

**UNITED INSURANCE COMPANY**

**PUBLIC SHAREHOLDING COMPANY**

**INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)**

**30 JUNE 2022**

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

**Introduction**

We have reviewed the accompanying interim condensed financial statements of United Insurance Company (Public Shareholding Company) as at 30 June 2022, which comprise of the interim condensed statement of financial position as at 30 June 2022, and the related interim condensed statement of income, interim condensed statement of comprehensive income, interim condensed statement of changes in equity and interim condensed statement of cash flows for the six months period then ended and explanatory notes. Management is responsible for the preparation and presentation of these interim condensed financial statements in accordance with International Accounting Standard 34 Interim Financial Reporting ("IAS 34"). Our responsibility is to express a conclusion on these interim condensed 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 financial statements are not prepared, in all material respects, in accordance with International Accounting Standard 34.

**Other Matter**

The financial statements of the Company for the year ended on 31 December 2021 and the financial statements for the period ended on 30 June 2021 were audited and reviewed by another auditor who expressed an unqualified opinion and unqualified conclusion on 28 February 2022 and 29 July 2021, respectively.

**UNITED INSURANCE COMPANY – PUBLIC SHAREHOLDING COMPANY**  
**INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2022**

	Notes	30 June 2022 JD (Unaudited)	31 December 2021 JD (Audited)
<b><u>Assets</u></b>			
Deposits at banks	3	8,320,257	8,310,717
Financial assets at fair value through profit or loss	4	122,831	125,322
Financial assets at fair value through other comprehensive income	5	5,633,364	5,429,328
Financial assets at amortized cost	6	4,547,001	4,547,001
Investment properties	7	4,718,513	4,774,382
<b>Total Investments</b>		<b>23,341,966</b>	<b>23,186,750</b>
Cash and cash equivalents	20	620,613	628,387
Checks under collection	8	2,240,635	2,014,578
Accounts receivable	9	10,330,309	6,678,416
Reinsurance receivables	10	571,927	351,384
Deferred tax assets	14/B	636,830	687,298
Property and equipment		4,569,684	4,653,596
Intangible assets		11,304	15,639
Other assets		1,858,818	2,188,027
<b>Total Assets</b>		<b>44,182,086</b>	<b>40,404,075</b>
<b><u>Liabilities and Equity</u></b>			
<b>Liabilities -</b>			
<b>Technical reserves</b>			
Unearned premiums reserve		8,615,662	6,728,139
Outstanding claims reserve		10,958,916	11,081,143
Mathematical reserve		49,908	50,368
<b>Total Technical Reserves</b>		<b>19,624,486</b>	<b>17,859,650</b>
Accounts payable	11	2,792,473	2,372,209
Reinsurance payables	12	4,637,028	3,031,890
Other provisions	13	119,013	176,127
Income tax provision	14/A	186,933	260,747
Deferred tax liabilities	14/B	26,864	26,864
Other Liabilities		184,084	159,637
<b>Total Liabilities</b>		<b>27,570,881</b>	<b>23,887,124</b>
<b>Equity-</b>			
Authorized and paid in capital	15	8,000,000	8,000,000
Share premium		41,507	41,507
Statutory reserve	16	2,000,000	2,000,000
Fair value reserve	17	(157,476)	(308,463)
Retained earnings		5,983,907	6,783,907
Profit for the period		743,267	-
<b>Total Equity</b>		<b>16,611,205</b>	<b>16,516,951</b>
<b>Total Liabilities and Equity</b>		<b>44,182,086</b>	<b>40,404,075</b>

The attached notes from 1 to 26 form part of these interim condensed financial statements

**UNITED INSURANCE COMPANY – PUBLIC SHAREHOLDING COMPANY**  
**INTERIM CONDENSED STATEMENT OF INCOME**  
**FOR THE SIX-MONTHS PERIOD ENDED 30 JUNE 2022 (UNAUDITED)**

	Notes	For the three months ended 30 June		For the six months ended 30 June	
		2022	2021	2022	2021
		JD	JD	JD	JD
<b>Revenue -</b>					
Gross written premiums		6,668,562	5,804,619	15,179,487	13,212,039
Less: Reinsurance share		2,416,365	2,355,666	5,714,175	5,720,824
Net written premiums		4,252,197	3,448,953	9,465,312	7,491,215
Net change in unearned premiums reserve		(291,140)	(84,559)	(1,887,523)	(768,745)
Net change in mathematical reserve		460	(2,824)	460	(2,824)
Net earned premiums		3,961,517	3,361,570	7,578,249	6,719,646
Commissions income received		133,084	116,829	281,143	253,685
Insurance policies issuance fees		223,492	200,315	527,661	469,312
Interest Income		170,209	152,910	317,667	279,821
Gain from financial assets and investments	18	303,931	308,292	281,456	248,914
Other revenues		21,378	3,708	39,162	8,148
<b>Total revenue</b>		<b>4,813,611</b>	<b>4,143,624</b>	<b>9,025,338</b>	<b>7,979,526</b>
<b>Claims, Losses and Expenses</b>					
Paid claims		4,952,063	3,795,173	9,622,820	15,083,087
Less: Recoveries		377,110	362,669	734,439	702,831
Less: Reinsurance share		1,367,769	934,490	2,616,309	9,125,643
Net paid claims		3,207,184	2,498,014	6,272,072	5,254,613
Net change in outstanding claims reserve		37,587	142,758	(122,227)	64,236
Allocated employees' expenses		367,177	359,088	666,509	609,976
Allocated administrative and general expenses		126,676	100,567	285,582	202,720
Excess of loss premium		-	-	61,721	67,007
Policies acquisition costs		160,998	130,311	339,514	287,606
Other expenses		145,469	107,098	253,552	193,466
<b>Net claims costs</b>		<b>4,045,091</b>	<b>3,337,836</b>	<b>7,756,723</b>	<b>6,679,624</b>
Unallocated employee's expenses		51,126	52,012	93,761	85,214
Unallocated administrative and general expenses		31,669	25,142	71,395	50,680
Depreciation and amortization		64,753	95,019	138,521	188,972
Expected credit losses		-	100,000	-	100,000
Other expenses		19,161	5,002	29,161	10,836
<b>Total expenses</b>		<b>4,211,800</b>	<b>3,615,011</b>	<b>8,089,561</b>	<b>7,115,326</b>
<b>Profit for the period before tax</b>		<b>601,811</b>	<b>528,613</b>	<b>935,777</b>	<b>864,200</b>
Income tax expense	14/A	(116,547)	(86,063)	(192,510)	(162,524)
<b>Profit for the period</b>		<b>485,264</b>	<b>442,550</b>	<b>743,267</b>	<b>701,676</b>
		<b>JD/Fils</b>	<b>JD/Fils</b>	<b>JD/Fils</b>	<b>JD/Fils</b>
Basic and diluted earnings per share attributable to Company's shareholders	19	0/061	0/055	0/093	0/088

