

UNITED FINANCIAL INVESTMENTS COMPANY

PUBLIC SHAREHOLDING COMPANY

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

30 JUNE 2024

**REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
TO THE BOARD OF DIRECTORS OF UNITED FINANCIAL INVESTMENTS COMPANY
PUBLIC SHAREHOLDING COMPANY
AMMAN - JORDAN**

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of United Financial Investments Company (the "Company") and its subsidiaries (together referred to as the "Group") as at 30 June 2024, comprising the interim condensed consolidated statement of financial position as at 30 June 2024, interim condensed consolidated statement of comprehensive income, interim condensed consolidated statement of changes in equity, interim condensed consolidated statement of cash flows for the six months then ended and explanatory notes. Board of directors is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard IAS (34) Interim Financial Reporting. 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 no. (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 prepared, in all material respects, in accordance with IAS no. (34).

Other matter

The consolidated financial statements for the year ended 31 December 2023 and the interim condensed consolidated financial statements for the period ended 30 June 2023 were audited and reviewed by another auditor who issued an unqualified opinion and an unqualified conclusion on 20 March 2024 and 31 July 2023, respectively.

Ernst & Young / Jordan



Ali Hasan Samara
Registration No. 503

Amman - Jordan
31 July 2024

ERNST & YOUNG
Amman - Jordan

UNITED FINANCIAL INVESTMENTS COMPANY
PUBLIC SHAREHOLDING COMPANY
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 30 JUNE 2024

	Notes	30 June 2024	31 December 2023
		JD	JD
		(Unaudited)	(Audited)
<u>Assets</u>			
Cash on hand and at banks	3	2,588,911	4,189,786
Financial assets at fair value through other comprehensive income	4	23,981	1,402,903
Receivables from brokerage customers, net	5	15,547,008	16,314,940
Brokerage guarantee fund deposits	6	100,000	100,000
Due from a related party	17	1,520,887	400,000
Other debit balances		429,781	315,838
Intangible assets		49,548	76,547
Property and equipment	7	1,024,565	1,089,524
Assets seized by the Company against due debts	8	4,057,768	4,057,768
Deferred tax assets	9-d	1,449,672	1,296,744
Total Assets		26,792,121	29,244,050
<u>Liabilities and Equity</u>			
<u>Liabilities</u>			
Loans	11	17,696,004	19,218,504
Bank overdrafts	3	130,752	-
Payables to financial brokerage customers		1,691,531	2,285,888
Income tax provision	9-a	295,063	178,170
Other credit balances	10	859,298	913,443
End of service indemnity provision		429,344	419,020
Total Liabilities		21,101,992	23,015,025
<u>Equity</u>			
Authorized and paid-in capital	1	10,000,000	10,000,000
Statutory reserve	12	1,770,381	1,770,381
Voluntary reserve		40,873	40,873
Fair value reserve	4	(3,226,466)	(1,847,544)
Accumulated losses		(2,894,659)	(3,734,685)
Net Equity		5,690,129	6,229,025
Total Liabilities and Equity		26,792,121	29,244,050

The attached notes from 1 to 19 form part of these interim condensed consolidated financial statements

UNITED FINANCIAL INVESTMENTS COMPANY
PUBLIC SHAREHOLDING COMPANY
INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 JUNE 2024 (UNAUDITED)

