



عمان في 2020/08/16  
الإشار م 20/443/0-0

**Messrs : Amman Stock  
Exchange**

السادة : بورصة عمان المحترمين

Amman - Jordan

عمان - الأردن

تحية واحتراما،،،

**Subject : Semi – Annual Report in  
English as of 30/06/2020**

**الموضوع : التقرير نصف السنوي باللغة الانجليزية  
كما في 30/06/2020**

Attached the the Semi – Annual Report  
in English as of 30/06/2020

مرفق طيه نسخة من البيانات المالية نصف السنوية  
المراجع له للشركة المتحدة للتأمين م.ع.م كما في

. 30/06/2020

Kindly accept our high appreciation  
and respect

وتفضلوا بقبول فائق الاحترام،،،

**The United Insurance co.Ltd**

**الشركة المتحدة للتأمين م.ع.م**

**General Manager  
Imad AL- Hajeh**

**المدير العام  
عماد الحجه**

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UNITED INSURANCE COMPANY  
(A PUBLIC SHAREHOLDING LIMITED COMPANY)  
AMMAN – JORDAN

CONDENSED INTERIM  
FINANCIAL STATEMENTS FOR  
THE SIX MONTHS ENDED  
JUNE 30, 2020  
TOGETHER WITH THE REVIEW REPORT

UNITED INSURANCE COMPANY  
(A PUBLIC SHAREHOLDING LIMITED COMPANY)  
AMMAN – JORDAN  
JUNE 30, 2020

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## Review Report

AM/ 008607

To the Chairman and Members of the Board of Directors  
United Insurance Company  
(A Public Shareholding Limited Company)  
Amman – Jordan

### **Introduction**

We have reviewed the accompanying condensed interim statement of financial position of United Insurance Company (A Public Shareholding Limited Company) as of June 30, 2020 and the related condensed interim statements of income and comprehensive income, changes in Shareholders' equity and cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory information. Management is responsible for the preparation and fair presentation of these condensed interim financial statements in accordance with International Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

### **Scope of Review**

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Company". A review of condensed 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 the accompanying condensed interim financial statements for United Insurance Company are not prepared in accordance with International Accounting Standard No. (34) Related to Interim Financial Reporting.

### **Other Matter**

The accompanying condensed interim financial statements are a translation of the statutory condensed interim financial statements which are in the Arabic language and to which reference should be made.

Amman - Jordan  
July 28, 2020

  
Deloitte & Touche (M.E.) – Jordan



UNITED INSURANCE COMPANY  
(A PUBLIC SHAREHOLDING LIMITED COMPANY)  
AMMAN - JORDAN  
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

		June 30, 2020 (Reviewed not Audited)	December 31, 2019 (Audited)
	ASSETS	Note	
Investments:			
		JD	JD
Deposits at banks	4	8,692,930	10,232,255
Financial assets at fair value through profit or loss	5	138,255	142,039
Financial assets at fair value through other comprehensive income	6	4,329,038	4,730,360
Financial assets at amortized cost	7	2,845,001	999,001
Investment property - net	8	4,903,564	4,946,390
		<u>20,908,788</u>	<u>21,050,045</u>
Cash on hand and at banks		191,306	1,060,044
Cheques under collection	9	2,742,002	3,134,502
Receivables - net	10	10,680,968	6,143,979
Re-insurance and local insurance companies' accounts receivables - net	12	641,747	1,515,588
Deferred tax assets		760,268	652,554
Property and equipment - net	11	5,030,581	5,163,754
Intangible assets - net		47,951	62,434
Other assets		<u>582,799</u>	<u>673,348</u>
		<u>20,677,622</u>	<u>18,406,203</u>
TOTAL ASSETS		<u>41,586,410</u>	<u>39,456,248</u>
<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>			
<u>LIABILITIES</u>			
Unearned premiums reserve - net		7,460,157	7,418,166
Claims reserve - net		11,174,701	10,769,248
Mathematical reserve		<u>50,414</u>	<u>81,573</u>
Total Insurance Contracts Liabilities		<u>18,685,272</u>	<u>18,268,987</u>
Payables		2,260,143	2,970,741
Re-insurance and local insurance companies' accounts payable	13	5,453,254	3,178,439
Accrued expenses and sundry provisions	14	74,793	242,251
Provision for income tax	15	182,925	296,344
Deferred tax liabilities		26,864	26,864
Other liabilities		<u>184,033</u>	<u>282,767</u>
TOTAL LIABILITIES		<u>26,867,284</u>	<u>25,266,393</u>
<u>SHAREHOLDERS' EQUITY</u>			
Authorized and paid-up capital	1	8,000,000	8,000,000
Issuance premium		41,507	41,507
Statutory reserve		2,000,000	2,000,000
Financial assets valuation reserve - net	16	(908,864)	(611,881)
Retained earnings		4,760,229	4,760,229
Profit for the period		<u>826,254</u>	<u>-</u>
Total Shareholders' Equity		<u>14,719,126</u>	<u>14,189,855</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		<u>41,586,410</u>	<u>39,456,248</u>

Chairman of the Board of Directors

General Manager

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS  
AND SHOULD BE READ WITH THEM AND WITH THE ACCOMPANYING REVIEW REPORT.

UNITED INSURANCE COMPANY  
(A PUBLIC SHAREHOLDING LIMITED COMPANY)  
AMMAN - JORDAN  
CONDENSED INTERIM STATEMENT OF INCOME  
(REVIEWED NOT AUDITED)

