UNITED FINANCIAL INVESTMENT COMPANY
(PUBLIC SHAREHOLDING COMPANY)

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

31 MARCH 2022

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REVIEW REPORT ON INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
TO THE CHAIRMAN AND BOARD OF DIRECTORS OF JORDAN KUWAIT BANK
(PUBLIC SHAREHOLDING COMPANY)

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Jordan Kuwait Bank (the “Bank”) and its subsidiaries (together the “Group”) as at 31 March 2021 and the related interim condensed consolidated statements of income, comprehensive income, changes in equity and cash flows for the three months 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 (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 information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements 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”

Certified Public Accountants
pwc
Amman - Jordan

Hazem Sababa
License No. (802)

Amman, Jordan
28 April 2022

	Note	31 March 2022	31 December 2021
		JD (unaudited)	JD (audited)
ASSETS			
Non-current assets			
Property and equipment		336,985	339,797
Intangible assets		-	51
Seized assets	4	3,402,364	3,394,086
Deposits of settlement guarantee fund		25,000	25,000
Deferred tax assets		1,025,352	1,025,409
		4,789,701	4,784,343
Current assets			
Financial assets at fair value through profit and loss	5	3,307,056	3,422,733
Due from related parties	14	449,925	1,429
Receivables from financial brokerage customers - net	6	1,958,504	1,719,992
Other debit balances		347,224	209,873
Cash on hand and at banks	7	704,154	56,474
		6,766,863	5,410,501
TOTAL ASSETS		11,556,564	10,194,844
SHAREHOLDERS' EQUITY AND LIABILITIES			
SHAREHOLDERS' EQUITY			
Authorized and paid-in capital	8	8,000,000	8,000,000
Statutory reserve	9	1,690,658	1,690,658
Voluntary reserve		40,873	40,873
Fair value reserve – net		(35,505)	(35,505)
Accumulated losses		(2,310,656)	(2,125,051)
NET SHAREHOLDERS' EQUITY		7,385,370	7,570,975
Liabilities			
Non-current liabilities			
Long-term loan	14	240,000	270,000
End of service provision		134,727	130,192
		374,727	400,192
Current liabilities			
Current portion of long-term loan	14	138,333	120,000
Due to banks	14	2,479,200	757,330
Due to related parties	14	122,695	183,392
Payables - financial brokerage customers		535,015	668,834
Other credit balances		463,066	435,916
Income tax provision	10	58,158	58,205
		3,796,467	2,223,677
TOTAL LIABILITIES		4,171,194	2,623,869
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		11,556,564	10,194,844

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

	Note	31 March 2022	31 March 2021
		JD (unaudited)	JD (unaudited)
Revenues			
Commission income of financial brokerage - net		130,214	138,931
Loss from the valuation of financial assets at fair value through profit and loss		(112,327)	(389,111)
Loss on sale of financial asset at fair value through profit and loss		(1,030)	(154)
Rental income		26,130	26,130
Interest income		18,290	1,584
Other income		1,473	45
Net revenues		62,750	(222,575)
Expenses			
Employees expenses		(130,281)	(108,315)
Other expenses	11	(71,579)	(36,435)
Expected credit loss provision	6	-	(1,432)
Depreciation and amortization		(4,528)	(4,038)
Interest expense		(41,958)	(16,545)
Total expenses		(248,346)	(166,765)
Loss for the period before Income tax		(185,596)	(389,340)
Tax provision / surplus	10	(9)	108,822
Total comprehensive loss for the period		(185,605)	(280,518)
Loss per share	12	(0.023)	(0.035)

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

UNITED FINANCIAL INVESTMENT COMPANY
(PUBLIC SHAREHOLDING COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE THREE MONTHS ENDED 31 MARCH 2022

	Authorized and paid in capital	Statutory reserve	Voluntary reserve	Fair value reserve – net	Accumulated losses	Net shareholders' equity
	JD	JD	JD	JD	JD	JD
2022						
(Unaudited)						
Balance as at 1 January 2022	8,000,000	1,690,658	40,873	(35,505)	(2,125,051)	7,570,975
Total comprehensive loss for the period	-	-	-	-	(185,605)	(185,605)
Balance as at 31 March 2022	8,000,000	1,690,658	40,873	(35,505)	(2,310,656)	7,385,370
2021						
(Unaudited)						
Balance as at 1 January 2021	8,000,000	1,690,658	40,873	(35,505)	(1,168,305)	8,527,721
Total comprehensive loss for the period	-	-	-	-	(280,518)	(280,518)
Balance as at 31 March 2021	8,000,000	1,690,658	40,873	(35,505)	(1,448,823)	8,247,203