The attached notes from 1 to 26 form part of these interim condensed financial statements

**UNITED INSURANCE COMPANY - PUBLIC SHAREHOLDING COMPANY**  
**INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE SIX-MONTHS PERIOD ENDED 30 JUNE 2022 (UNAUDITED)**

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	For the three months ended 30 June		For the six months ended 30 June	
	2022	2021	2022	2021
	JD	JD	JD	JD
Profit for the period	485,264	442,550	743,267	701,676
<b>Other comprehensive income items that will not be reclassified to profit or loss in subsequent periods, net of tax:</b>				
Change in fair value, net of deferred tax				
liabilities	123,649	346,426	150,987	504,697
<b>Total comprehensive income for the period</b>	<b>608,913</b>	<b>788,976</b>	<b>894,254</b>	<b>1,206,373</b>

The attached notes from 1 to 26 form part of these interim condensed financial statements

**UNITED INSURANCE COMPANY - PUBLIC SHAREHOLDING COMPANY**  
**INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE SIX-MONTHS PERIOD ENDED 30 JUNE 2022 (UNAUDITED)**

	Authorized and paid-in capital	Share Premium	Statutory reserve	Fair value reserve	Retained earnings*	Profit for the period	Total
	JD	JD	JD	JD	JD	JD	JD
<b>30 June 2022 -</b>							
Balance as at 1 January 2022	8,000,000	41,507	2,000,000	(308,463)	6,783,907	-	16,516,951
Total comprehensive income for the period	-	-	-	150,987	-	743,267	894,254
Dividends distributed (Note 25)	-	-	-	-	(800,000)	-	(800,000)
<b>Balance as at 30 June 2022</b>	<u>8,000,000</u>	<u>41,507</u>	<u>2,000,000</u>	<u>(157,476)</u>	<u>5,983,907</u>	<u>743,267</u>	<u>16,611,205</u>
<b>30 June 2021 -</b>							
Balance as at 1 January 2021	8,000,000	41,507	2,000,000	(898,691)	6,261,757	-	15,404,573
Total comprehensive income for the period	-	-	-	504,697	-	701,676	1,206,373
Dividends distributed (Note 25)	-	-	-	-	(800,000)	-	(800,000)
<b>Balance as at 30 June 2021</b>	<u>8,000,000</u>	<u>41,507</u>	<u>2,000,000</u>	<u>(393,994)</u>	<u>5,461,757</u>	<u>701,676</u>	<u>15,810,946</u>

\* Retained earnings include an amount of JD 636,830 as at 30 June 2022 compared to JD 687,298 as at 31 December 2021 representing deferred tax assets that are restricted in compliance with the instructions of Jordan Securities Commission.

The attached notes from 1 to 26 form part of these interim condensed financial statements

**UNITED INSURANCE COMPANY - PUBLIC SHAREHOLDING COMPANY**  
**INTERIM CONDENSED STATEMENT OF CASH FLOWS**  
**FOR THE SIX-MONTHS PERIOD ENDED 30 JUNE 2022 (UNAUDITED)**

	<u>Notes</u>	<u>30 June 2022</u>	<u>30 June 2021</u>
		JD	JD
<b><u>Cash flows from Operating Activities</u></b>			
Profit for the period before tax		935,777	864,200
<b>Adjustments for:</b>			
Interest income		(317,667)	(279,821)
Depreciation and amortization		138,521	188,972
Net change in financial assets at fair value through profit or loss		2,491	21,136
Other provisions		162,604	129,549
Provision for expected credit losses		-	100,000
Net change in mathematical reserve		(460)	2,824
Net change in unearned premium reserve		1,887,523	768,745
Net change in outstanding claims reserve		(122,227)	64,236
<b>Cash flows from operating activities before changes in working capital</b>		<b>2,686,562</b>	<b>1,859,841</b>
Cheques under collection		(226,057)	259,104
Accounts receivable		(3,651,893)	(3,791,544)
Reinsurance receivables		(220,543)	198,378
Other assets		456,661	(123,492)
Accounts payable		420,264	(100,131)
Reinsurance payables		1,520,776	(655,583)
Other liabilities		22,594	(60,752)
Paid from provisions		(219,718)	(212,034)
Income tax paid	14/A	(268,905)	492,065)
<b>Net cash flows from (used in) operating activities</b>		<b>519,741</b>	<b>(3,118,278)</b>
<b><u>Cash flows from Investing Activities</u></b>			
Deposits at banks maturing after three months		(3,490,421)	2,950,000
Interest received		190,215	279,821
Purchase of property and equipment		(7,683)	(6,191)
Purchase of intangible assets		-	(10,800)
Purchase of financial assets at amortized cost		-	(1,420,000)
Proceeds from sale of investment properties		13,278	-
<b>Net cash flows (used in) from investing activities</b>		<b>(3,294,611)</b>	<b>1,792,830</b>
<b><u>Cash flows from Financing Activities</u></b>			
Dividends paid		(713,785)	(800,000)
<b>Net cash flows used in Financing activities</b>		<b>(713,785)</b>	<b>(800,000)</b>
<b>Net decrease in cash and cash equivalent</b>		<b>(3,488,655)</b>	<b>(2,125,448)</b>
Cash and cash equivalent, at the beginning of the period		6,749,186	5,306,191
<b>Cash and cash equivalent, at the end of the period</b>	20	<b>3,260,531</b>	<b>3,180,743</b>

The attached notes from 1 to 26 form part of these interim condensed financial statements

**UNITED INSURANCE COMPANY - PUBLIC SHAREHOLDING COMPANY**  
**STATEMENT OF UNDER WRITING REVENUES FOR THE LIFE INSURANCE**  
**FOR THE SIX-MONTHS PERIOD ENDED 30 JUNE 2022 (UNAUDITED)**

	Life	
	For the six months ended 30 June	
	2022	2021
	JD	JD
<b>Written premiums -</b>		
Direct insurance	165,504	150,045
<b>Total premiums</b>	165,504	150,045
Less:		
Foreign reinsurance share	115,678	106,108
<b>Net written premiums</b>	49,826	43,937
Add:		
Mathematical reserve at the beginning of the period	161,832	150,712
Less: Reinsurance share	111,464	110,000
<b>Net mathematical reserve at the beginning of the period</b>	50,368	40,712
Less:		
Mathematical reserve at the end of the period	155,353	143,339
Less: Reinsurance share	105,445	99,803
<b>Net mathematical reserve at the end of the period</b>	49,908	43,536
<b>Net earned revenues from the written premiums</b>	50,286	41,113