		For the Three Months		For the Six Months	
		Ended June 30,		Ended June 30,	
	Note	2020	2019	2020	2019
		JD	JD	JD	JD
<b>Revenue:</b>					
Gross written premiums		4,974,278	4,677,632	13,636,129	14,839,105
<b>Less:</b> Re-insurers' share		1,902,797	1,653,678	5,515,612	5,369,305
Net Written Premiums		3,071,481	3,023,954	8,120,517	9,469,800
Net change in unearned premiums reserve		837,654	1,630,371	(41,991)	(425,733)
Net change in mathematical reserve		31,159	32,652	31,159	32,652
Net Earned Written Premiums		3,940,294	4,686,977	8,109,685	9,076,719
Commissions' revenue		111,934	165,304	248,127	295,780
Insurance policies issuance fees		171,279	169,116	449,657	473,029
Interest revenue		20,182	172,824	192,034	333,568
Net gain from financial assets and investments	17	6,805	294,268	4,698	364,079
Other revenue		0	18,447	0	18,447
Total Revenue		4,250,494	5,506,936	9,004,201	10,561,622
<b>Claims, Losses and Expenses:</b>					
Paid claims		3,118,051	5,818,276	8,273,743	11,881,153
<b>Less:</b> Claims Recoveries		182,768	556,534	620,011	1,023,271
Re-Insurers' share		794,557	1,331,158	2,126,566	3,117,605
Net paid claims		2,140,726	3,930,584	5,527,166	7,740,277
Net change in claims reserve		465,803	416,218	405,453	368,113
Allocated general and administrative expenses		(472)	128,333	329,983	295,072
Allocated employees' expenses		542,079	301,217	683,063	528,278
Excess of loss premiums		-	-	88,775	75,185
Policies acquisition cost		113,780	138,176	250,827	332,724
Other expenses related to underwriting		106,892	103,944	195,967	232,919
Net Claims Costs		3,368,808	5,018,472	7,481,234	9,572,568
Unallocated employees' expenses		47,753	36,989	96,518	63,952
Depreciation and amortization		95,125	95,110	190,482	189,496
Unallocated general and administrative expenses		67,249	63,070	102,498	104,755
Expected credit losses provision		100,000	111,200	100,000	111,200
Total Expenses		310,127	306,369	489,498	469,403
Income for the Period before Tax		571,559	182,095	1,033,469	519,651
Income tax expense	15	(88,006)	(46,158)	(191,074)	(94,786)
National Contribution Fees		(9,062)	-	(16,141)	-
Income for the Period		474,491	135,937	826,254	424,865
Earnings per Share for the Period	18			103/-	-/053

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE CONDENSED INTERIM FINANCIAL  
STATEMENTS AND SHOULD BE READ WITH THEM AND WITH THE ACCOMPANYING REVIEW REPORT.

UNITED INSURANCE COMPANY  
(A PUBLIC SHAREHOLDING LIMITED COMPANY)  
AMMAN - JORDAN  
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME  
(REVIEWED NOT AUDITED)

	For the three Months		For the Six Months	
	Ended June 30, :		Ended June 30,	
	2020	2019	2020	2019
	JD	JD	JD	JD
Profit for the period	474,491	135,937	826,254	424,865
Items that will not be transferred to the condensed Interim statement of income in future:				
Loss from sale of financial assets through Comprehensive Income	-	-	-	(9,388)
Change in the valuation reserve of financial assets at fair value - net	(122,610)	(63,944)	(296,983)	144,099
Total Comprehensive Income for the Period	<u>351,881</u>	<u>71,993</u>	<u>529,271</u>	<u>559,576</u>

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UNITED INSURANCE COMPANY  
(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - JORDAN

CONDENSED INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(REVIEWED NOT AUDITED)

Note	Paid-up Capital	Issuance Premium	Reserve Statutory	Financial Assets Valuation Reserve	Retained Earnings *		Profit For the Period		Total
					Realized	Unrealized	JD	JD	
For the Six Months Period Ended June 30, 2020									
Balance - beginning of the period	8,000,000	41,507	2,000,000	(611,881)	4,717,568	42,661	-	-	14,189,855
Profit for the period	-	-	-	-	-	-	-	826,254	826,254
Change in the valuation reserve of financial assets - net	-	-	-	(296,983)	-	-	-	-	(296,983)
Total comprehensive Income	-	-	-	(296,983)	-	-	-	826,254	529,271
Balance - end of the period	8,000,000	41,507	2,000,000	(908,864)	4,717,568	42,661	826,254	826,254	14,719,126
For the Six Months Period Ended June 30, 2019									
Balance - beginning of the period	8,000,000	41,507	2,000,000	(240,847)	4,022,983	42,661	-	-	13,866,304
Profit for the period	-	-	-	-	-	-	-	424,865	424,865
Change in the valuation reserve of financial assets - net	-	-	-	144,099	-	-	-	-	144,099
Loss from Sale of Financial assets through comprehensive income	-	-	-	-	(9,388)	-	-	-	(9,388)
Total Comprehensive Income	-	-	-	144,099	(9,388)	-	-	-	559,576
Adjusted on fair value Reserve related to IFRS (9)	-	-	-	11,299	(11,299)	-	-	-	-
Dividend distribution	-	-	-	-	(400,000)	-	-	-	(400,000)
Balance - end of the period	8,000,000	41,507	2,000,000	(85,449)	3,602,296	42,661	424,865	424,865	14,025,880

- Retained earnings include JD 760,268 as of June 30, 2020, restricted against deferred tax assets which cannot be utilized in accordance with the instructions accounting to Jordan Securities Commission

(JD 652,554 as of December 31, 2019).

- During the Subsequent period, the general assembly of the company on May 27, 2020, agreed to suspend the distribution of profits for the year 2019, which was proposed by the Board of Directors in the financial statements for the year 2019.

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UNITED INSURANCE COMPANY  
(A PUBLIC SHAREHOLDING LIMITED COMPANY)  
AMMAN - JORDAN  
CONDENSED INTERIM STATEMENT OF CASH FLOWS  
(REVIEWED NOT AUDITED)

	Note	For the Six Months Period Ended June 30,	
		2020	2019
		JD	JD
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Profit for the period before tax		1,033,469	519,651
Adjustments:			
Depreciation and amortization		190,482	189,496
Expected credit losses provision		100,000	111,200
Change in the fair value of financial assets at fair value through profit or loss	16	3,784	(27,689)
Unearned premium reserve - net		41,991	425,733
Mathematical reserve - net		(31,159)	(32,652)
Claims reserve - net		405,453	368,113
Sundry provision		184,053	93,826
(Gain) from disposal of property and equipment		-	(18,447)
Cash Flows from Operating Activities before Changes in Working Capital Items		1,928,073	1,629,231
Decrease (Increase) in checks under collection		392,500	(210,584)
(Increase) in receivables		(4,636,989)	(3,281,560)
Decrease (Increase) in re-insurance and local insurance companies' accounts receivable		873,841	(130,405)
Decrease (Increase) in other assets		90,549	(68,910)
(Decrease) Increase in payables		(710,598)	945,703
Increase in re-insurance and local insurance companies' accounts payable		2,274,815	1,343,101
(Decrease) in other liabilities		(98,738)	(160,437)
Net Cash Flows from Operating Activities before Provisions and Tax Paid		113,453	66,139
Income tax paid	15	(324,005)	(260,459)
provisions paid		(351,511)	(123,067)
Net Cash Flows (used in) Operating Activities		(562,063)	(317,387)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
(Decrease) Increase in Deposits at banks		6,408,780	(4,033,040)
(Purchase) maturity of financial assets at amortized Cost		(1,846,000)	1,000,000
Sale financial assets by fair value through other comprehensive income statement		-	11,542
Sale financial assets at fair value through profit or loss		-	77,595
Proceeds from sales of Property and equipment's		-	36,948
(Purchase) of property and equipment - Net		-	(3,890)
(Purchase) of Intangible assets		-	(6,000)
Net Cash Flows from (used in) Investment Activities		4,562,780	(2,916,845)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Increases in due to banks		-	456,173
Paid distributed dividends		-	(400,000)
Net Cash Flows from Financing Activities		-	56,173
Net Increase (Decreases) in cash		4,000,717	(3,178,059)
Cash on hand and at banks - beginning of the year		2,435,044	2,727,801
Cash on Hand and at Banks - End of the Period	19	6,435,761	(450,258)