		For the three months		For the six months ended	
		ended 30 June		30 June	
	Notes	2024	2023	2024	2023
		JD	JD	JD	JD
Revenues:					
Net brokerage commission		147,244	113,631	334,068	320,243
Interest income		513,320	369,749	1,571,405	744,080
Rental income		10,417	26,130	41,667	52,260
Financial consultations income		3,540	-	33,540	-
Other revenues	13	35,340	211,463	1,181,562	243,821
Total net revenues		<u>709,861</u>	<u>720,973</u>	<u>3,162,242</u>	<u>1,360,404</u>
Expenses:					
Employees' expenses		(297,182)	(225,167)	(599,614)	(424,198)
Administrative expenses	14	(164,352)	(122,362)	(330,136)	(268,687)
Provision for expected credit losses	5	(173,873)	(87,106)	(517,065)	(139,329)
Depreciation and amortization		(49,365)	(8,298)	(95,190)	(15,204)
Finance costs		(316,639)	(370,386)	(629,633)	(726,906)
Total expenses		<u>(1,001,411)</u>	<u>(813,319)</u>	<u>(2,171,638)</u>	<u>(1,574,324)</u>
Profit (loss) for the period before income tax		(291,550)	(92,346)	990,604	(213,920)
Income tax expense for the period	9-b	(26,367)	(43,634)	(150,578)	(125,757)
Profit (loss) for the period		<u>(317,917)</u>	<u>(135,980)</u>	<u>840,026</u>	<u>(339,677)</u>
Add: other comprehensive income items:		<u>(179,859)</u>	<u>(245,941)</u>	<u>(1,378,922)</u>	<u>(228,218)</u>
Total comprehensive income for the period		<u>(497,776)</u>	<u>(381,921)</u>	<u>(538,896)</u>	<u>(567,895)</u>
Basic and diluted earnings per share	18	(0.049)	(0.038)	(0.539)	(0.057)

**The attached notes from 1 to 19 form part of these interim condensed consolidated
financial statements**

UNITED FINANCIAL INVESTMENTS COMPANY
PUBLIC SHAREHOLDING COMPANY
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE 2024 (UNAUDITED)

	Authorized and paid-in capital	Statutory reserve	Voluntary reserve	Fair value reserve	Accumulated losses	Net equity
	JD	JD	JD	JD	JD	JD
For the six months ended 30 June 2024						
Balance as of 1 January 2024	10,000,000	1,770,381	40,873	(1,847,544)	(3,734,685)	6,229,025
Total comprehensive income for the period	-	-	-	(1,378,922)	840,026	(538,896)
Balance as of 30 June 2024	<u>10,000,000</u>	<u>1,770,381</u>	<u>40,873</u>	<u>(3,226,466)</u>	<u>(2,894,659)</u>	<u>5,690,129</u>
For the six months ended 30 June 2023						
Balance as of 1 January 2023	10,000,000	1,770,381	40,873	(1,463,844)	(2,504,457)	7,842,953
Total comprehensive income for the period	-	-	-	(228,218)	(339,677)	(567,895)
Balance as of 30 June 2023	<u>10,000,000</u>	<u>1,770,381</u>	<u>40,873</u>	<u>(1,692,062)</u>	<u>(2,844,134)</u>	<u>7,275,058</u>

The attached notes from 1 to 19 form part of these interim condensed consolidated financial statements

UNITED FINANCIAL INVESTMENTS COMPANY
PUBLIC SHAREHOLDING COMPANY
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 JUNE 2024 (UNAUDITED)