The attached notes from 1 to 26 form part of these interim condensed financial statements



**UNITED INSURANCE COMPANY - PUBLIC SHAREHOLDING COMPANY**  
**STATEMENT OF CLAIMS COST FOR THE LIFE INSURANCE**  
**FOR THE SIX-MONTHS PERIOD ENDED 30 JUNE 2022 (UNAUDITED)**

	Life	
	For the six months ended 30 June	
	2022	2021
	JD	JD
Paid claims	17,249	260,871
Less: Reinsurance share	8,000	218,558
<b>Net Paid Claims</b>	<b>9,249</b>	<b>42,313</b>
Add:		
Outstanding Claims Reserve at the end of the period		
Reported	172,109	178,196
Unreported	10,000	10,000
Less:		
Reinsurance share	127,169	134,859
<b>Net Outstanding Claims Reserve at the end of the period</b>	<b>54,940</b>	<b>53,337</b>
Less:		
Outstanding Claims Reserve at the beginning of the period		
Reported	160,644	392,674
Unreported	10,000	10,000
Less:		
Reinsurance share	121,358	325,409
<b>Net Outstanding Claims Reserve at the beginning of the period</b>	<b>49,286</b>	<b>77,265</b>
<b>Net Claims Cost</b>	<b>14,903</b>	<b>18,385</b>

The attached notes from 1 to 26 form part of these interim condensed financial statements

**UNITED INSURANCE COMPANY - PUBLIC SHAREHOLDING COMPANY**  
**STATEMENT OF UNDERWRITING PROFITS FOR THE LIFE INSURANCE**  
**FOR THE SIX-MONTHS PERIOD ENDED 30 JUNE 2022 (UNAUDITED)**

	Life	
	For the six months ended 30 June	
	2022	2021
	JD	JD
<b>Net earned revenues from written premiums</b>	50,286	41,113
Less:		
<b>Net claims cost</b>	14,903	18,385
	35,383	22,728
Add:		
Commissions received	44	29
Insurance policies issuance fees	4,709	4,243
Other Income	12,875	-
<b>Total revenues</b>	17,628	4,272
Less:		
Policies acquisition costs	867	1,629
Administrative expenses related to underwriting accounts	7,203	6,173
Other expenses related to underwriting accounts	1,779	(1,883)
<b>Total expenses</b>	9,849	5,919
<b>Underwriting profit</b>	43,162	21,081

The attached notes from 1 to 26 form part of these interim condensed financial statements

**UNITED INSURANCE COMPANY - PUBLIC SHAREHOLDING COMPANY**  
**STATEMENT OF UNDER WRITING REVENUES FOR THE GENERAL INSURANCE**  
**FOR THE SIX-MONTHS PERIOD ENDED 30 JUNE 2022 (UNAUDITED)**

	Motor		Marine and transportations		Aviation		Fire and other property damage		Liability		Medical		Others		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Direct insurance	5,732,493	4,189,021	188,995	163,031	-	99,990	1,983,624	1,957,143	201,155	195,543	6,196,188	5,954,033	44,065	4,724	14,346,520	12,563,485
Facultative inward reinsurance business	520,184	259,759	1,359	-	-	-	145,402	238,309	225	226	-	-	293	215	667,463	498,509
<b>Total Premiums</b>	6,252,677	4,448,780	190,354	163,031	-	99,990	2,129,026	2,195,452	201,380	195,769	6,196,188	5,954,033	44,358	4,939	15,013,983	13,061,994
Less:																
Local reinsurance share	437,430	223,750	-	-	-	-	97,167	148,025	-	-	1,430,586	1,054,552	-	-	1,965,183	1,426,327
Foreign reinsurance share	73,867	51,439	159,084	143,207	-	94,138	1,869,650	1,904,864	133,874	119,555	1,390,793	1,872,486	6,046	2,700	3,633,314	4,188,389
<b>Net Written Premiums</b>	5,741,380	4,173,591	31,270	19,824	-	5,852	162,209	142,563	67,506	76,214	3,374,809	3,026,995	38,312	2,239	9,415,486	7,447,278
Add:																
Balance at the beginning of the period																
Unearned premiums reserve	5,235,489	4,954,163	81,362	72,788	16,525	-	926,302	832,877	78,147	86,599	2,869,415	2,050,752	20,105	10,883	9,227,345	8,008,062
Less: Reinsurance share	119,408	101,765	69,724	63,632	15,579	-	833,600	753,593	45,970	58,625	1,407,635	745,313	7,290	7,639	2,499,206	1,730,567
<b>Net Unearned Premiums Reserve</b>	5,116,081	4,852,398	11,638	9,156	946	-	92,702	79,284	32,177	27,974	1,461,780	1,305,439	12,815	3,244	6,728,139	6,277,495
Less:																
Balance at the end of the period	5,942,897	4,693,141	90,240	83,137	-	68,061	1,706,662	1,733,508	143,036	124,946	4,726,893	4,392,654	22,804	4,674	12,632,532	11,100,121
Unearned premiums reserve																
Less: Reinsurance share	133,172	122,533	74,911	73,520	-	64,164	1,575,812	1,620,310	97,235	76,798	2,130,646	2,093,410	5,094	3,146	4,016,870	4,053,881
<b>Net unearned Premiums Reserve</b>	5,809,725	4,570,608	15,329	9,617	-	3,897	130,850	113,198	45,801	48,148	2,596,247	2,299,244	17,710	1,528	8,615,662	7,046,240
<b>Net earned revenues from written Premiums</b>	5,047,736	4,455,381	27,579	19,363	946	1,955	124,061	108,649	53,882	56,040	2,240,342	2,033,190	33,417	3,955	7,527,963	6,678,533

**The attached notes from 1 to 26 form part of these interim condensed financial statements**

**UNITED INSURANCE COMPANY - PUBLIC SHAREHOLDING COMPANY**  
**STATEMENT OF CLAIMS COST FOR THE GENERAL INSURANCE**  
**FOR THE SIX-MONTHS PERIOD ENDED 30 JUNE 2022 (UNAUDITED)**