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UNITED INSURANCE COMPANY  
(A PUBLIC SHAREHOLDING LIMITED COMPANY)  
AMMAN - JORDAN

CONDENSED INTERIM STATEMENT OF UNDERWRITING PREMIUM FOR GENERAL INSURANCE ACTIVITIES FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2020 AND 2019

(REVIEWED NOT AUDITED)

	Motor		Marine and Transportation		Fire and Other Damages for Properties		Liability		Medical		Aviation		Other		Total
	June 30,		June 30,		June 30,		June 30,		June 30,		June 30,		June 30,		June 30,
	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Written premiums:															
Direct premium	3,985,762	4,882,373	157,632	170,245	1,903,769	1,252,185	144,624	237,771	6,595,499	7,275,843	-	-	12,205	54,039	12,794,511
Re-insurers' inward premium	300,879	426,976	-	-	402,110	448,781	741	1,199	-	-	-	-	298	407	704,128
Gross Earned Premiums	4,286,741	5,109,349	157,632	170,245	2,305,879	1,700,966	145,365	238,970	6,595,499	7,275,843	-	-	12,503	54,446	13,498,639
Less: Local re-insurers' share	204,265	312,887	-	-	342,171	347,064	-	-	(1,985)	(3,744)	-	-	-	-	544,451
Foreign re-insurers' share	45,569	50,827	132,801	146,354	1,831,294	1,331,612	83,844	178,900	2,768,532	2,913,333	-	-	2,200	25,173	4,854,240
Net Earned Premiums	4,036,907	4,745,635	19,031	21,881	132,434	122,290	61,521	60,070	3,826,952	4,366,254	-	-	10,303	29,273	8,099,948
Add: Unearned premiums reserve - beginning of the period	5,352,992	5,233,320	72,983	93,234	762,438	898,817	173,079	146,729	2,866,119	3,721,441	-	-	27,643	30,141	9,332,799
Less: Re-insurers' share - beginning of the period	113,263	124,524	63,120	85,149	878,887	819,915	133,013	84,632	834,693	1,326,660	-	-	17,625	17,955	1,814,633
Net Unearned Premiums Reserve - beginning of the period	5,239,729	5,108,786	9,854	14,085	83,541	78,902	40,866	67,097	2,031,330	2,394,781	-	-	10,018	12,186	7,419,166
Less: Unearned premiums reserve - end of the period	4,596,269	4,926,887	70,239	77,192	985,984	1,316,307	160,675	201,198	4,608,657	5,215,505	-	-	23,778	31,662	10,506,190
Re-insurers' share - end of the period	95,922	102,847	60,275	65,312	892,239	1,219,357	115,768	145,494	1,812,988	2,131,878	-	-	15,873	17,293	3,048,033
Net Unearned Premiums Reserve - end of the period	4,501,347	4,824,039	10,064	11,880	97,245	95,940	44,907	55,704	2,795,669	3,083,627	-	-	7,905	14,369	7,460,157
Net Earned Revenue from the Underwritten Premiums	4,775,339	5,039,371	19,021	26,086	118,230	104,252	56,660	66,463	3,064,713	3,667,408	-	-	12,416	37,090	8,057,997

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE CONDENSED INTERIM FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM AND WITH THE ACCOMPANYING REVIEW REPORT.



UNITED INSURANCE COMPANY  
(A PUBLIC SHAREHOLDING LIMITED COMPANY)  
AMMAN - JORDAN

CONDENSED INTERIM STATEMENT OF CLAIMS COST FOR GENERAL INSURANCE ACTIVITIES FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2022 AND 2012  
(REVIEWED NOT AUDITED)

	Motor				Marine and Transportation				Fire and Other Damages for Properties				Liability				Medical				Aviation				Other				Total	
	2020		2019		2020		2019		2020		2019		2020		2019		2020		2019		2020		2019		2020		2019		2020	
	June 30,	June 30,	June 30,	June 30,	June 30,	June 30,	June 30,	June 30,	June 30,	June 30,	June 30,	June 30,	June 30,	June 30,	June 30,	June 30,	June 30,	June 30,	June 30,	June 30,	June 30,	June 30,	June 30,	June 30,	June 30,	June 30,	June 30,	June 30,	June 30,	

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UNITED INSURANCE COMPANY  
(A PUBLIC SHAREHOLDING LIMITED COMPANY)  
AMMAN - JORDAN

CONDENSED INTERIM STATEMENT OF UNDERWRITING PROFIT FOR GENERAL INSURANCE ACTIVITIES FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2019 AND 2018  
(REVIEWED, NOT AUDITED)

	Motor		Marine and Transportation		Fire and Other Damages for Properties		Liability		Medical		Aviation		Other		Total
	June 30, 2019	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
Net earned revenue from the underwritten premiums	4,775,339	5,030,371	19,621	26,086	118,230	104,252	56,680	66,463	3,064,713	3,667,408	958	-	12,418	27,090	8,047,557
Less: Net paid claims cost	3,352,509	4,493,436	32,438	(9,500)	41,075	34,126	16,001	2,453	2,498,272	3,551,713	-	-	3,216	(1,513)	5,924,011
	1,422,830	536,935	7,183	35,586	77,155	70,126	40,679	64,010	566,441	115,695	958	-	9,202	28,603	2,123,546
	24,787	23,438	45,082	104,059	175,428	164,229	2,953	6,787	(86)	(110)	-	-	(17)	(2,623)	246,127
	154,341	171,235	6,671	6,671	71,915	52,452	6,138	5,785	205,271	272,613	-	-	978	2,759	445,784
	179,110	195,173	51,761	110,630	247,243	216,631	9,091	12,572	205,645	227,803	-	-	961	127	693,911
	158,499	160,441	2,179	4,390	55,338	45,839	7,980	10,883	26,054	41,692	-	-	279	12,840	250,320
	56,775	43,185	-	-	32,000	32,000	-	-	-	-	-	-	-	-	88,775
	376,362	331,138	32,211	31,061	163,146	96,805	7,633	8,671	425,815	340,715	-	-	637	2,021	1,005,126
	114,110	117,742	1,117	1,439	418	6,470	87	100	79,759	105,951	-	-	59	261	195,550
	705,777	687,506	35,607	36,890	250,804	183,114	15,709	13,854	531,638	486,370	-	-	995	14,022	1,250,471
	895,803	43,602	23,437	109,376	73,594	103,643	34,070	56,278	240,358	(145,100)	958	-	9,166	13,908	1,277,286