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

	Note	31 March 2022	31 March 2021
		JD (unaudited)	JD (unaudited)
Operating activities			
Loss for the period before tax		(185,596)	(389,340)
Adjustments for:			
Depreciation and amortization		4,528	4,038
Expected credit loss provision		-	(1,432)
Loss on the valuation of financial assets at fair value through profit and loss		112,327	389,111
Loss on sale of financial asset at fair value through profit and loss		1,030	154
Interest income		(18,290)	(1,584)
Provision for employees' end of service indemnity		4,535	5,145
Interest expense		41,958	16,545
Changes in working capital:			
Seized assets	4	(8,278)	-
Financial assets at fair value through profit and loss		2,320	(17,617)
Receivables – financial brokerage customers		(238,512)	(18,850)
Other debit balances		(137,351)	(19,444)
Due from related parties		(448,496)	(159,831)
Due to related parties		(60,697)	(33,899)
Payables - financial brokerage customers		(133,819)	(49,525)
Other credit balances		27,150	68,185
Net cash flows used in operating activities		(1,037,191)	(208,344)
Investing activities			
Purchases of property and equipment		(1,664)	-
Interest income		18,290	1,584
Net cashflows generated from investing activities		16,626	1,584
Financing activities			
Loan paid	14	(11,667)	(30,000)
Interest paid		(41,958)	(16,545)
Net cashflows used in financing activities		(53,625)	(46,545)
Net change in cash and cash equivalents		(1,074,190)	(253,305)
Cash and cash equivalents at 1 January		(700,856)	268,768
Cash and cash equivalents at 31 March	7	(1,775,046)	15,463

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

(1) GENERAL INFORMATION

United Financial Investment Company was established on 8 October 1995, according to the Companies Law in force, as a public shareholding limited company and registered with the Ministry of Industry and Trade under No. (297). The Company's capital was JOD 1,500,000, divided into 1,500,000 shares of JOD 1 per share. The Company's capital was increased multiple times to reach 8,000,000 JOD divided into 8,000,000 shares of JOD 1 each.

The Company is 97,33% owned by 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 Company's shares are listed on Amman Stock Exchange.

The financial statements of United Financial Investment Company are consolidated with that of Jordan Kuwait Bank.

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

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

The interim condensed financial statements were approved by the Board of Directors on 24 April 2022.

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

2.1 Basis of preparation

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

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

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

These interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements prepared in accordance with International Financial Reporting Standards and should be read in conjunction with the consolidated financial statements of the Company for the year ended 31 December 2021. The results of the three months ended 30 March 2022 do not necessarily state the expected results for the year ending 31 December 2022.

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

Certain items of the statement of financial position and the income statement including their related disclosures are disclosed and classified in accordance with the requirements of the Central Bank of Jordan, its instructions and the guidance forms issued by it which may not include all of the requirements of the International Financial Reporting Standards such as those contained in IFRS (7), (9) and (13). Such items include credit facilities, interest in suspense, expected credit losses, restricted balances, seized assets, fair value levels, segment reporting, disclosures involving risk and others.

Provisions for expected credit losses are created in accordance with the instructions of the Central Bank of Jordan No. (2018/13), 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 more severe. The material differences are as follows:

A) Debt instruments issued by the Jordanian government or its guarantee are excluded so that credit exposures are processed on the Jordanian government and its sponsorship without credit losses

B) When calculating credit losses against credit exposures, the results of the calculation are compared according to the International Financial Reporting Standard no. (9) with instructions of the Central Bank of Jordan no. (2009/47) issued on 10 December 2009 for each stage.

