

عمان في 2019/07/29  
الإشار 19/426/0-0م

**Messrs Jordan Securities  
Commission**

السادة : هيئة الاوراق المالية المحترمين

Amman - Jordan

عمان - الأردن

تحية واحتراما ،،،

**Subject : Semi – Annual Report in  
English as of 30/06/2019**

**الموضوع : التقرير نصف السنوي باللغة الانجليزية  
كما هو في 2019/06/30 .**

Attached the company Semi Annual  
Report in English of United Insurance  
Co. Ltd As at 30/06/2019 .

مرفق طيه نسخة من التقرير نصف السنوي باللغة  
الانجليزية للشركة المتحدة للتأمين م.ع.م ، كما هو  
بتاريخ 2019/06/30 .

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, 2019  
TOGETHER WITH THE REVIEW REPORT

UNITED INSURANCE COMPANY  
(A PUBLIC SHAREHOLDING LIMITED COMPANY)  
AMMAN – JORDAN  
JUNE 30, 2019

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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, 2019 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.

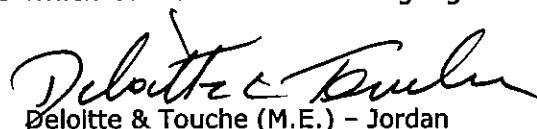
### **Emphasis of Matter**

We draw attention to note (23) of the condensed interim financial statements, which describes that the comparative financial information included in the statement of changes in shareholders' equity has been restated with the requirements of new International Financial Reporting Standards. Our conclusion is not modified in respect of this matter.

### **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 30, 2019

  
Deloitte & Touche (M.E.) – Jordan

Deloitte & Touche (M.E.)  
ديلويت آند توش (الشرق الأوسط)  
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**UNITED INSURANCE COMPANY**  
**(A PUBLIC SHAREHOLDING LIMITED COMPANY)**  
**AMMAN - JORDAN**  
**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**