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UNITED INSURANCE COMPANY  
(A PUBLIC SHAREHOLDING LIMITED COMPANY)  
AMMAN - JORDAN

CONDENSED INTERIM STATEMENT OF UNDERWRITING PREMIUMS FOR LIFE INSURANCE ACTIVITIES  
(REVIEWED NOT AUDITED)

	For the Six Months Period	
	Ended June 30,	
	2020	2019
	JD	JD
Written Premiums:		
Direct premium	137,490	289,286
Re-insurers' facultative premium	-	-
Gross Written Premiums	137,490	289,286
<u>Less:</u> Foreign re-insurers' share	106,921	166,889
Local re-insurers' share	-	-
Net Written Premiums	30,569	122,397
<u>Add:</u> Mathematical reserve - beginning of the period	123,475	223,292
<u>Less:</u> Re-insurers' share - beginning of the period	41,902	63,930
Net Mathematical Reserve - beginning of the period	81,573	159,362
<u>Less:</u> Mathematical reserve - end of the period	149,215	216,459
Re-insurers' share - end of the period	98,801	89,749
Net mathematical reserve - end of the period	50,414	126,710
Net Earned Revenue from Written Premiums	61,728	155,049

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE CONDENSED  
INTERIM FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM AND  
WITH THE ACCOMPANYING REVIEW REPORT.

UNITED INSURANCE COMPANY  
(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - JORDAN

CONDENSED INTERIM STATEMENT OF CLAIMS COST FOR LIFE INSURANCE ACTIVITIES

(REVIEWED NOT AUDITED)

	For the Six Months Period	
	Ended June 30,	
	2020	2019
	JD	JD
Paid claims	88,401	234,470
<u>Less:</u> Foreign re-insurers' share	64,795	179,760
Net Paid Claims	23,606	54,710
<u>Add:</u> Reported claims reserve - end of the period	294,450	291,947
Unreported claims reserve - end of the period	10,000	10,000
<u>Less:</u> Re-insurers' share	240,793	238,748
Net Outstanding Claims Reserve - end of the period	63,657	63,199
<u>Less:</u> Reported claims reserve - beginning of the period	369,442	321,976
Unreported claims reserve - beginning of the period	10,000	10,000
<u>Less:</u> Re-insurers' share	300,787	251,742
Net Claims Reserve - beginning of the period	78,655	80,234
Net Claims Cost	8,608	37,675

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UNITED INSURANCE COMPANY  
(A PUBLIC SHAREHOLDING LIMITED COMPANY)  
AMMAN - JORDAN

CONDENSED INTERIM STATEMENT OF UNDERWRITING PROFIT FOR LIFE INSURANCE ACTIVITIES  
(REVIEWED NOT AUDITED)

	For the Six Months Period	
	Ended June 30,	
	2020	2019
	JD	JD
Net earned revenue from written premiums	61,728	155,049
<u>Less:</u> Net claims cost	<u>8,608</u>	<u>37,675</u>
	<u>53,120</u>	<u>117,374</u>
<u>Add:</u> Insurance policies insurance fees	<u>3,873</u>	<u>6,173</u>
Total Revenue	3,873	6,173
<u>Less:</u> Paid commissions	507	26,939
Administrative expenses related to underwriting accounts	7,220	10,739
Other expenses	<u>417</u>	<u>956</u>
Total Expenses	<u>8,144</u>	<u>38,634</u>
Net Underwriting Profit	<u><u>48,849</u></u>	<u><u>84,913</u></u>

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UNITED INSURANCE COMPANY  
(A PUBLIC SHAREHOLDING LIMITED COMPANY)  
AMMAN - JORDAN

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION FOR LIFE INSURANCE ACTIVITIES

	June 30, 2020 (reviewed not audited)	December 31, 2019 (Audited)
<u>ASSETS</u>	JD	JD
Deposits at banks	100,000	100,000
Total Investments	100,000	100,000
Accounts receivable	43,114	94,389
Insurance companies' accounts receivable	26,082	326,083
Property and equipment	37	43
TOTAL ASSETS	169,233	520,515
<u>LIABILITIES AND HEAD OFFICE'S EQUITY</u>		
<u>LIABILITIES</u>		
Accounts payable	9,237	9,237
Insurance companies' accounts payable	164,232	-
<u>TECHNICAL RESERVES</u>		
Outstanding Claims reserve - net	63,656	78,654
Mathematical reserve - net	50,414	81,573
Total Technical Reserves	114,070	160,227
TOTAL LIABILITIES	287,539	169,464
<u>HEAD OFFICE'S</u>		
Head Office's current account	(167,155)	(138,286)
Net Written Profit	48,849	189,337
(Deficit) Surplus in Head Office's Equity	(118,306)	51,051
TOTAL LIABILITIES AND HEAD OFFICE'S EQUITY	169,233	220,515

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REVIEW REPORT.



UNITED INSURANCE COMPANY  
(A PUBLIC SHAREHOLDING LIMITED COMPANY)  
AMMAN – JORDAN  
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
(REVIEWED NOT AUDITED)

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1. General

- a. United Insurance Company was established in 1972 and registered as a Jordanian Public Shareholding Limited Company under Number (74) according to the Companies Law and its amendments. Moreover, United Insurance Company was merged with Egyptian Orient Insurance Company and New India Insurance Company in Jordan. The merger took effect from the beginning of 1988 and the Company resulting from the merger (United Insurance Company) has become the general success of the Company. In addition, more capital adjustments were made, the last of which was during the year 2008, so that authorized and paid-up capital became JD 8 million, divided into 8 million shares at a par value of JD 1 each.

The Company's address is P.O. Box 7521, Building No. (188), Zahran Street – 11118 Amman, Jordan.

The Company's objective is conducting all types of insurance, including life insurance.