	Notes	For the six months ended 30 June	
		2024 JD (Unaudited)	2023 JD (Unaudited)
Operating activities			
Loss for the period before income tax expense		990,604	(213,920)
Adjustments:			
Depreciation and amortization		95,190	15,204
Provision for expected credit losses	5	517,065	139,329
End of service indemnity provision		26,896	22,210
Interest income		(1,571,405)	(744,080)
Accrued revenues from a related party against guaranteed portfolios		(1,120,887)	-
Finance costs		629,633	726,906
Gain on sale of property and equipment		(250)	(560)
Provision for employees' bonuses		37,492	5,000
Provision for employees' leaves		-	3,594
Dividends		-	(115,402)
Changes in working capital:			
Brokerage guarantee fund deposits		-	(136,000)
Receivables from brokerage customers		250,867	(499,844)
Other debit balances		(113,943)	435,421
Payables to financial brokerage customers		(31,029)	1,868,101
Due to related parties		-	(2,086)
Other credit balances		(90,316)	(71,157)
Net cash flows (used in) from operating activities before income tax and provisions		(380,083)	1,432,716
Payments of end of service indemnity provision		(16,572)	(11,355)
Income tax paid	9	(186,613)	(243,092)
Payments of employees' leaves provision		(1,321)	(970)
Net cash flows (used in) from operating activities		(584,589)	1,177,299
Investing activities			
Purchase of property and equipment	7	(3,232)	(472,878)
Proceeds from sale of property and equipment		250	560
Purchase of financial assets at fair value through other comprehensive income		-	(1,969,341)
Dividends received		-	115,402
Interest income received		1,571,405	744,080
Net cash flows from (used in) investing activities		1,568,423	(1,582,177)
Financing activities			
Lease liability payments		-	(2,493)
Repayments of loans		(1,522,500)	(807,083)
Interest paid		(629,633)	(726,906)
Net cash flows used in financing activities		(2,152,133)	(1,536,482)
Net decrease in cash and cash equivalents		(1,168,299)	(1,941,360)
Cash and cash equivalents at the beginning of the period		1,955,465	7,583,053
Cash and cash equivalents at the end of the period	3	787,166	5,641,693

The attached notes from 1 to 19 form part of these interim condensed consolidated financial statements

UNITED FINANCIAL INVESTMENTS COMPANY
PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2024 (UNAUDITED)

(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 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”).

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, and own movable and immovable assets in a way that aligns with the Company’s interests.

The interim condensed consolidated financial statements were approved by the board of directors in their meeting held on 30 July 2024.

(2-1) BASIS OF PREPARATION OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The interim condensed consolidated financial statements of the Group were prepared in accordance with International Accounting Standards No. (34) (“Interim Financial Reporting”).

The interim condensed 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 interim condensed consolidated financial statements.

The interim condensed consolidated financial statements do not contain all information and disclosures required for the full financial statements prepared in accordance with International Financial Reporting Standards and should be read in conjunction with the Group’s financial statements as of 31 December 2023. In addition, results of the six months period ended 30 June 2024 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2024.

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

(2-2) CHANGES IN ACCOUNTING POLICIES

The accounting policies used in the preparation of the interim condensed 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 the new amendments on the standards effective as of 1 January 2024 shown below:

Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7

In May 2023, the IASB issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures to 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 transition rules clarify that an entity is not required to provide the disclosures in any interim periods in the year of initial application of the amendments. Thus, the amendments had no impact on the Group's interim condensed consolidated financial statements.

Amendments to IFRS 16: Lease Liability in a Sale and Leaseback

In September 2022, the IASB issued amendments to IFRS 16 to 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 recognize any amount of the gain or loss that relates to the right of use it retains.

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

Amendments to IAS 1: Classification of Liabilities as Current or Non-current

In January 2020 and October 2022, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to 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, a requirement has been introduced whereby an entity must 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 impact on the Group's interim condensed consolidated financial statements.

UNITED FINANCIAL INVESTMENTS COMPANY
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30 JUNE 2024 (UNAUDITED)

(2-3) BASIS OF CONSOLIDATION OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The interim condensed 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 30 June 2024:

Company	Date of control	Country of origin	Paid-in capital JD	Ownership percentage
The Specialized Managerial Company for Consultancy	12 September 2021	Jordan	530,000	100%
United Financial Brokerage Group	20 November 2022	Jordan	3,000,000	100%
Al Mawared for Financial Brokerage Company	1 June 2022	Jordan	3,000,000	100%
Arab Financial Investment Company	20 December 2023	Jordan	4,800,000	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.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and 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 arrangement(s) 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 six 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. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the interim condensed consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

UNITED FINANCIAL INVESTMENTS COMPANY
PUBLIC SHAREHOLDING COMPANY
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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 cash flows 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 in the statement of comprehensive income. Any investment retained is recognized at fair value.