		June 30, 2019 (Reviewed not Audited)	December 31, 2018 (Audited)
	<b>ASSETS</b>		
Investments:		JD	JD
Deposits at banks	4	9,762,231	8,729,191
Financial assets at fair value through profit or loss	5	169,212	219,118
Financial assets at fair value through other comprehensive income	6	5,404,778	5,261,252
Financial assets at amortized cost		999,001	1,999,001
Investment property - net	7	4,989,686	5,032,276
		<u>21,324,908</u>	<u>21,240,838</u>
Cash on hand and at banks		174,742	352,801
Cheques under collection	8	2,677,359	2,466,775
Receivables - net	9	10,177,469	7,007,109
Re-insurance and local insurance companies' accounts receivables - net	11	794,725	664,320
Deferred tax assets		523,468	500,222
Property and equipment - net	10	5,194,856	5,342,101
Intangible assets - net		77,077	85,349
Other assets		<u>722,256</u>	<u>653,346</u>
		<u>20,341,952</u>	<u>17,072,023</u>
<b>TOTAL ASSETS</b>		<u><b>41,666,860</b></u>	<u><b>38,312,861</b></u>
<b><u>LIABILITIES AND SHAREHOLDERS' EQUITY</u></b>			
<b><u>LIABILITIES</u></b>			
Unearned premiums reserve - net		8,086,570	7,660,837
Claims reserve - net		11,143,150	10,775,037
Mathematical reserve		<u>126,710</u>	<u>159,362</u>
<b>Total Insurance Contracts Liabilities</b>		<u><b>19,356,430</b></u>	<u><b>18,595,236</b></u>
Due to banks		456,173	-
Payables		2,955,612	2,009,909
Re-insurance and local insurance companies' accounts payable	12	4,481,983	3,138,882
Accrued expenses and various provisions	13	54,565	83,806
Provision for income tax	14	119,372	240,223
Deferred tax liabilities		26,165	26,864
Other liabilities		<u>190,680</u>	<u>351,637</u>
<b>TOTAL LIABILITIES</b>		<u><b>27,640,980</b></u>	<u><b>24,446,557</b></u>
<b><u>SHAREHOLDERS' EQUITY</u></b>			
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	15	(85,449)	(240,847)
Retained earnings		3,644,957	4,065,644
Profit for the period		<u>424,865</u>	<u>-</u>
<b>Total Shareholders' Equity</b>		<u><b>14,025,880</b></u>	<u><b>13,866,304</b></u>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<u><b>41,666,860</b></u>	<u><b>38,312,861</b></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	2019	2018	2019	2018
		JD	JD	JD	JD
<b>Revenue:</b>					
Gross written premiums		4,677,632	4,599,610	14,839,105	11,436,036
<b>Less: Re-insurers' share</b>		<u>1,653,678</u>	<u>1,390,411</u>	<u>5,369,305</u>	<u>3,718,666</u>
Net Written Premiums		3,023,954	3,209,199	9,469,800	7,717,370
Net change in unearned premiums reserve		1,630,371	471,892	(425,733)	(506,560)
Net change in mathematical reserve		<u>32,652</u>	<u>69,832</u>	<u>32,652</u>	<u>69,832</u>
Net Earned Written Premiums		4,686,977	3,750,923	9,076,719	7,280,642
Commissions' revenue		165,304	127,024	295,780	271,670
Insurance policies Issuance fees		169,116	165,884	473,029	394,834
Interest revenue		172,824	148,462	333,568	302,713
Net gain from financial assets and investments	16	294,268	310,616	364,079	339,401
Other revenue		<u>18,447</u>	<u>444</u>	<u>18,447</u>	<u>3,842</u>
Total Revenue		<u>5,506,936</u>	<u>4,503,353</u>	<u>10,561,622</u>	<u>8,593,102</u>
<b>Claims, Losses and Expenses:</b>					
Less: Paid claims		5,818,276	4,719,947	11,881,153	9,944,593
Claims Recoveries		556,534	340,650	1,023,271	1,195,091
Re-Insurers' share		<u>1,331,158</u>	<u>1,313,859</u>	<u>3,117,605</u>	<u>2,225,854</u>
Net paid claims		3,930,584	3,065,438	7,740,277	6,523,648
Net change in claims reserve		416,218	301,584	368,113	(302,613)
Allocated general and administrative expenses		128,333	96,299	295,072	231,678
Allocated employees' expenses		301,217	267,357	528,278	536,782
Excess of loss premiums		-	-	75,185	63,200
Policies acquisition cost		138,176	168,706	332,724	372,294
Other expenses related to underwriting		<u>103,944</u>	<u>147,631</u>	<u>232,919</u>	<u>253,283</u>
Net Claims Costs		<u>5,018,472</u>	<u>4,047,015</u>	<u>9,572,568</u>	<u>7,678,272</u>
Unallocated employees' expenses		36,989	32,627	63,952	63,508
Depreciation and amortization		95,110	94,717	189,496	188,752
Unallocated general and administrative expenses		63,070	24,076	104,755	57,920
Expected credit losses - net		<u>111,200</u>	<u>8,795</u>	<u>111,200</u>	<u>12,255</u>
Total Expenses		<u>306,369</u>	<u>160,215</u>	<u>469,403</u>	<u>322,435</u>
Income for the Period before Tax		182,095	296,123	519,651	592,395
Income tax expense	14	<u>(46,158)</u>	<u>(5,967)</u>	<u>(94,786)</u>	<u>(82,999)</u>
Income for the Period		<u>135,937</u>	<u>290,156</u>	<u>424,865</u>	<u>509,396</u>
Earnings per Share for the Period	17			<u>-/053</u>	<u>-/064</u>

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,	
	2019	2018	2019	2018
	JD	JD	JD	JD
Profit for the period	135,937	290,156	424,865	509,396
Items that will not be transferred to the condensed interim statement of Income in future:				
Loss from sale of financial assets through Other Comprehensive Income	-	-	(9,388)	-
Change in the valuation reserve of financial assets at fair value - net	(63,944)	147,073	144,099	(62,649)
Total Comprehensive Income for the Period	71,993	437,229	559,576	446,747