	Motor		Marine and transportations		Aviation		Fire and other property damage		Liability		Medical		Others		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
<b>Paid claims</b>	5,007,179	4,104,996	18,486	19,074	-	-	275,618	7,270,301	1,876	11,174	4,299,125	3,416,671	3,287	-	9,605,571	14,822,216
Less:																
Recoveries	717,337	696,461	216	2,250	-	-	16,511	1,620	-	2,500	-	-	375	-	734,439	702,831
Local reinsurance share	-	1,508	-	-	-	-	-	-	317	4,400	703,737	324,508	-	-	704,054	330,416
Foreign reinsurance share	86,795	-	9,939	13,859	-	-	256,285	7,244,457	-	-	1,551,236	1,318,353	-	-	1,904,255	8,576,669
<b>Net paid claims</b>	<b>4,203,047</b>	<b>3,407,027</b>	<b>8,331</b>	<b>2,965</b>	<b>-</b>	<b>-</b>	<b>2,822</b>	<b>24,224</b>	<b>1,559</b>	<b>4,274</b>	<b>2,044,152</b>	<b>1,773,810</b>	<b>2,912</b>	<b>-</b>	<b>6,262,823</b>	<b>5,212,300</b>
Add:																
Outstanding claims reserve at the end of the period																
Reported	11,135,532	11,754,730	87,581	126,610	-	-	2,332,743	2,787,658	83,670	108,165	279,880	233,330	1,262	1,262	13,920,668	15,011,755
Unreported	1,100,000	1,100,000	1,752	2,532	-	-	23,327	27,877	837	1,082	380,880	432,255	13	13	1,506,809	1,563,759
Less:																
Reinsurance shares from reported outstanding reserve	843,716	1,068,854	70,550	99,990	-	-	2,166,836	2,618,882	53,658	60,535	142,356	221,189	11	761	3,277,127	4,070,211
Reinsurance shares from unreported outstanding reserve	-	-	-	-	-	-	-	-	-	-	198,304	-	-	-	198,304	-
Recoveries	1,048,070	1,031,824	-	-	-	-	-	-	-	-	-	-	-	-	1,048,070	1,031,824
Net outstanding claims reserve at the end of the period	<b>10,343,746</b>	<b>10,754,052</b>	<b>18,783</b>	<b>29,152</b>	<b>-</b>	<b>-</b>	<b>189,234</b>	<b>196,653</b>	<b>30,849</b>	<b>48,712</b>	<b>320,100</b>	<b>444,396</b>	<b>1,264</b>	<b>514</b>	<b>10,903,976</b>	<b>11,473,479</b>
Less:																
Outstanding claims reserve at the beginning of the period																
Reported	11,328,409	11,193,601	129,189	129,606	-	-	2,330,731	11,327,403	81,911	117,157	243,970	182,075	12	1,262	14,114,222	22,951,104
Unreported	1,100,000	1,100,000	2,584	2,592	-	-	23,307	25,959	819	1,172	438,874	598,319	-	13	1,565,584	1,728,055
Less:																
Reinsurance shares from reported outstanding reserve	1,023,513	922,134	102,199	102,010	-	-	2,173,311	11,146,548	50,631	70,446	136,310	315,874	11	761	3,485,975	12,557,773
Reinsurance shares from unreported outstanding reserve	-	-	-	-	-	-	-	-	-	-	241,024	-	-	-	241,024	-
Recoveries	920,950	736,071	-	-	-	-	-	-	-	-	-	-	-	-	920,950	736,071
Net outstanding claims reserve at the beginning of the period	<b>10,483,946</b>	<b>10,635,396</b>	<b>29,574</b>	<b>30,188</b>	<b>-</b>	<b>-</b>	<b>180,727</b>	<b>206,814</b>	<b>32,099</b>	<b>47,883</b>	<b>305,510</b>	<b>464,520</b>	<b>1</b>	<b>514</b>	<b>11,031,857</b>	<b>11,385,315</b>
<b>Net claims cost</b>	<b>4,062,847</b>	<b>3,525,683</b>	<b>(2,460)</b>	<b>1,929</b>	<b>-</b>	<b>-</b>	<b>11,329</b>	<b>14,063</b>	<b>309</b>	<b>5,103</b>	<b>2,058,742</b>	<b>1,753,686</b>	<b>4,175</b>	<b>-</b>	<b>6,134,942</b>	<b>5,300,464</b>

**The attached notes from 1 to 26 form part of these interim condensed financial statements**

**UNITED INSURANCE COMPANY – PUBLIC SHAREHOLDING COMPANY**  
**STATEMENT OF UNDERWRITING PROFITS FOR THE GENERAL INSURANCE**  
**FOR THE SIX-MONTHS PERIOD ENDED 30 JUNE 2022 (UNAUDITED)**

	Motor		Marine and transportations		Aviation		Fire and property		Liability		Medical		Others		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
<b>Net earned revenues from written premiums</b>	5,047,736	4,455,381	27,579	19,363	946	1,955	124,061	108,649	53,882	56,040	2,240,342	2,033,190	33,417	3,955	7,527,963	6,678,533
Less:																
<b>Net claims cost</b>	4,062,847	3,525,683	(2,460)	1,929	-	-	11,329	14,063	309	5,103	2,058,742	1,753,686	4,175	-	6,134,942	5,300,464
	984,889	929,698	30,039	17,434	946	1,955	112,732	94,586	53,573	50,937	181,600	279,504	29,242	3,955	1,393,021	1,378,069
Add:																
Commissions received	2,127	2,812	65,517	48,526	-	2,045	190,056	178,278	8,741	11,481	14,306	10,546	352	(32)	281,099	253,656
Insurance policies issuance fees	253,298	218,477	6,255	7,272	-	-	78,146	74,850	8,142	7,877	176,706	156,169	405	424	522,952	465,069
Other Revenues	16,421	-	-	-	-	-	-	-	-	-	-	-	-	-	16,421	-
<b>Total revenues</b>	271,846	221,289	71,772	55,798	-	2,045	268,202	253,128	16,883	19,358	191,012	166,715	757	392	820,472	718,725
Less:																
Policy acquisition costs	209,772	194,078	4,324	3,640	-	-	53,237	52,429	14,301	13,362	39,255	22,261	17,758	207	338,647	285,977
Excess of loss premiums	27,033	35,007	-	-	-	-	34,688	32,000	-	-	-	-	-	-	61,721	67,007
General and administrative expenses																
related to underwriting accounts	422,992	316,138	32,755	28,054	-	4,114	126,578	126,186	8,764	8,054	351,869	323,773	1,931	203	944,889	806,522
Other expenses	189,678	128,759	1,020	1,127	-	-	5,454	3,954	79	58	55,187	61,399	355	52	251,773	195,349
<b>Total expenses</b>	849,475	673,982	38,099	32,821	-	4,114	219,957	214,569	23,144	21,474	446,311	407,433	20,044	462	1,597,030	1,354,855
<b>Underwriting profit (loss)</b>	407,260	477,005	63,712	40,411	946	(114)	160,977	133,145	47,312	48,821	(73,699)	38,786	9,955	3,885	616,463	741,939

The attached notes from 1 to 26 form part of these interim condensed financial statements

**(1) GENERAL**

United Insurance Company was established in 1972 under the Jordanian Companies Law and its amendments under No. (74) as a public limited shareholding company. United Insurance Company was merged with the East Egyptian Insurance Company and the New India Insurance Company in Jordan. The merger took effect as of the beginning of the year 1988, and the resulting company from the merger (United Insurance Company) became a general successor to the merged companies. Several adjustments have been made to the capital, the last of which was during 2008 where the authorized and paid-in capital became JD 8 million, divided into 8 million shares with a nominal value of JD 1 per share.