According to the instructions of the Central Bank of Jordan regarding the classification of credit facilities and the calculation of provision for impairment no. (2009/47) issued on 10 December 2009, the credit facilities are classified into the following categories:

A) Low-risk credit facilities with no provisions to be calculated:

They are credit facilities that have any of the following characteristics:

1) Granted to the Jordanian government and its sponsorship, as well as to the governments of countries in which Jordanian banks have branches, provided that these facilities shall be granted in the same currency as the host country.
2) Guaranteed by cash deposits of (100%) of the outstanding balance at any given time
3) Guaranteed by an approved bank guarantee in the percentage of (100%)

B) Medium-risk credit facilities with no provisions to be calculated:

They are credit facilities that have any of the following characteristics:

1) Strong financial positions and sufficient cash flow
2) Supported by contracts and covered by duly acceptable guarantees
3) Having good sources for repayment
4) Active account movement and regular payment of the principal amount and interest
5) Efficient customer management

C) Credit facilities under supervision (requiring special care) on which impairment provisions are calculated at a rate ranging from (1.5% - 15%):

They are credit facilities that are characterized by any of the following:

1) The existence of liabilities for a period of more than (60) days and less than (90) days for the origin of the credit facilities and/or their interests
2) The current overdraft balance has exceeded the prescribed ceiling by (10%) or more, for a period of more than (60) days and less than (90) days.
3) Credit facilities that were previously classified as non-performing credit facilities and were excluded from the framework of non-performing credit facilities working under a strict schedule.
4) Credit facilities acceptable to risks, which were structured twice within a year.
5) Credit facilities for which more than (60) but less than (90) days have passed since the date of their expiry and have not been renewed.

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

D) Non-performing credit facilities

They are credit facilities that are characterized by any of the following:

1) It is past due, or one of its installments is due, or irregular payment of the principal amount and/or interest, or a frozen overdraft account for the following periods:

Category	Days past due	Provision rate for the first year
Credit facilities without levels	From (90) days to (179) days	25%
Doubtful credit facilities	From (180) days to (359) days	50%
Credit facilities written-off	From (360) or more	100%

2) The current debit exceeds the granted ceiling by (10%) or more, and for a period of (90) days or more.
3) Credit facilities that have expired for a period of (90) days or more and have not been renewed.
4) Credit facilities granted to any customer declared bankrupt or to any company declared under liquidation.
5) Credit facilities that have been restructured three times within a year.
6) Current and demand accounts outstanding for a period of (90) days or more.
7) The value of the guarantees paid on behalf of the clients, not restricted to their accounts, and (90) days or more have passed since payment.

A provision for impairment on credit facilities is calculated in accordance with the instructions (2009/47) for this category of facilities in accordance with the percentages above and for the facilities not covered by guarantees acceptable during the first year. However, the calculation of the provision for the amount is completed for the amount covered at a rate of (25%) over a period of four years.

Interest and commissions are suspended on non-performing credit facilities and facilities classified under stage III granted for customers 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 more severe.

The assets owned by the company in fulfillment of debts appear in the consolidated statement of financial position as other assets. They are recorded at the lower of, the value of the transfer of ownership to the company or the fair value and re-evaluated on the date of the consolidated financial statements individually. Any decrease in its value is recorded as a loss in the consolidated income statement and any increase will not be recorded as revenue. Subsequent increases are recorded in the consolidated income statement to the extent that they do not exceed the impairment value that was recorded previously.

2.2 Changes in accounting policy and disclosures

The accounting policies used in preparing these interim condensed financial statements are consistent to the accounting policies that were followed in preparing the most recent financial statements of the Company for the year ended 31 December 2021 except for the adoption of new standards and amendments on the existing standards as indicated below.

A- New standards issued and applicable for the annual periods starting on or after 1 January 2022 which has been followed by the Company:

New standard	Description	Effective date
Property, Plant and Equipment: Proceeds before intended use – Amendments to IAS 16	**The amendment to IAS 16 Property, Plant and Equipment (PP&E)** prohibits an entity from deducting from the cost of an item of PP&E any proceeds received from selling items produced while the entity is preparing the asset for its intended use. It also clarifies that an entity is ‘testing whether the asset is functioning properly’ when it assesses the technical and physical performance of the asset. The financial performance of the asset is not relevant to this assessment. Entities must disclose separately the amounts of proceeds and costs relating to items produced that are not an output of the entity’s ordinary activities.	1 January 2022
Reference to the Conceptual Framework – Amendments to IFRS 3	**Minor amendments were made to IFRS 3 Business Combinations** to update the references to the Conceptual Framework for Financial Reporting and to add an exception for the recognition of liabilities and contingent liabilities within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets and Interpretation 21 Levies. The amendments also confirm that contingent assets should not be recognised at the acquisition date.	1 January 2022
Onerous Contracts – Cost of Fulfilling a Contract Amendments to IAS 37	**The amendment to IAS 37** clarifies that the direct costs of fulfilling a contract include both the incremental costs of fulfilling the contract and an allocation of other costs directly related to fulfilling contracts. Before recognising a separate provision for an onerous contract, the entity recognises any impairment loss that has occurred on assets used in fulfilling the contract.	1 January 2022