2. Basis of preparation

- The condensed interim financial information have been prepared in accordance with International Accounting Standard (IAS) 34 "Interim Financial Reporting", and in accordance to the local laws and regulations in force, as well as the form prescribed by the Insurance administrative (previously known as the Insurance Commission).
- The condensed interim financial information are prepared on the historical cost basis except for the financial assets and financial liabilities, which are presented at their fair value as of the condensed interim financial information date.
- The Jordanian Dinar is the functional and reporting currency of the condensed interim financial information.
- The condensed interim financial information does not include all the information and disclosures required for the annual financial statements prepared in accordance with International Financial Reporting Standards and should be read with company's annual report for the year ended December 31, 2019. In addition, the results of the Company's operations for the six months ended June 30, 2020 do not necessarily represent an indication of the expected results for the year ending December 31, 2020.
- The Company did not deduct any statutory reserves for the profit of the six months ended June 30, 2020 in accordance with the regulations of the Companies Law and the issued instructions, as these financial information are interim information and the deductions are made at the end of the fiscal year.

#### Judgments, Estimates and Risk Management

The preparation of the condensed interim financial information requires management to make judgments, estimates and assumptions that affects the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the Company's annual financial statements for the year ended December 31, 2019 , except for what is mentioned in note (3) below.

We believe that the estimates used in the preparation of these condensed interim financial information are consistent with those used in the annual financial information for the year ended December 31, 2019 except for the below:

The Coronavirus (Covid-19) outbreak in early 2020 in many geographical regions around the world has caused widespread disruptions to business, with a consequential negative impact on economic activity. Also, this event is witnessing continuous and rapid developments, which required the Company's management to conduct an evaluation of the expected effects on the Company's business inside and outside the kingdom, perform a study to review and evaluate potential risks, in addition to providing additional disclosures in the interim financial statements as of June 30, 2020. Accordingly, the Company has taken the following measures to contain the crisis:

- a. Before announcing any case of infection in Jordan, the Supreme Committee for Emergency has taken all necessary measures to ensure business continuity and customer service in the event of any emergency, through the formation of a specialized team to manage the crisis of the Coronavirus spread in coordination with various sector heads and executives to ensure the implementation of a set of procedures, the most important of which are the following:

- Providing alternative locations for staff distribution to ensure work continuity and to maintain social distancing among employees.
- Activating the remote work feature for sensitive jobs in order to ensure the continuity of the provision of customer service through electronic channels.
- Maintaining the safety of both employees and clients by taking all measures related to the sterilization of branches and workplaces.

- b. In the aspect of monitoring the impact of the COVID 19 crisis on the results of the Company's operations, a set of assumptions was used, based on the interplay of two main pillars that enable the Company to monitor the impact of the crisis on its business. These two pillars are the following:

Global practices for calculating credit losses based on International Financial Reporting Standard No. (9), and amendment of the calculation models developed for this purpose in a manner that leads to taking into account the impact of (COVID-19) event, and reaching reasonable expectations for the expected outputs of the impact. In addition to Management's overlay in assessing the impact on specific sectors or specific clients based on the study of each sector or customer separately. Noting that the Company has a strong financial position and a strong capital base that enables it to absorb these traumas.

- c. The effect of the coronavirus (COVID-19) outbreak on the Company's liquidity levels. The Company has prepared all scenarios related to stressful situations, and it enjoys comfortable levels that enable it to respond to market conditions.
- d. The company has re-examined assets distribution strategy, as it took advantage of the increase in cash and deposits at banks to invest in items with high annual income, long term and high liquidity in order to be able to respond to any unexpected situations.



### 3. Significant Accounting Policies

The accounting policies used in the preparation of the condensed interim financial information for the period ended on June 30, 2020 are consistent with those used in the preparation of the annual financial statements for the year ended December 31, 2019, except for the impact of the application of the new and amended International Financial Reporting Standards, which have become effective in the current period, as shown below:

#### a. Amendments to IAS 1 and IAS 8 Definition of material

The amendments are intended to make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS Standards. The concept of 'obscuring' material information with immaterial information has been included as part of the new definition.

The threshold for materiality influencing users has been changed from 'could influence' to 'could reasonably be expected to influence'.

The definition of material in IAS 8 has been replaced by a reference to the definition of material in IAS 1. In addition, the IASB amended other Standards and the Conceptual Framework that contain a definition of material or refer to the term 'material' to ensure consistency.

The amendments are applied prospectively for annual periods beginning on or after January 1, 2020.

#### - Amendments to IFRS 3 Definition of a business

The amendments clarify that while businesses usually have outputs, outputs are not required for an integrated set of activities and assets to qualify as a business. To be considered a business an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. Additional guidance is provided that helps to determine whether a substantive process has been acquired.

The amendments introduce an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business. Under the optional concentration test, the acquired set of activities and assets is not a business if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar assets.

The amendments are applied prospectively to all business combinations and asset acquisitions for which the acquisition date is on or after the first annual reporting period beginning on or after January 1, 2020.

#### - Amendments to References to the Conceptual Framework in IFRS Standards

Together with the revised Conceptual Framework, which became effective upon publication on 29 March 2018, the IASB has also issued Amendments to References to the Conceptual Framework in IFRS Standards. The document contains amendments to IFRS No. (2), (3), (6), (14), IAS No. (1), (8) and (34), IAS No. (38), IFRIC No. (12), (19), (20) and (22), and SIC- No. (32).

Not all amendments, however, update those pronouncements with regard to references to and quotes from the framework so that they refer to the revised Conceptual Framework. Some pronouncements are only updated to indicate which version of the Framework they are referencing to (the IASC Framework adopted by the IASB in 2001, the IASB Framework of 2010, or the new revised Framework of 2018) or to indicate that definitions in the Standard have not been updated with the new definitions developed in the revised Conceptual Framework.

The amendments, where they actually are updates, are effective for annual periods beginning on or after January 1, 2020.

#### 4. Deposits at Banks

- During the period ended June 30, 2020, annual interest rates on deposits in Jordanian Dinar ranged from 3.5% to 5.35% (6% to 6.5% during the period ended June 30, 2019).
- Deposits collateralized to the order of the General Director of the Insurance Commission in addition to his position amounted to JD 325,000 as of June 30, 2020 (JD 325,000 as of December 31, 2019).
- Restricted balances amounted to JD 300,000 as of June 30, 2020 (JD 300,000 as of December 31, 2019) representing cash margins for an overdrafts granted to the Company in addition to the deposits collateralized to the order of the General Director of the Insurance Commission.

Balances with banks are assessed to have low credit risk of default since these banks are highly regulated by the central banks of their respective countries. Accordingly, the management of the Company estimates the loss allowance on balances with banks at the end of the reporting period at an amount equal to expected credit losses for 12 months. Taking into account the historical default rates and the current credit ratings for banks.