The Company address is Zahran street, Building number (188), P.O.Box 7521, Amman 11118, Jordan.

The Company's objectives are to practice insurance activities, including life insurance.

The interim condensed financial statements were approved for issuance by the Board of Directors in its meeting No. (6) held on 25 July 2022.

**(2) BASIS OF PREPARATION**

The interim condensed financial statements for the six months period ended 30 June 2022 have been prepared in accordance with International Accounting Standard (34) Interim Financial Reporting.

The Jordanian Dinar is the functional and reporting currency of the interim condensed financial statements.

The interim condensed financial statements have been prepared on historical cost convention, except for financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income which have been measured at fair value at the date of the interim condensed financial statement.

The interim condensed financial statements do not contain all information and disclosures required for full financial statements prepared in accordance with International Financial Reporting Standards and should be read in conjunction with the Company's annual report as of 31 December 2021. In addition, results for the six months period ended 30 June 2022 do not necessarily indicate to the results that may be expected for the financial year ending 31 December 2022.

## **(2-1) Changes in accounting policies**

The accounting policies used in the preparation of the interim financial statements are consistent with those used in the preparation of the annual financial statements for the year ended 31 December 2021 except for the adoption of new amendments on the standards effective as of 1 January 2022 shown below:

### **Reference to the Conceptual Framework – Amendments to IFRS 3**

In May 2020, the IASB issued Amendments to IFRS 3 Business Combinations - Reference to the Conceptual Framework. The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements.

The Board also added an exception to the recognition principle of IFRS 3 to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21 Levies, if incurred separately.

At the same time, the Board decided to clarify existing guidance in IFRS 3 for contingent assets that would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements.

These amendments had no material impact on the interim condensed financial statements of the Company.

### **Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16**

In May 2020, the IASB issued Property, Plant and Equipment — Proceeds before Intended Use, which prohibits entities from deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

These amendments had no material impact on the interim condensed financial statements of the Company.

### **Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37**

In May 2020, the IASB issued amendments to IAS 37 to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making.

The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

These amendments had no material impact on the interim condensed financial statements of the Company.

**IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities**

As part of its 2018-2020 annual improvements to IFRS standards process the IASB issued amendment to IFRS 9. The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received by the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

These amendments had no material impact on the interim condensed financial statements of the Company.

**IAS 41 Agriculture – Taxation in fair value measurements**

As part of its 2018-2020 annual improvements to IFRS standards process, the IASB issued amendment to IAS 41 Agriculture. The amendment removes the requirement in paragraph 22 of IAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of IAS 41.

These amendments had no impact on the interim condensed financial statements of the Company.

**(2-2) STANDARDS ISSUED BUT NOT YET EFFECTIVE**

**IFRS 17 Insurance Contracts**

In May 2017, the IASB issued IFRS 17 Insurance Contracts (IFRS 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 Insurance Contracts (IFRS 4) which was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of IFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach),
- A simplified approach (the premium allocation approach) mainly for short-duration contracts.

IFRS 17 is effective for reporting periods beginning on or after 1 January 2023 and must be applied retrospectively. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17.

The Company has prepared a preliminary study on the impact of the standard on the Company's financial statements. The impact of applying these standards on the financial statements as of 1 January 2022 represents a decrease in written premiums by JD (1,251,381), a decrease in claims by JD (11,343,407) and a decrease in retained earnings by JD (961,522).



**(2-3) Business Segments**

The business segment represents a set of assets and operations that jointly provide products and service subject to risks and returns different from those of other business sector which in measured based on the reports used by the chief operating decision maker.

The geographic segment relates to providing products and services in a defined economic environment subject to risks and returns different from those of other economic environments.

**(2-4) Use Of Estimates**

The preparation of the interim condensed financial statements requires Compnys' management to make estimates and assumptions that affect the reported amounts of financial assets and liabilities and disclosure of contingent liabilities. These estimates and assumptions also affect the revenues and expenses and the resultant provisions. Considerable judgment by Company's management is required in the estimation of the amount and timing of future cash flows when determining the level of provisions required. Such estimates are necessarily based on assumptions about several factors involving varying degrees of judgment and uncertainty and actual results may differ resulting in future changes in such provisions.

The details of significant estimates made by management are as follows:

- A provision for expected credit losses is estimated by the Company's management based on their principles and assumptions according to IFRS9.
- The financial year is charged with its related income tax in accordance with regulations.
- The management periodically reviews tangible assets useful life in order to calculate the depreciation and amortization amount depending on the status of these assets and future benefit. The impairment loss (if any) appears on the interim condensed statement of income.
- The outstanding claim reserve and technical reserve are estimated based on technical studies and according to Insurance Administration regulation. Also mathematical reserve and IBNR are calculated based on actuarial studies.
- A provision on lawsuit against the Company is made based on the Company's lawyers' studies in which contingent risk is determined, review of such study is performed periodically.

**UNITED INSURANCE COMPANY – PUBLIC SHAREHOLDING COMPANY**  
**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**  
**30 JUNE 2022 (UNAUDITED)**

**(3) DEPOSITS AT BANKS**

This item represents the following:

	30 June 2022			31 December 2021
	Deposits matures within one month	Deposits matures between 1 month to 3 months	Deposits matures after 3 months to 1 year	Total
	JD	JD	JD	JD
				(Unaudited)
Inside Jordan	3,750,000	-	4,580,339	8,330,339
Provision for expected credit losses	-	-	(10,082)	(10,082)
	<u>3,750,000</u>	<u>-</u>	<u>4,570,257</u>	<u>8,320,257</u>
				(Audited)
				8,310,799

Interest rates on the deposits in Jordanian Dinar ranged between 4% to 4.5% during the period ended 30 June 2022.