Annual Improvements to IFRS Standards 2018–2020	**The following improvements were finalised in May 2020:** **IFRS 9 Financial Instruments –** clarifies which fees should be included in the 10% test for derecognition of financial liabilities. **IFRS 16 Leases** – amendment of illustrative example 13 to remove the illustration of payments from the lessor relating to leasehold improvements, to remove any confusion about the treatment of lease incentives. **IFRS 1 First-time Adoption of International Financial Reporting Standards** – allows entities that have measured their assets and liabilities at carrying amounts recorded in their parent's books to also measure any cumulative translation differences using the amounts reported by the parent. This amendment will also apply to associates and joint ventures that have taken the same IFRS 1 exemption. **IAS 41 Agriculture –** removal of the requirement for entities to exclude cash flows for taxation when measuring fair value under IAS 41. This amendment is intended to align with the requirement in the standard to discount cash flows on a post-tax basis.	1 January 2022

The above amendment and interpretation did not have significant impact on the interim condensed consolidated financial statements.

B New and amended standards and interpretations issued and not yet in effect:

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

Standard	Description	Effective date
Classification of Liabilities as Current or Non-current – Amendments to IAS 1	**The narrow-scope amendments to IAS 1 Presentation of Financial Statements** clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the entity's expectations or events after the reporting date (e.g. the receipt of a waver or a breach of covenant). The amendments also clarify what IAS 1 means when it refers to the 'settlement' of a liability. The amendments could affect the classification of liabilities, particularly for entities that previously considered management's intentions to determine classification and for some liabilities that can be converted into equity. They must be applied retrospectively in accordance with the normal requirements in IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.	1 January 2023 (deferred from 1 January 2022)
Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2	**The IASB amended IAS 1** to require entities to disclose their material rather than their significant accounting policies. The amendments define what is 'material accounting policy information' and explain how to identify when accounting policy information is material. They further clarify that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information.	1 January 2023

	To support this amendment, the IASB also amended IFRS Practice Statement 2 Making Materiality Judgements to provide guidance on how to apply the concept of materiality to accounting policy disclosures.	
Definition of Accounting Estimates – Amendments to IAS 8	**The amendment to IAS 8 Accounting Policies,** Changes in Accounting Estimates and Errors clarifies how companies should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, whereas changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period.	1 January 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12	**The amendments to IAS 12 Income Taxes** require companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. They will typically apply to transactions such as leases of lessees and decommissioning obligations, and will require the recognition of additional deferred tax assets and liabilities. The amendment should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, entities should recognise deferred tax assets (to the extent that it is probable that they can be utilised) 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, and • decommissioning, restoration and similar liabilities, and the corresponding amounts recognised as part of the cost of the related assets. The cumulative effect of recognising these adjustments is recognised in retained earnings, or another component of equity, as appropriate. IAS 12 did not previously address how to account for the tax effects of on-balance sheet leases and similar transactions and various approaches were considered acceptable. Some entities may have already accounted for such transactions consistent with the new requirements. These entities 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 condensed consolidated interim financial statements of the group, and in its belief that there will be no material impact on the condensed consolidated interim financial statements when applied.

The above amendment and interpretation did not have significant impact on the interim condensed financial statements.

(3) CAPITAL RISK MANAGEMENT

3.1 Capital risk factors

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

3.2 Market risk

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

A. Foreign exchange risk

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

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

B. Interest rate risk

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

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

Currency	Increase in interest rate	Effect on loss for the year
	%	JD
31 March 2022		
JD	1	(28,575)
31 December 2021		
JD	1	(11,473)

The effect of a decrease in interest rates by the same percentages is expected to be equal and opposite to the effect shown above.