#### 5. Financial Assets at Fair Value through Profit or Loss

This item consists of the following:

	June 30, 2020	December 31, 2019
	JD	JD
<u>Inside Jordan:</u>		
Listed shares in Amman stock exchange	138,255	142,039
	<u>138,255</u>	<u>142,039</u>

#### 6. Financial Assets at Fair Value through Other Comprehensive Income

This item consists of the following:

	June 30, 2020	December 31, 2019
Company Name	JD	JD
<u>Inside Jordan</u>		
Quoted shares at Amman Stock Market	4,118,532	4,519,854
Unquoted shares at Amman Stock Market	8,923	8,923
	<u>4,127,455</u>	<u>4,528,777</u>
<u>Outside Jordan</u>		
Arab Reinsurance Company – Lebanon *	201,583	201,583
	<u>4,329,038</u>	<u>4,730,360</u>

- \* This investment has been evaluated according to the equity method used and the Company's last audited financial statements, The Company has conducted a detailed study of the investee company and the company believes that there is no decline in terms of market value exceeding the book value.

#### 7. Financial Assets at Amortized Cost.

This item consists of the following:

	June 30, 2020	December 31, 2019
Company Name	JD	JD
<u>Inside Jordan</u>		
Arab Corp Bonds*	50,000	50,000
Al-Ahli Bank Bonds**	1,000,000	1,000,000
Jordanian Government Bonds***	1,846,000	-
<u>Less: Declining in investing in Arab Corp provision</u>	<u>(49,000)</u>	<u>(49,000)</u>
Balance	2,846,001	1,000,001
<u>Less: Expected Credit Loss ****</u>	<u>1,000</u>	<u>1,000</u>
Adjusted Balance	<u>2,845,001</u>	<u>999,001</u>



- \* ArabCorp bonds matured on April 1, 2014 and the original bond and any interest for the company were not paid during the years 2016 and 2017, a provision was made for the entire value of this bond and the suspension of interest recognition during the past years.
- \*\* On October 12, 2017, the company invested in (10) loan bonds with a nominal value of 100,000 dinars / loan bonds with a total value of one million dinars from the Jordan Ahli Bank with a contribution rate of 4% in the bonds, these bonds are due on November 12, 2023, with the benefit of issuing 6/75 % For the first six months, at 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 June 17, 2020, the company invested in (13) Jordanian government loan bonds with a nominal value of \$ 200,000 / loan bond and a total value of \$ 2,600,000 through the Housing Bank. These bonds are due on October 10, 2047, and at a fixed interest rate of 375/7% annually, it is calculated based on the number of actual days divided by 360 days.
- \*\*\*\* The movement in the allowance for expected credit losses on financial assets at amortized cost:

	For the Six Months Ended June 30, 2020 JD	For the Year Ended December 31, 2019 JD
Balance at the beginning of the year	1,000	-
Effect of applying IFRS 9	-	1,000
Adjusted Balance	1,000	1,000
Additions during the year	-	-
Balance - End of the Year	1,000	1,000

#### 8. Investment Property - Net

This item consists of the following:

	June 30, 2020 JD	December 31, 2019 JD
Land	646,985	646,985
Buildings	5,007,455	5,007,455
<u>Less: Accumulated depreciation</u>	<u>(750,876)</u>	<u>(708,050)</u>
Buildings - net of accumulated depreciation	4,256,579	4,299,405
Total	4,903,564	4,946,390

- The movement on the accumulated depreciation account was as follows:

	For the Six Months Ended June 30, 2020 JD	For the Year Ended December 31, 2019 JD
Balance - beginning of the period / year	708,050	622,164
Depreciation expense	42,826	85,886
Balance at Period / Year - End	750,876	708,050

- Buildings are depreciated at an annual rate of 2% and are stated at the carrying amount.

9. Cheques under collection:

The maturity date of checks under collection extended to August 30, 2023, in an amount of JD 2,563,132 after June 30, 2020.

- This item consists of the following:

	For the Six Months Ended June 30, 2020	For the Year Ended December 31, 2019
	JD	JD
Balance	2,748,960	3,141,460
Expected credit losses	(6,958)	(6,958)
	<u>2,742,002</u>	<u>3,134,502</u>

10. Receivables - Net

This item consists of the following:

	June 30, 2020	December 31, 2019
	JD	JD
Policyholders receivable	8,174,418	3,803,798
Agents receivable	1,033,017	926,421
Brokers receivable	1,685,853	1,477,317
Employees receivable	18,666	20,487
Lawsuit receivables *	436,677	436,926
Related parties receivable (Note 20)	863,390	933,409
Others	100,282	76,956
	<u>12,312,303</u>	<u>7,675,314</u>
<u>Less:</u> Expected credit losses **	<u>(1,631,335)</u>	<u>(1,531,335)</u>
Receivables - Net	<u>10,680,968</u>	<u>6,143,979</u>

- \* Movement on the provision excepted credit Losses was as follows:

	For the Six Months Ended June 30, 2020	For the Year Ended December 31, 2019
	JD	JD
Balance at the beginning of the year	1,531,335	1,633,795
Provision for the Year	100,000	-
Written off during the year	-	(102,460)
Balance - End of the Year	<u>1,631,335</u>	<u>1,531,335</u>

- The aging of receivables is as follows:

	June 30, 2020	December 31, 2019
	JD	JD
Less than 90 days	4,870,834	3,152,914
90 - 180 days	4,242,073	2,248,047
181 - 270 days	1,480,176	503,238
271 - 360 days	313,135	467,393
More than 360 days	<u>1,406,085</u>	<u>1,303,722</u>
	<u>12,312,303</u>	<u>7,675,314</u>

- The company always measures the provision for loss for debtors at an amount equal to the expected credit losses over the life of the debt using the simplified approach. The expected credit losses on debtors are estimated using an allowance matrix by referring to previous experiences with the customer and an analysis of the debtor's current financial position, adjusting it according to the debtors' factors, the general economic conditions of the field in which the debtors operate and an assessment of the current trend as well as the expected trend of conditions at the date of the report.



**11. Property and Equipment's - Net**

During the six months ended June 30, 2020, the company did not purchase or sell property and equipment. The value of depreciation for the period reached 133,176 JD.