Deposits pledged in favor of the Governor of the Central Bank of Jordan amounted to JD 800,000 as at 30 June 2022 and 31 December 2021 at Invest Bank.

Restricted balances amounted to JD 300,000 as at 30 June 2022 (31 December 2021: JD 300,000) in the form of mortgaged deposits of the order of the Director General of the Insurance Administration.

**(4) FINANCIAL ASSETS AT FAIR VALUE THROUGH STATEMENT OF INCOME**

This item consists of the following:

	30 June 2022	31 December 2021
	JD	JD
	(Unaudited)	(Audited)
<u>Inside Jordan</u>		
Quoted shares	122,831	125,322
	<u>122,831</u>	<u>125,322</u>

**UNITED INSURANCE COMPANY – PUBLIC SHAREHOLDING COMPANY**  
**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**  
**30 JUNE 2022 (UNAUDITED)**

**(5) FINANCIAL ASSETS THROUGH OTHER COMPREHENSIVE INCOME**

This item consists of the following:

	30 June 2022	31 December
	JD	2021
	(Unaudited)	(Audited)
<b><u>Inside Jordan</u></b>		
Quoted shares	5,441,861	5,237,825
	<u>5,441,861</u>	<u>5,237,825</u>
<b><u>Outside Jordan</u></b>		
Arab reinsurance Company*	191,503	191,503
	<u>5,633,364</u>	<u>5,429,328</u>

**(6) FINANCIAL ASSETS AT AMORTIZED COST**

This item consists of the following:

	30 June	31 December
	2022	2021
	JD	JD
	(Unaudited)	(Audited)
<b><u>Inside Jordan</u></b>		
Arab Corp subordinated Company bonds*	50,000	50,000
<u>Less:</u> Fair value reserve for Arab Corp company	49,999	49,999
	1	1
Ahli Bank subordinated bonds**	1,000,000	1,000,000
Jordanian Treasury subordinated bonds***	3,124,000	3,124,000
Turkish Government subordinated bonds****	426,000	426,000
Total	4,550,001	4,550,001
<u>Less:</u> Expected credit losses	3,000	3,000
	<u>4,547,001</u>	<u>4,547,001</u>

**UNITED INSURANCE COMPANY – PUBLIC SHAREHOLDING COMPANY**  
**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**  
**30 JUNE 2022 (UNAUDITED)**

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- \* The Arab Corp. subordinated loan bond became due on the first of April 2014 and the principal of the bond or any interest to the Company was not paid. A provision was taken for the full value of this bond and the recognition of interest has been suspended during the past years.
- \*\* On 12 October 2017, the Company invested in (10) loan bonds with a nominal value of JD 100,000 / loan bond with a total value of JD one million from the Jordan Ahli Bank, with a contribution rate of 4% in the bond. These bonds mature on 12 November 2023 and yields interest of 6.75 % for the first six months and a variable interest rate, where the interest is recalculated every six months during the life of the bond so that the interest at the beginning of each period is equal to the discount interest rate at the Central Bank plus a margin of 2%.
- \*\*\* On 17 June 2021, the Company invested in (13) Jordanian Government loan bonds with a nominal value of USD 200,000 / loan bond with a total value of USD 2,600,000. On 28 March 2021, the Company invested in (1) Jordanian government loan bond with a nominal value of USD 200,000 / bond A loan through the Housing Bank. These bonds mature on 10 October 2047, with a fixed interest rate of 7.375% per annum, calculated based on the number of actual days divided by 360 days.
- \*\*\*\* On 5 April 2021, the Company invested in (3) Turkish government loan bonds with a nominal value of USD 200,000 / loan bond with a total value of USD 600,000 through the Housing Bank. These bonds mature on 14 January 2041, at a fixed interest rate of 6% annually, which is calculated Based on the actual number of days divided by 360 days.

**(7) INVESTMENT PROPERTIES**

This item consists of the following:

	30 June 2022	31 December 2021
	JD (Unaudited)	JD (Audited)
Land	633,707	646,985
Buildings	5,007,455	5,007,455
<u>Less: Accumulated depreciation</u>	<u>922,649</u>	<u>880,058</u>
Buildings, net	<u>4,084,806</u>	<u>4,127,397</u>
Total	<u>4,718,513</u>	<u>4,774,382</u>

- Investment buildings are depreciated at 2% per annum and appears as net book value.

**UNITED INSURANCE COMPANY – PUBLIC SHAREHOLDING COMPANY**  
**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**  
**30 JUNE 2022 (UNAUDITED)**

**(8) CHECKS UNDER COLLECTION**

This item consists of the following:

	30 June 2022	31 December 2021
	JD	JD
	(Unaudited)	(Audited)
Checks under collection	2,247,593	2,021,536
Less: Expected credit losses	6,958	6,958
	<u>2,240,635</u>	<u>2,014,578</u>

**(9) ACCOUNTS RECEIVABLES**

This item consists of the following:

	30 June 2022	31 December 2021
	JD	JD
	(Unaudited)	(Audited)
Policy holders' receivables	9,066,259	5,720,874
Brokers' receivables	1,734,953	1,477,469
Agents' receivables	924,304	928,597
Employee receivables	22,310	20,036
Legal cases receivables	444,148	436,677
Other receivables	269,671	226,099
	<u>12,461,645</u>	<u>8,809,752</u>
<u>Less:</u> Expected credit losses*	<u>(2,131,336)</u>	<u>(2,131,336)</u>
Net receivables	<u>10,330,309</u>	<u>6,678,416</u>

\* The movement on the provision of expected credit loss is as follows:

	30 June 2022	31 December 2021
	JD	JD
	(Unaudited)	(Audited)
Beginning balance of the period/ year	2,131,336	2,031,336
Provision for the period/ year	-	100,000
<b>Ending balance of the period/ year</b>	<u>2,131,336</u>	<u>2,131,336</u>

**UNITED INSURANCE COMPANY – PUBLIC SHAREHOLDING COMPANY**  
**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**  
**30 JUNE 2022 (UNAUDITED)**

**(10) REINSURANCE RECEIVABLES**

The item consists of the following:

	30 June 2022	31 December 2021
	JD	JD
	(Unaudited)	(Audited)
Local insurance Companies	323,464	330,144
Foreign reinsurance Companies	283,670	56,447
	607,134	386,591
<u>Less: Expected credit losses</u>	<u>(35,207)</u>	<u>(35,207)</u>
Net reinsurance receivable	<u>571,927</u>	<u>351,384</u>

**(11) ACCOUNTS PAYABLE**

This item consists of the following:

	30 June 2022	31 December 2021
	JD	JD
	(Unaudited)	(Audited)
Health insurance management company	1,528,751	713,909
Brokers' payables	326,266	296,859
Agents' payables	297,554	255,737
Policy holders (compensation)	76,621	799,786
Employees' payables	2,957	311
Others	560,324	305,607
	<u>2,792,473</u>	<u>2,372,209</u>

**(12) REINSURANCE PAYABLES**

This item consists of the following:

	30 June 2022	31 December 2021
	JD	JD
	(Unaudited)	(Audited)
Local insurance companies	1,225,532	477,407
Foreign reinsurance companies	3,411,496	2,554,483
	<u>4,637,028</u>	<u>3,031,890</u>

**UNITED INSURANCE COMPANY – PUBLIC SHAREHOLDING COMPANY**  
**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**  
**30 JUNE 2022 (UNAUDITED)**

**(13) OTHER PROVISIONS**

This item consists of the following:

	30 June 2022	31 December 2021
	JD	JD
	(Unaudited)	(Audited)
Insurance management fees provision	29,454	5,107
End of service benefits	49,958	40,032
Earned benefits	39,601	130,988
	<u>119,013</u>	<u>176,127</u>

The following table shows the movement on accrued expenses and other provisions:

	Beginning balance	Additions during the period	Released during the period	Ending balance
	JD	JD	JD	JD
	(Audited)			(Unaudited)
Insurance management fees provision	5,107	67,678	(43,331)	29,454
End of service benefit	40,032	9,926	-	49,958
Earned benefits	130,988	85,000	(176,387)	39,601
	<u>176,127</u>	<u>162,604</u>	<u>(219,718)</u>	<u>119,013</u>

**(14) INCOME TAX**

**A- Income Tax provision**

The movement on the income tax provision was as follows:

	30 June 2022 JD (Unaudited)	31 December 2021 JD (Audited)
Beginning balance for the period / year	260,747	479,761
Paid income tax	(268,905)	(568,215)
Income tax expense for the period / year	195,091	349,201
Ending balance for the period / year	186,933	260,747

The income tax shown on the interim condensed statement of income is represented by the following:

	30 June 2022 JD	30 June 2021 JD
Accrued income tax for the profit for the period	195,091	190,886
(Additions) on Deferred tax assets	(2,581)	(28,362)
	192,510	162,524

**Income Tax**

A final settlement was reached with the Income Tax Department until the end of 2018. The self-assessment returns for 2019 and 2020 were submitted and have not been reviewed by the Income and Sales Tax Department.



**UNITED INSURANCE COMPANY – PUBLIC SHAREHOLDING COMPANY**  
**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**  
**30 JUNE 2022 (UNAUDITED)**

**B- Deferred Tax Assets / Liabilities**

This item consists of the following:

	30 June 2022					31 December 2021
	Beginning Balance	Released amounts	Added amounts	Ending Balance	Deferred tax	Deferred tax
	JD	JD	JD	JD	JD	JD
					(Unaudited)	(Audited)
<b>A- Deferred tax assets</b>						
Provision for expected credit losses	2,166,543	-	-	2,166,543	563,301	563,301
End of service provision	40,032	-	9,926	49,958	12,989	10,408
Fair value reserve – Financial assets	416,842	204,036	-	212,806	55,330	108,379
IFRS 9 implementation effect on deposits and checks under collection	20,040	-	-	20,040	5,210	5,210
	<u>2,643,457</u>	<u>204,036</u>	<u>9,926</u>	<u>2,449,348</u>	<u>636,830</u>	<u>687,298</u>
<b>B- Deferred tax liability</b>						
IFRS 9 implementation effect of financial assets at fair value through other comprehensive income	111,934	-	-	111,934	26,864	26,864
	<u>111,934</u>	<u>-</u>	<u>-</u>	<u>111,934</u>	<u>26,864</u>	<u>26,864</u>

The movement on deferred tax assets and liabilities was as follows:

	Assets		Liabilities	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
	JD	JD	JD	JD
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Beginning balance for the period / year	687,298	863,953	26,864	26,864
Addition	2,581	30,723	-	-
Disposal	(53,049)	(207,378)	-	-
Ending balance for the period / year	<u>636,830</u>	<u>687,298</u>	<u>26,864</u>	<u>26,864</u>

**UNITED INSURANCE COMPANY – PUBLIC SHAREHOLDING COMPANY**  
**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**  
**30 JUNE 2022 (UNAUDITED)**

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**(15) PAID-IN CAPITAL**

The Company paid-in capital consists of JD 8,000,000 divided to 8,000,000 shares at par value of JD 1 per share as at 30 June 2022.

**(16) LEGAL PROVISIONS**

The Company did not deduct the legal reserves and fees in accordance with the provisions of the Companies Law, as these represent an interim financial statement

**(17) FAIR VALUE RESERVE**

This item represents fair value of financial assets at fair value through other comprehensive income as follow:

	30 June 2022	31 December 2021
	JD	JD
	(Unaudited)	(Audited)
Beginning balance for the period / year	308,463	416,842
Change during the period / year	(204,036)	-
Deferred tax liabilities	53,049	(108,379)
<b>Ending balance for the period / year</b>	<b>157,476</b>	<b>308,463</b>

**(18) NET GAIN FOR FINANCIAL ASSETS AND INVESTMENTS**

This item consists of the following:

	For the six months ending 30 June	
	2022	2021
	JD	JD
Dividend's income	276,060	286,536
Rent revenue, net	9,165	(16,486)
Losses from sales of investment properties	(1,278)	-
Net change in fair value through statement of income	(2,491)	(21,136)
	<b>281,456</b>	<b>248,914</b>

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**(19) BASIC AND DILUTED SHARE OF THE PROFIT FOR THE PERIOD**

Profit per share is calculated by dividing the profit for the period by the weighted average of the number of shares during the period as follows:

	30 June 2022	30 June 2021
Profit for the period (JD)	743,267	701,676
Weighted average number of shares (Share)	8,000,000	8,000,000
	Fils/JD	Fils/JD
	0/093	0/088

The basic earnings per share is equal to the diluted earnings per share for the period profit.

**(20) CASH AND CASH EQUIVALENTS**

This item consists of the following:

	30 June 2022	31 December 2021
	JD	JD
	(Unaudited)	(Audited)
Cash on hand	18,693	1,182
Cash at banks	601,920	627,205
	620,613	628,387

For the purpose of the interim condensed statement of cash flows, cash and cash equivalents consist of the following:

	30 June 2022	30 June 2021
	JD	JD
Cash on hand and at banks	620,613	55,743
Add: Deposits at banks due within three months	3,739,918	3,750,000
Deposits pledged in favor of Director General of the Insurance Administration (Note 3)	1,100,000	625,000
<b>Net cash and cash equivalents</b>	<b>3,260,531</b>	<b>3,180,743</b>

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**(21) RELATED PARTIES**

Related parties represent the shareholder, directors and key management personnel and entities controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Company's management.