C. Risks of changing stock prices

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

	Change in price	31 March 2022	31 December 2021
		JD (unaudited)	JD (audited)
Impact on profit and loss	5%	165,353	171,137

3.3 Liquidity risk

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

3.4 Credit risk

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

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

	Rating	31 March 2022	31 December 2021
		JD	JD
Jordan Kuwait Bank	B+	674,003	56,171

(4) SEIZED ASSETS

Below is a summary movement in real estate that has been seized by the Company against debts:

	31 March 2022	31 December 2021
	JD (unaudited)	JD (audited)
Cost		
Beginning balance	3,394,086	3,307,006
Additions	8,278	87,080
Ending balance	3,402,364	3,394,086

The Board of Directors, in its meeting held on 1 December 2019, decided to acquire a real estate in exchange for outstanding debts. Where the Company valued this property by several real estate appraisers

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

	31 March 2022	31 December 2021
	JD (unaudited)	JD (audited)
Shares listed on Amman Stock Exchange	3,419,383	3,817,562
Change in fair value	(112,327)	(394,829)
	3,307,056	3,422,733

(6) RECEIVABLES FROM FINANCIAL BROKERAGE CUSTOMERS - NET

	31 March 2022	31 December 2021
	JD (unaudited)	JD (audited)
Receivables - financial brokerage customers	1,783,041	2,004,291
Receivables - margin trading customers*	1,623,938	1,164,176
Receivables – Specialized Company	68,150	68,150
	3,475,129	3,236,617
Expected credit loss provision for financial brokerage customers and margin trading customers	(1,448,975)	(1,448,975)
Expected credit loss provision for Specialized Managerial Company for Investments and Financial Consultancy	(67,650)	(67,650)
	1,958,504	1,719,992

* The Company grants credit facilities to margin customers up to a maximum of 50% of the market value of securities on the date of purchase provided that this percentage is not less than 30% of (maintenance margin) of the customer’s investment values as per marginal financing instructions for the year 2006 issued by the Jordan Securities Commission, the details as at 31 March 2022 are as follows:

- The total market value of the portfolios JD 2,456,934 (2021: JD 1,157,292).
- The total funded by the company at JD 1,295,882 (2021: JD 157,509).
- The Total financed by customers (security margin) JD 1,223,778 (2021: JD 999,782).
- The percentage of amounts funded by customers to the total market value of the portfolios is 50% (2021: 87%).

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

	31 March 2022	31 December 2021
	JD (unaudited)	JD (audited)
Receivables - brokerage customers		
1 – 7 days	1,069,456	495,178
8 – 30 days	133,463	955,850
31 – 60 days	16,836	16,996
61 – 90 days	17,511	530
91 – 120 days	51,630	1,035
Over 120 days	494,145	534,702
	1,783,041	2,004,291
Receivables - margin trading customers	1,623,938	1,164,176
Receivables – Specialized Company	68,150	68,150
	3,475,129	3,236,617

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

	31 March 2022	31 December 2021
	JD (unaudited)	JD (audited)
Balance as at 1 January	1,516,625	1,606,174
Provision for the Managerial Company	-	68,255
Provision provided during the period / year	-	(151,030)
Reversed from provision during the period / year	-	(6,774)
Balance as at 31 March	1,516,625	1,516,625

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

	31 March 2022	31 December 2021
	JD (unaudited)	JD (audited)
Stage 1	-	-
Stage 2	114,946	75,684
Stage 3	1,401,679	1,440,941
	1,516,625	1,516,625

(7) CASH ON HAND AND AT BANKS

	31 March 2022	31 December 2021
	JD (unaudited)	JD (audited)
Cash on hand	30,151	303
Cash at banks	674,003	56,171
	704,154	56,474

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

	31 March 2022	31 December 2021
	JD (unaudited)	JD (audited)
Cash on hand and at banks	704,154	56,474
Bank overdrafts	(2,479,200)	(757,330)
	(1,775,046)	(700,856)

(8) AUTHORIZED AND PAID IN CAPITAL

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

The Company is 97,33% owned by Jordan Kuwait Bank.

(9) STATUTORY RESERVE

In accordance with the requirements of the Jordanian Companies Law and the Bylaws, the Company shall deduct 10% of the annual net profits and transfer them to the statutory reserve. This deduction shall continue for each year, provided that the balance of the compulsory reserve shall not exceed 25% of the Company's capital. For the purposes of this Act, net profit represents profit before deduction of income tax provision. This reserve is not available for distribution to shareholders. A statutory reserve has not been deducted during the period ended 31 March 2022 and will be deducted at the end of each reporting period.