(3) CASH ON HAND AND AT BANKS

	30 June 2024	31 December 2023
	JD	JD
	(Unaudited)	(Audited)
Cash on hand	1,000	1,560
Cash at banks	241,918	953,905
Bank balances – customer's accounts	1,723,216	2,286,544
Term deposits *	675,000	1,000,000
	2,641,134	4,242,009
Less: provision for expected credit losses	(52,223)	(52,223)
	2,588,911	4,189,786

* This item represents term deposits in Jordanian Dinars maturing within a period of three months with an interest rate of 6.5% (2023: interest rate ranging between 4% and 5%).

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

	30 June 2024	31 December 2023
	JD	JD
	(Unaudited)	(Audited)
Cash on hand and at banks	2,641,134	4,242,009
Cash at banks – customer's accounts	(1,723,216)	(2,286,544)
Bank overdrafts *	(130,752)	-
	787,166	1,955,465

* This item represents the utilized balance as of 30 June 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%

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

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

	Jordanian Mutual Funds Management Company	
	30 June 2024	31 December 2023
	JD	JD
	(Unaudited)	(Audited)
Balance at the beginning of the period/ year	1,402,903	1,786,603
Change in fair value during the period/ year	(1,378,922)	(383,700)
Balance at the end of the period/ year	23,981	1,402,903

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

	30 June 2024	31 December 2023
	JD	JD
	(Unaudited)	(Audited)
Balance as at the beginning of the period/ year	1,847,544	1,463,844
Change in fair value during the period/ year	1,378,922	383,700
Balance as at the end of the period/ year	3,226,466	1,847,544

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PUBLIC SHAREHOLDING COMPANY
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30 JUNE 2024 (UNAUDITED)

(5) RECEIVABLES FROM BROKERAGE CUSTOMERS, NET

	30 June 2024	31 December 2023
	JD (Unaudited)	JD (Audited)
Receivables from brokerage customers	1,759,284	1,508,594
Receivables from margin customers *	18,404,673	19,006,563
Trade receivables	68,149	67,648
	<u>20,232,106</u>	<u>20,582,805</u>
Provision for expected credit losses for receivables from brokerage and margin customers **	(4,620,723)	(4,103,658)
Interest in suspense ***	(64,375)	(164,207)
	<u>15,547,008</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 30% or any other percentage determined by the Securities Depository Center, whichever is higher. The maximum interest rate is 13% as of 30 June 2024 (31 December 2023: 12.75%) and is guaranteed by the financed investments and is monitored periodically. The details as at 30 June 2024 and 31 December 2023 were as follows:

- The total market value of the portfolios amounted to JD 34,567,210 as at 30 June 2024 (31 December 2023: JD 35,640,716).
- The total amount financed by the Group amounted to JD 18,404,673 as at 30 June 2024 (31 December 2023: JD 19,006,563).
- Total amount financed by customers (safety margin) amounted to JD 16,162,537 as at 30 June 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 47% as at 30 June 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.

UNITED FINANCIAL INVESTMENTS COMPANY
PUBLIC SHAREHOLDING COMPANY
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30 JUNE 2024 (UNAUDITED)

The Group recognizes provision for receivables that have not been collected in accordance with International Financial Reporting Standards. The aging of receivables from brokerage and margin customers was as follows:

	30 June 2024 JD (Unaudited)	31 December 2023 JD (Audited)
<u>Receivables from brokerage customers</u>		
1 day – 7 days	236,217	685,586
8 days – 30 days	297,598	58,528
31 days – 60 days	49,037	-
61 days – 90 days	-	-
91 days – 120 days	104	-
More than 120 days	1,176,328	764,480
	<u>1,759,284</u>	<u>1,508,594</u>
<u>Receivables from margin customers</u>		
1 day – 7 days	14,457,078	14,221,422
8 days – 30 days	-	-
31 days – 60 days	1,232	1,140
61 days – 90 days	1,184	3,114,596
91 days – 120 days	1,214	1,123
More than 120 days	3,943,965	1,668,282
	<u>18,404,673</u>	<u>19,006,563</u>
Trade receivables	68,149	67,648
	<u>20,232,106</u>	<u>20,582,805</u>