**12. Re-insurance and Local Insurance Companies' Accounts Receivable-net**

This item consists of the following:

	June 30, 2020	December 31, 2019
	JD	JD
Local insurance companies	591,023	580,256
Foreign re-insurance companies	85,931	970,539
	676,954	1,550,795
<u>Less: Expected credit losses *</u>	<u>(35,207)</u>	<u>(35,207)</u>
Re-insurance Companies' Accounts - Net	641,747	1,515,588

\* Movement on the provision for doubtful debts is as follows:

	For the Six Months Ended June 30, 2020	For the Year Ended December 31, 2019
	JD	JD
Balance at the beginning of the period / year	35,207	77,345
Written off during the period / year	-	(42,138)
Balance at End of Period /Year	35,207	35,207

The aging of re-insurance and local insurance companies' accounts receivable is as follows:

	June 30, 2020	December 31, 2019
	JD	JD
Less than 90 days	421,631	870,583
90 - 180 days	110,393	663,397
181 - 270 days	43,185	719
271 - 365 days	101,745	16,096
Total	676,954	1,550,795

- A provision is booked for reinsurers' expected credit Loss with due age of more than one year and with no repayments and according to the management estimates. Thus, The Company always measures the loss provision for reinsurance receivables at an amount equal to the expected credit losses over the life of the liability, using the simplified approach. The expected credit losses are estimated on the receivables of reinsurers using a matrix of allocations by referring to previous experiences with the repeater and an analysis of the current financial position of the repeater, with adjustments according to factors specific to the reinsurers receivables, the general economic conditions of the field in which the reinsurer operates and an assessment of the current trend as well as the expected direction of the conditions On the date of the report.

**13. Re-insurance and Local Insurance Companies' Accounts Payable**

This item consists of the following:

	June 30, 2020	December 31, 2019
	JD	JD
Local insurance companies	5,141,843	2,918,817
Foreign re-insurance companies	311,411	259,622
	5,453,254	3,178,439

#### 14. Accrued Expenses and Various Provisions

This item consists of the following:

	June 30, 2020	December 31, 2019
	JD	JD
Provision for the Insurance Administration fees	12,769	8,111
End of service provision	11,335	98,370
Accrued bonuses	50,689	135,770
	<u>74,793</u>	<u>242,251</u>

The following table illustrates the movement on accrued expenses and the various provisions:

	Balance Beginning of the Period	Booked for the Period	Released During the Period	Balance ending of the period
	JD	JD	JD	JD
Accrued expense for the Insurance Administration	8,111	86,981	(82,323)	12,769
End of service indemnity	98,370	47,074	(134,108)	11,335
Accrued bonuses	135,770	49,999	(135,080)	50,689
	<u>242,251</u>	<u>184,053</u>	<u>(351,511)</u>	<u>74,793</u>

#### 15. Income Tax

The Movement on the income tax provision is as follows:

	For the Six Months Ended June 30, 2020	For the Year Ended December 31, 2019
	JD	JD
Balance at the beginning of the period / year	296,344	240,223
Income tax paid	(304,351)	(291,227)
Income tax expense for the period / year	186,421	357,088
Income tax for prior years	8,024	-
National Contribution Fees	16,141	31,489
Tax paid on interest deposits	(19,654)	(41,299)
Balance at the End of the Period / Year	<u>182,925</u>	<u>296,344</u>

- Income tax in the statement of income represents the following:

	For the Six Months Ended June 30, 2020	2019
	JD	JD
Income tax for the period profit	186,421	127,788
Accrued income tax from prior years	8,024	-
	<u>194,445</u>	<u>127,788</u>
Deferred tax assets	(3,371)	(33,002)
	<u>191,074</u>	<u>94,786</u>

\*\* During the year 2019, the national contribution fees for the public joint-stock companies were approved at 2% of the total subject income.

- A final settlement has been reached regarding the company's tax status up to the year 2018. Income tax returns have been submitted for the year 2019. These returns have not been reviewed by the Sales and Income Tax Department so far.

**16. Financial Assets Valuation Reserve - Net**

This item consists of the following:

	For the Six Months Ended June 30, 2020 JD	For the Year Ended December 31, 2019 JD
Balance at the beginning of the period/year	(611,881)	(240,847)
(Loss) on sale of financial assets through other comprehensive income	-	(9,388)
	<u>(611,881)</u>	<u>(250,235)</u>
Change during the period/year	(401,327)	500,574
transferred from deferred tax assets	104,344	138,928
Net Change during the period/year	<u>(296,983)</u>	<u>(361,646)</u>
Balance - end of period/year	<u>(908,864)</u>	<u>(611,881)</u>

**17. Gain from Financial Assets and Investments**

This item consists of the following:

	For the Six Months Ended June 30, 2019	
	2020 JD	2019 JD
Cash dividends from financial assets at fair value through profit or loss	-	1,885
Cash dividends (financial assets at fair value through other comprehensive income)	2,900	253,322
Rental income - net	5,582	81,183
Net change in financial assets fair value through income statement	<u>(3,784)</u>	<u>27,689</u>
	<u>4,698</u>	<u>364,079</u>

**18. Earnings per Share**

Earnings per share have been computed by dividing profit for the period by the outstanding shares. The details are as follows:

	For the Six Months Period Ended June 30,	
	2020 JD	2019 JD
Income for the period	826,254	424,865
Weighted average number shares	<u>8,000,000</u>	<u>8,000,000</u>
Basic and diluted earnings per share	<u>-/103</u>	<u>-/053</u>

**19. Cash and Cash Equivalent**

The details of this item are as follows:

	June 30, 2020 JD	December 31, 2019 JD
Cash on hand	9,123	2,886
Deposits at banks maturing within three months	6,869,455	2,000,000
Current accounts at banks	182,183	1,057,157
<u>Less: Restricted deposits</u>	<u>(625,000)</u>	<u>(625,000)</u>
Cash on hand	<u>6,435,761</u>	<u>2,435,044</u>



**20. Transactions with Related Parties**

- The Company entered into transactions with major shareholders, members of the Board of Directors, and executive management within its regular activities.
- The following is a summary of the transactions with related parties:

	June 30, 2020	December 31, 2019
	JD	JD
<b>Statement of Financial Position Items:</b>		
<b>Accounts receivable:</b>		
Jordan Projects for Tourism Development *	113,274	495
Jordan Paper and Cardboard Company * / **	387,627	387,627
Modern Arab Distribution Company Ltd *	68,792	185,666
Yousef Nader & Sons Company *	6,171	77,402
Specialized Logistics Services Company	15,043	74,973
General Investment Company *	101,812	18,937
Abu Jaber Brothers Company *	103,858	87,592
Board of Directors and Shareholders Receivables	3,302	9,299
Communication Development Company *	7,233	7,233
Saed Abu Jaber and Sons Company	20,987	12,599
Al Awael Distribution and General Trading Company	-	2,718
Arabian Italian Trading Company	4,615	7,333
Specialized Distributors for consumer goods Company	12,446	39,836
Bidfood Service Middle East- Jordan Company	3,128	10,688
Jordan Distribution Company and Agencies	13,183	-
Al-Yadouda Trading Company *	1,819	1,856
Aqaba Packaging company-Aqaba Special Economic Zone	100	9,155
	<u>863,390</u>	<u>933,409</u>
<b>Checks under Collection:</b>		
Jordan Projects for Tourism Development Company *	285,629	380,839
Orient Insurance Company *	92,803	92,803
Abu Jaber Brothers Company *	11,460	-
	<u>389,892</u>	<u>473,642</u>
	June 30, 2020	December 31, 2019
	JD	JD
<b>Accounts Payable:</b>		
Marina Plaza Hotel	169	169
Modern Arab Distribution Company	7	7
Board of Directors and Shareholders Receivables	13,278	10,850
	<u>13,454</u>	<u>11,026</u>
	For the Six Months Ended June 30,	
	2020	2019
	JD	JD
<b>Income Statement Items:</b>		
Revenues and commissions on underwritten installments	338,559	491,527
Paid claims	293,147	323,419
Rental income	40,000	53,186

\* Company partially owned by a member of Board of Directors.