The following represent summary of related parties' balances in the interim condensed statement of financial position:

		30 June 2022	31 December 2021
Nature		JD	JD
		(Unaudited)	(Audited)
<b><u>Interim condensed statement of financial position items:</u></b>			
<b><u>Account's receivables:</u></b>			
Jordan Projects Tourism Development	Joint chairman	456,187	456,187
Paper and Cardboard Factories Company.	Joint chairman	387,627	387,627
Modern Arab Distribution Ltd.	Owned by BOD member	383,545	359,789
Yousef Nader and Sons Company	Owned by BOD member	182,270	118,009
Public Investment Fund	GM is a BOD member	13,026	125,245
Abu Jaber Ekhwan Company	Owned by Chairman of BOD	21,178	12
Shareholders and Board of Directors	BOD members	3,810	9,930
Advanced Communications Company	Owned by chairman of BOD	7,233	7,233
	Owned by previous BOD member		
Saed Abu Jaber and Sons Company		10,972	13,786
Alawael Distribution and General Trade Company	Owned by BOD member	3,314	2,440
Arab Italian General Trade Company	Owned by BOD member	12,322	3,287
Specialized Distributors For Consumer Goods Company	Owned by BOD member	62,313	12,233
Bed Food Service Middle East – Jordan	Owned by BOD member	11,407	5,345
Jordanian Mutamayizah Distribution Company	Owned by BOD member	7,188	16,797
Alyadoodah For General Trade Company	Owned by BOD member	3,317	3,080
Yousef Nader Company – Higher Management	Owned by BOD member	26,013	-
		<u>1,591,722</u>	<u>1,521,000</u>

The company has allocated an amount of JD 843,814 of the expected credit losses provision against the related parties balances as at 30 June 2022 and 31 December 2021.

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Below is a summary of related parties' transactions during the period / year:

Nature		30 June 2022 JD (Unaudited)	31 December 2021 JD (Audited)
<b><u>Checks under collection:</u></b>			
Abu Jaber Ekhwan Company	Owned by Chairman of the BOD	108,747	126,747
		<u>108,747</u>	<u>126,747</u>
<b><u>Account's payables:</u></b>			
Shareholders and Board of Directors	BOD Members	24,625	20,603
Specialized Logistics Services Company	Owned by BOD member	286	286
Marina Plaza Hotel	Joint chairman	169	169
		<u>25,080</u>	<u>21,058</u>
		30 June 2022 JD	30 June 2021 JD
<b><u>Interim condensed Statement of Income items:</u></b>			
Revenue and commissions on written installments		<u>636,867</u>	<u>794,282</u>
Paid claims		<u>242,644</u>	<u>260,833</u>
Rent revenue		<u>5,718</u>	<u>8,375</u>

The following represent benefits summary (salaries and remunerations) for executive management:

	30 June 2022 JD	30 June 2021 JD
Salaries and other benefits	<u>354,647</u>	<u>444,645</u>

**(22) FAIR VALUE FOR FINANCIAL ASSETS**

The Company uses the following arrangement of valuation methods and alternatives in determining and presenting fair value of financial instruments:

Level 1: Quoted market prices in active markets for the same assets and liabilities.

Level 2: Other techniques where all inputs that have an important impact on fair value can be observable, directly or indirectly, from market information.

Level 3: Other techniques where inputs are used that have an important impact on fair value but are not based on observable market information.

The following table shows the analysis of financial instruments recorded at fair value and in the above hierarchy:

	Level 1	Level 2	Total
	JD	JD	JD
<b>30 June 2022 (Unaudited) -</b>			
<b>Financial assets</b>			
Financial assets at fair value through statement of income	122,831	-	122,831
Financial assets at fair value through other comprehensive income	5,633,364	-	5,633,364
<b>31 December 2021 (Audited) -</b>			
<b>Financial assets</b>			
Financial assets at fair value through statement of income	125,322	-	125,322
Financial assets at fair value through other comprehensive income	5,429,328	-	5,429,328

**(23) LAWSUITS RAISED BY AND AGAINST THE COMPANY**

The company is a defendant in a number of lawsuits. The management and legal consultant believe that the lawsuit provision of JD 3,644,193 recorded as at 30 June 2022 (31 December 2021: JD 6,029,845) is sufficient to meet obligations that may arise from the lawsuits.

The value of the cases filed by the Company against others amounts to JD 4,116,383 as at 30 June 2022 (31 December 2021: JD 4,020,874) represented in accounts receivable to the Company and cheques returned as a result of the Company's exercise of its normal activities.

**(24) CONTINGENT LIABILITIES**

As at the date of interim condensed financial statement, the Company has contingent liabilities which are represented in letter of guarantees in the amount of JD 148,930 as at 30 June 2022 compared to JD 181,124 as at 31 December 2021.

**(25) DECLARED DIVIDENDS**

The General Assembly of Shareholders approved in its ordinary meeting on 10 April 2022 to distribute cash dividends in the amount of JD 800,000 equivalent to 10% of paid-in capital from 2021 profit.

The General Assembly of Shareholders in its ordinary meeting of shareholders on 12 April 2021 also approved to distribute cash dividends amounted to JD 800,000 equivalent to 10% of paid-in capital from 2020 profit.

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**(26) STATEMENT OF FINANCIAL POSITION FOR LIFE INSURANCE**

	30 June 2022 JD (Unaudited)	31 December 2021 JD (Audited)
<b>Assets -</b>		
Deposits at banks	400,000	400,000
<b>Total investments</b>	400,000	400,000
Account receivable, net	143,630	100,661
Reinsurance receivables, net	102,344	116,717
Property and equipment, net	13	19
<b>Total assets</b>	<b>645,987</b>	<b>617,397</b>
<b>Liabilities and head office equity</b>		
<b>Technical reserves-</b>		
Unearned written premium, net	54,940	49,287
Outstanding claim reserve, net	49,908	50,368
<b>Total Technical Reserves</b>	<b>104,848</b>	<b>99,655</b>
Account payables	45,218	48,345
Reinsurance payables, net	325,766	276,993
<b>Total Liabilities</b>	<b>475,832</b>	<b>424,993</b>
<b>Head Office equity</b>		
Head Office current account	126,993	134,178
Profit for the period/ year	43,162	58,226
<b>Total liabilities and head office equity</b>	<b>645,987</b>	<b>617,397</b>