The total receivables from brokerage and margin customers 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:

	30 June 2024 (Unaudited)			
	Stage 1	Stage 2	Stage 3	Total
	JD	JD	JD	JD
Balance at the beginning of the period	13,784,362	4,011,226	2,787,217	20,582,805
New facilities during the period	3,758,837	355,897	121,767	4,236,501
Settled facilities	(3,213,116)	(119,154)	(1,254,930)	(4,587,200)
Transferred to stage 1	40,891	(40,891)	-	-
Transferred to stage 2	(72,064)	72,064	-	-
Transferred to stage 3	(296,003)	(3,525,742)	3,821,745	-
Balance at the end of the period	<u>14,002,907</u>	<u>753,400</u>	<u>5,475,799</u>	<u>20,232,106</u>

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	31 December 2023 (Audited)			
	Stage 1	Stage 2	Stage 3	Total
	JD	JD	JD	JD
Balance at the beginning of the year	8,676,745	4,025,828	3,155,430	15,858,003
New facilities during the year	5,103,987	1,148,417	354,968	6,607,372
Settled facilities	(1,268,066)	(382,103)	(232,401)	(1,882,570)
Transferred to stage 1	2,463,862	(1,973,082)	(490,780)	-
Transferred to stage 2	(1,192,166)	1,192,166	-	-
Balance at the end of the year	<u>13,784,362</u>	<u>4,011,226</u>	<u>2,787,217</u>	<u>20,582,805</u>

** The movement on provision for expected credit losses for receivables from brokerage and margin customers during the period/ year was as follows:

	30 June 2024 JD (Unaudited)	31 December 2023 JD (Audited)
Balance at the beginning of the period/ year	4,103,658	3,077,380
Provision during the period/ year	<u>517,065</u>	<u>1,026,278</u>
Balance at the end of the period/ year	<u>4,620,723</u>	<u>4,103,658</u>

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

	30 June 2024 (Unaudited)			
	Stage 1	Stage 2	Stage 3	Total
	JD	JD	JD	JD
Balance at the beginning of the period	1,637,528	45,761	2,420,369	4,103,658
Provision during the period	29,837	1,501	499,073	530,411
Recoveries from provision during the period	(12,237)	(505)	(604)	(13,346)
Transferred to stage 1	173	(173)	-	-
Transferred to stage 2	(305)	305	-	-
Transferred to stage 3	<u>(1,384)</u>	<u>(45,197)</u>	<u>46,581</u>	<u>-</u>
Balance at the end of the period	<u>1,653,612</u>	<u>1,692</u>	<u>2,965,419</u>	<u>4,620,723</u>

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	31 December 2023 (Audited)			
	Stage 1	Stage 2	Stage 3	Total
	JD	JD	JD	JD
Balance at the beginning of the year	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 period	(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 at the end of the year	<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:

	30 June 2024 JD (Unaudited)	31 December 2023 JD (Audited)
Balance at the beginning of the period/ year	164,207	31,713
Add: Interest in suspense during the period/ year	14,335	143,199
Less: Interest transferred to revenues during the period/ year	(114,167)	(10,363)
Written-off interest in suspense	-	(342)
Balance at the end of the period/ year	<u>64,375</u>	<u>164,207</u>

(6) 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.

	30 June 2024 JD (Unaudited)	31 December 2023 JD (Audited)
Brokerage guarantee fund deposits	<u>100,000</u>	<u>100,000</u>

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(7) PROPERTY AND EQUIPMENT

The Group purchased property and equipment with a cost of JD 3,232 during the six-month period ended on 30 June 2024 (30 June 2023: JD 472,878).

(8) ASSETS SEIZED BY THE COMPANY 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 Company evaluated these properties by several independent real estate appraisers. These assets were evaluated on 10 August 2023 and the fair value of these properties amounted to JD 4,101,180.

