)
Due to related parties		
Loan from Ejara Leasing Company (Associate) *	300,000	390,000
Bank overdraft at Jordan Kuwait Bank (Parent Company)	-	757,330
Accounts Payable / Jordan Kuwait Bank - Parent Company	91,804	158,093
Directors and key executive management	-	25,298
	391,804	1,330,721
Due from related parties		
Directors and key executive management	10,000	1,429
Current accounts at Jordan Kuwait Bank (Parent Company)	1,312,175	55,115
	1,322,175	56,544

* On 12 February 2020, the Company signed a loan agreement of JD 600,000 with Ejara Leasing Company (Associate). This loan is to be paid under 20 instalments, with the first payment due on 15 May 2020.

The following transactions were carried out with related parties:

	30 September 2022	30 September 2021
	JD (Unaudited)	JD (Unaudited)
Revenues from related parties		
Jordan Kuwait Bank (the owner)	4,897	20,371
Directors and key executive management	47,973	39,560
	52,870	59,931
Related parties expenses		
Jordan Kuwait Bank (the owner)	19,642	44,915
Directors and key executive management	187,000	186,062
	206,642	230,977

Salaries, bonuses and benefits of senior executive management of the Company amounted to a total of JD127,500 for the period ending on 30 September 2022 (30 September 2021: JD 144,812).

(17) CONTINGENT LIABILITIES

On the date of the statement of financial position, the Company had obligations that could arise, represented in bank guarantees, amounting to JD 1,195,000, as at 30 September 2022 (31 December 2021: JD 931,000).

The contingent liabilities of Mawared Company as at 30 September 2022 amounted to JD 606,000, represented in bank guarantees, compared to JD 656,000 as at 31 December 2021.

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

(18) ACQUISITION OF MAWARED COMPANY

On 1 June 2022, the Company has acquired all shares of Mawared Company for Financial Brokerage for JD 4,798,992 from Invest Bank. the following is a summary of the financial statements of the subsidiary:

The following is a summary of the financial statements of the subsidiary:

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

Study of the purchase price allocation:

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