- The following is a summary of the benefits (salaries, bonuses, and other benefits) for executive management:

<u>Description</u>	<u>For the Six Months Ended June 30,</u>	
	<u>2020</u>	<u>2019</u>
	<u>JD</u>	<u>JD</u>
Salaries and other benefits	<u>487,763</u>	<u>361,314</u>

## 21. Lawsuits against the Company

There are lawsuits against the Company claiming compensation on various accidents. Moreover, the lawsuits at courts with determined amounts totaled JD 3,687,587 as of June 30, 2020. In the opinion of the Company's management and its lawyer, no additional liabilities in excess of the provisions booked within the claims reserve.

There are lawsuits by the company against others. The total estimated cases amounted to about JD 2,506,512 as of June 30, 2020.

## 22. Contingent Liabilities

As of the date of the statement of financial position, the Company was contingently liable for bank guarantees of JD 177,267 and cash collaterals for letters of credit of Euro 24,800.

## 23. Information on Geographical Distribution

This note represents the geographical distribution of the Company's operations. Moreover, the Company conducts its operations mainly in the Kingdom, representing local operations.

The following is the distribution of the Company's revenue and capital expenditures according to geographical sector:

	<u>Inside Jordan</u>		<u>Outside Jordan</u>		<u>Total</u>	
	<u>For the Six Months Ended June 30,</u>					
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	<u>JD</u>	<u>JD</u>	<u>JD</u>	<u>JD</u>	<u>JD</u>	<u>JD</u>
Earned premiums revenue	13,165,288	14,034,875				
Interest revenue	192,034	333,568				
Investment revenue	2,900	1,018				
Capital expenditures	133,176	136,524				
	<u>Inside Jordan</u>		<u>Outside Jordan</u>		<u>Total</u>	
	<u>June 30, 2020</u>	<u>December 31, 2019</u>	<u>June 30, 2020</u>	<u>December 31, 2019</u>	<u>June 30, 2020</u>	<u>December 31, 2019</u>
	<u>JD</u>	<u>JD</u>	<u>JD</u>	<u>JD</u>	<u>JD</u>	<u>JD</u>
Total assets	41,298,896	38,284,126	287,514	1,172,122	41,586,410	39,456,248

- The sectoral distribution of the company's business has been disclosed through the lists of revenues and the cost of compensation for the insurance business.

24. Dividend Distribution

The general Assembly of the company, which was on May 27, 2020, agreed to suspend the distribution of profits for the year 2019, which was proposed by the Board of Directors in the financial statements for the year 2019.

25. COVID-19 pandemic effect

During March 2020, the World Health Organization classified the COVID-19 virus as a global pandemic, affecting supply and demand, which in turn negatively affected global markets, and the pandemic changed social behavior due to the stone imposed by governments.

The company has documented a business continuity plan that has been activated to ensure the security and stability of business continuity. A dedicated Business Continuity Planning Committee has been formed to identify and oversee the implementation of the Business Continuity Plan related to the impact of the COVID-19 pandemic, which consists of measures to identify and reduce major problems related to financial and operating activities.

The company assessed the impact of COVID-19 and concluded that there were no material changes in the financial position and financial performance as of June 30, 2020. Based on this conclusion, the company decided that it is not necessary to change the assumptions and estimates as of June 30, 2020 from those that were followed in the financial statements as of December 31, 2019, with the exception of updating the future aspirations of the assumptions used to determine the impact of the expected credit losses.

The management believes that the impact of COVID-19 on the company's insurance operations does not constitute a major impact as the company has implemented business plans and strategies to reduce the financial and operational impact of the pandemic effect as much as possible, knowing that the future impact of the pandemic on business is not expected, and therefore the company continues to update plans for research and response to the pandemic.



26. Fair Value Hierarchy

A. Fair value of financial assets and financial liabilities that are measured at fair value on a recurring basis:

Some of the financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair value of these financial assets and financial liabilities are determined (valuation techniques and key inputs).

Financial Assets/ Financial Liabilities	Fair Value		Fair Value Hierarchy	Valuation Techniques and Key Inputs	Significant Unobservable Inputs	Relationship of Unobservable Inputs to Fair Value
	June 30, 2020	December 31, 2019				
	JD	JD				
<b>Financial Assets at Fair Value Through Income Statement</b>						
Shares with available market prices	138,255	142,039	Level One	Stated Rates in financial markets	Not Applicable	Not Applicable
	138,255	142,039				
<b>Financial Assets at Fair Value through statement of Comprehensive Income</b>						
Shares without market prices	210,506	210,506				
Shares with available market prices	4,118,532	4,519,854				
	4,329,038	4,730,360				

B. Fair value of financial assets and financial liabilities that are not measured at fair value on a recurring basis:

Except for what is set out in the table below, we believe that the carrying amount of financial assets and liabilities shown in the condensed interim financial statements approximates their fair value because the Company's management believes that the carrying value of the items is equivalent to their fair value. This is due to either maturity or short-term interest rates repriced during the period.

	June 30, 2020		December 31, 2019		Fair Value Hierarchy
	Book Value	Fair Value	Book Value	Fair Value	
	JD	JD	JD	JD	
<b>Financial assets without specific at fair value</b>					
Deposits with bank	8,692,930	8,778,712	10,232,255	10,417,113	Level 2
Investment property	4,903,564	7,488,355	4,946,390	7,488,355	Level 2
<b>Total financial assets without specific at fair value</b>	<u>13,596,494</u>	<u>16,267,067</u>	<u>15,178,645</u>	<u>17,905,468</u>	

The fair values of the above financial assets and financial liabilities included in level 2 categories have been determined in accordance with the generally accepted pricing models, which reflects the credit risk of counterparties.

27. Approval of the Condensed Interim Financial Information

The accompanying condensed interim financial information was approved by the Board of Directors on July 27, 2020.