(9) INCOME TAX

a- Income tax provision

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

	30 June 2024 JD (Unaudited)	31 December 2023 JD (Audited)
Balance at the beginning of the period/ year	178,170	275,137
Income tax expense for the period/ year	303,506	303,182
Income tax paid	(179,529)	(381,500)
Income tax deposits paid	(7,084)	(18,649)
Balance at the end of the period/ year	<u>295,063</u>	<u>178,170</u>

Income tax provision was calculated for the period ended 30 June 2024 and the year ended 31 December 2023 in accordance with Income Tax Law No. (34) of 2014 and its amendments. The legal income tax rate, including the national contribution tax rate for United Financial Investments Company, Al Mawared for Financial Brokerage Company, Arab Financial Investments Company and United Financial Brokerage Group is 28%. The legal income tax rate, including the national contribution tax rate for The Specialized Managerial Company for Consultancy is 21%.

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b- Income tax expense

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

	30 June 2024	30 June 2023
	JD	JD
	(Unaudited)	(Unaudited)
Income tax expense for the period	303,506	139,736
Deferred tax assets	(152,928)	(13,979)
	<u>150,578</u>	<u>125,757</u>

c- 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 interim condensed consolidated financial statements.

Al Mawared for Financial Brokerage Company:

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

Arab Financial Investment Company:

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

United Financial Brokerage Group:

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 interim condensed consolidated financial statements.

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d- Deferred tax assets

The movement on the deferred tax assets was as follows:

	30 June 2024	31 December 2023
	JD	JD
	(Unaudited)	(Audited)
Balance at the beginning of the period/ year	1,296,744	957,467
Additions during the period/ year	152,928	456,597
Released during the period/ year	-	(117,320)
Balance at the end of the period/ year	<u>1,449,672</u>	<u>1,296,744</u>

(10) OTHER CREDIT BALANCES

	30 June 2024	31 December 2023
	JD	JD
	(Unaudited)	(Audited)
Due to shareholders	602,311	603,089
Accrued expenses	70,821	46,638
Provision for employees' bonuses	57,492	20,000
Provision for employees' leaves	49,075	50,396
Customers' deposits	31,086	33,611
Due to Social Security Corporation	11,257	4,043
Due to Income and Sales Tax Department for employees' income tax	5,199	112
Trading settlement – Securities Depository Center	-	90,662
Others	<u>32,057</u>	<u>64,892</u>
	<u>859,298</u>	<u>913,443</u>

(11) LOANS

	30 June 2024			31 December 2023		
	(Unaudited)			(Audited)		
	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	5,606,250	8,531,250	2,925,000	7,068,751	9,993,751
Capital Bank loan	-	9,074,754	9,074,754	-	9,074,753	9,074,753
Ejara Leasing Company loan	90,000	-	90,000	120,000	30,000	150,000
	<u>3,015,000</u>	<u>14,681,004</u>	<u>17,696,004</u>	<u>3,045,000</u>	<u>16,173,504</u>	<u>19,218,504</u>

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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 June 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 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.

(12) STATUTORY RESERVE

This item represents the amount transferred from of the 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.

(13) OTHER REVENUES

	30 June 2024	30 June 2023
	JD	JD
	(Unaudited)	(Unaudited)
Accrued revenues from a related party against guaranteed portfolios	1,120,887	-
Margin over limit commission	51,265	10,631
Dividends distributed	-	115,402
Issuance management revenue	-	103,858
Others	9,410	13,930
	<u>1,181,562</u>	<u>243,821</u>

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(14) ADMINISTRATIVE EXPENSES