(10) INCOME TAX PROVISION

	31 March 2022	31 December 2021
	JD (Unaudited)	JD (Audited)
Balance at 1 January	58,205	58,358
Income tax paid	(48)	-
Income tax (surplus) provision	-	(153)
Balance at 31 March	58,158	58,205

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

	31 March 2022	31 March 2021
	JD (unaudited)	JD (unaudited)
Income tax paid	48	-
Deferred tax assets	(57)	(125,588)
	(9)	(125,588)

The income tax provision for the period ended 31 March 2022 and 31 December 2021 has been calculated in accordance with Income Tax Law No. 38 of 2018 in which the Company's income tax rate is 28%.

A final clearance has been obtained from the Income and Sales Tax Department until the end of 2018. The income tax returns for the fiscal years 2019 and 2020 were submitted to the Income and Sales Tax Department within the legal period and are currently under review by the Income and Sales Tax Department. The company has submitted its tax return for 2021 which has not been reviewed yet, however, management and the tax consultant conclude that there will be no liability on the company which exceeds the provision taken as of 31 March 2022.

(11) OTHER EXPENSES

	31 March 2022	31 March 2021
	JD (Unaudited)	JD (Unaudited)
Transportation and board expenses	17,500	14,091
Subscription fees	9.580	5,284
Bank charges	6,685	2,131
Professional fees	6,222	2,070
Financial intermediation fees and licenses	5,087	574
Postage, phone and internet	1,626	2,301
Vehicle expenses	633	629
Stationary	459	57
Water, electricity and heating	297	86
Hospitality expenses	159	114
Advertisements	60	110
Cleaning expenses	54	43
Maintenance expenses	-	4,180
Stamps and guarantees commission	-	2,532
Others	23,217	2,233
	71,579	36,435

(12) LOSS PER SHARE

	31 March 2022	31 March 2021
	JD (Unaudited)	JD (Unaudited)
Loss for the period	(185,605)	(280,518)
Average number of shares for the period	8,000,000	8,000,000
Loss per share	(0.023)	(0.035)

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

(13) FAIR VALUE HIERARCHY

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

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

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

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

	Level 1	Level 2	Level 3	Total
	JD	JD	JD	JD
(Unaudited) 31 March 2022				
Financial assets at fair value through profit and loss	3,307,056	-	-	3,307,056
(Audited) 31 December 2021				
Financial assets at fair value through profit and loss	3,422,733	-	-	3,422,733

(14) RELATED PARTY TRANSACTIONS

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

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

The balances with related parties were as follows:

	31 March 2022	31 December 2021
	JD (unaudited)	JD (audited)
Due from related parties		
Current accounts at Jordan Kuwait Bank (Parent Company) (note 6)	674,003	55,115
Executive management	-	1,429
Board members	449,925	-
Due to related parties		
Loan obtained from Ejara Leasing Company (Sister company) *	378,333	390,000
Overdraft from Jordan Kuwait Bank overdraft (Parent Company)	24,082	757,330
Board members	30,890	94,084
Accounts payable – Jordan Kuwait Bank – Parent company	91,805	89,308

* The Company obtained a loan on the 12th of February 2020 amounted to 600,000 JDs with an interest rate of 9.25%. The loan shall be repaid on 20 installments and the first installment was due on the 15th of May 2020.

Bank overdrafts

The Group was granted short-term facilities from local banks with a ceiling of JD 4,750,000, as of 31 March 2022 (2021: JD 750,000). The used portion of these facilities amounted to JD 2,479,200 as of 31 March 2022 (2021: JD 757,330).

The following transactions were made with related parties:

	31 March 2022	31 March 2021
	JD (unaudited)	JD (unaudited)
Revenues		
Jordan Kuwait Bank (Parent Company)	3,706	2,124
Board members	11,149	1,672
Executive management	-	11,626
	14,855	15,422
Expenses		
Jordan Kuwait Bank (Parent Company)	18,784	10,976
Board members	17,500	13,750
Executive management	53,402	37,898
	89,686	62,624

Salaries, bonuses and benefits of senior executive management of the Company amounted to JD 53,402 for the period ended 31 March 2022 (31 March 2021: JD 37,514).

(15) CONTINGENT LIABILITIES

The Company has contingent liabilities that may arise in the normal course of business represented in bank guarantees by Jordan Kuwait Bank (Parent company) amounting to JD 1,156,000 as on 31 March 2022 (2021: JD 776,000).