	30 June 2024	30 June 2023
	JD	JD
	(Unaudited)	(Unaudited)
Professional fees	112,008	47,537
Brokerage license fees and subscriptions	53,305	44,767
Board of Directors' transportation and attendance allowance	42,000	42,000
Internet, fax and phones	18,382	10,465
Maintenance expense	17,815	14,090
Security expense	11,636	-
Studies and evaluations	7,500	34,000
Advertising expense	6,686	5,994
Transportation expense	6,654	4,496
Cleaning expense	6,020	1,980
Information technology expenses	6,000	6,000
Water, electricity and heating	5,502	7,394
Hospitality expenses	5,161	2,628
Stationary expenses	3,684	2,918
Minimum foreign trading commission	3,359	-
Property tax	1,704	1,379
Commission and guarantee stamps	1,424	894
Vehicles expenses	1,245	1,011
Short-term rent expenses	1,000	27,660
Penalties	252	1,581
Trading errors	192	119
Medical expenses	-	1,056
Others	18,607	10,718
	<u>330,136</u>	<u>268,687</u>

(15) COMMITMENTS AND CONTINGENCES

- 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 amount of JD 3,359,000 as at 30 June 2024, in favor of Jordan Securities Commission and the Securities Depository Center (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).

- **Claims against the Group:**

The Group is a defendant in a number of lawsuits in the amount of to JD 15,006,000 as at 30 June 2024 (31 December 2023: JD 10,001), representing legal claims related to its ordinary course of business. In the opinion of the Group's management and its legal counsels, the Group will not have any obligations against these cases.

(16) FAIR VALUE OF FINANCIAL INSTRUMENTS

Financial instruments comprise of financial assets and financial liabilities.

Financial assets consist of cash on hand and at banks, receivables from brokerage customers, financial assets at fair value through other comprehensive income, due from a related party and other debit balances. Financial liabilities consist of payables to financial brokerage customers, due to a related party, 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.

	Level 1	Level 2	Level 3	Total
	JD	JD	JD	JD
30 June 2024 (Unaudited)				
Financial assets at fair value through other comprehensive income	23,981	-	-	23,981
31 December 2023 (Audited)				
Financial assets at fair value through other comprehensive income	1,402,903	-	-	1,402,903

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(17) RELATED PARTIES BALANCES AND TRANSACTIONS

Related parties represent with the Parent Company; Jordan Kuwait Bank, sister companies, key management personnel and their families. 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 interim condensed consolidated statement of financial position:

	Nature of relationship	30 June 2024 JD (Unaudited)	31 December 2023 JD (Audited)
Loan from a related party (Note 11)			
Ejara Leasing Company	Sister Company	90,000	150,000
Current accounts and deposits with related parties (Note 3)			
Current accounts at Jordan Kuwait Bank	Parent Company	729,997	1,626,566
Current accounts at Invest Bank	Shareholder	636,443	1,229,273
Deposits at Invest Bank	Shareholder	675,000	1,000,000
Due from a related party			
Invest Bank	Shareholder	1,520,887	400,000

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 30 June 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 15).

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

	Nature of relationship	30 June 2024 JD (Unaudited)	30 June 2023 JD (Unaudited)
Net brokerage commission:			
Jordan Kuwait Bank	Parent Company	30,071	7,545
Interest income:			
Invest Bank	Shareholder	39,320	-

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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:

	30 June 2024	30 June 2023
	JD	JD
	(Unaudited)	(Unaudited)
Salaries and bonuses	90,000	85,000
Remuneration and transportation allowance for members of the Board of Directors	42,000	42,000
	<u>132,000</u>	<u>127,000</u>

(18) BASIC AND DILUTED LOSS PER SHARE

	30 June 2024	30 June 2023
	JD	JD
	(Unaudited)	(Unaudited)
Loss for the period (JD)	(538,896)	(567,895)
Weighted average number of shares during the period (share)	<u>10,000,000</u>	<u>10,000,000</u>
Basic and diluted loss per share from the loss for the period (JD)	<u>(0.539)</u>	<u>(0.057)</u>

(19) COMPARATIVE FIGURES

Some of the comparative figures in the interim condensed consolidated financial statements for the period ended 30 June 2023 have been reclassified to correspond with the interim condensed consolidated financial statements presentation for the period ended 30 June 2024 with no effect on equity or loss for the period ended 30 June 2023.