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UNITED INSURANCE COMPANY  
LA 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 * Realized	Unrealized	Profit For the Period	Total
		JD	JD	JD	JD	JD	JD	JD	JD
<b>For the Six Months Period Ended June 30, 2019</b>									
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 OCI		-	-	-	-	(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	14,025,880
<b>For the Six Months Period Ended June 30, 2018</b>									
Balance - beginning of the period		8,000,000	41,507	2,000,000	200,655	3,300,811	359,928	-	13,902,901
IFRS 9 Implementation Impact		-	-	-	-	-	(152,000)	-	(152,000)
Balance - beginning of the period - Adjusted subsequent adjustments related to the effect of implementation of IFRS (9)**		8,000,000	41,507	2,000,000	200,655	3,300,811	207,928	-	13,750,901
Restated balance - beginning of the period		-	-	-	-	-	(165,267)	-	(165,267)
Profit for the period - Adjusted		8,000,000	41,507	2,000,000	200,655	3,300,811	42,661	-	13,585,634
Change in the valuation reserve of financial assets - net		-	-	-	(62,649)	-	-	-	(62,649)
Total Comprehensive Income		-	-	-	(62,649)	-	-	509,396	446,747
Dividend distribution		-	-	-	-	(400,000)	-	-	(400,000)
Unearned premiums provision - net		8,000,000	41,507	2,000,000	138,006	2,900,811	207,928	509,396	13,797,648

- Retained earnings include JD 523,468 as of June 30, 2019, restricted against deferred tax assets which cannot be utilized in accordance with the instructions accounting to Jordan Securities Commission (JD 500,222 as of December 31, 2018).

- Retained earnings include a restricted amount of JD 100,635 representing the effect of the early adoption of IFRS (9). The restriction is limited to realized amounts from sales transactions in accordance with the instructions as agreed to Jordan Securities Commission

\*\* The Company changed the comparative figures retrospectively according to the requirements of IFRS . (Note 23)

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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,	
		2019	2018
		JD	JD
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Profit for the period before tax		519,651	592,395
Adjustments:			
Depreciation and amortization		189,496	188,752
Expected credit losses - net		111,200	12,255
Change in the fair value of financial assets at fair value through profit or loss	16	(27,689)	32,308
Unearned premium reserve - net		425,733	506,560
Mathematical reserve - net		(32,652)	(69,832)
Claims reserve - net		368,113	(302,613)
Various provision		93,826	69,540
(Gain) from disposal of property and equipment		(18,447)	-
Cash Flows from Operating Activities before Changes in Working Capital Items		1,629,231	1,029,365
(Increase) in checks under collection		(210,584)	(154,266)
(Increase) in receivables		(3,281,560)	(218,452)
(Increase) Decrease in re-Insurance and local Insurance companies' accounts receivable		(130,405)	64,428
(Increase) Decrease in other assets		(68,910)	60,494
Increase in payables		945,703	514,677
Increase in re-Insurance and local Insurance companies' accounts payable		1,343,101	123,291
(Decrease) in other liabilities		(160,437)	(183,581)
Net Cash Flows from Operating Activities before Provisions and Tax Paid		66,139	1,235,956
Income tax paid	14	(260,459)	(44,122)
provisions paid		(123,067)	(186,281)
Net Cash Flows from Operating Activities		(317,387)	1,005,553
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Deposits at banks		(4,033,040)	(616,041)
matured financial assets at amortized Cost		1,000,000	(1,000,000)
(Purchase) financial assets by fair value through other comprehensive Income statement		11,542	(7,076)
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)	(23,974)
(Purchase) of Intangible assets		(6,000)	-
Sale (Increase) in Investment properties		-	(961,874)
Net Cash Flows (used in) from Investment Activities		(2,916,845)	(2,608,965)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Increases in due to banks		456,173	-
Paid distributed dividends		(400,000)	(400,000)
Net Cash Flows from (used in) Financing Activities		56,173	(400,000)
Net (Decreases) in cash		(3,178,059)	(2,003,412)
Cash on hand and at banks - beginning of the year		2,727,801	6,199,063
Cash on Hand and at Banks - End of the Period	18	(450,258)	4,195,651

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

STATEMENT OF UNDERWRITING PREMIUMS FOR GENERAL INSURANCE ACTIVITIES FOR PERIOD END JUNE 2014 AND 2013  
(REVIEWED, NOT AUDITED)

	2018		2017		2016		2015		2014		2013		2012		2011		2010		2009		2008		2007		2006		2005		2004		2003		2002		2001		2000		1999		1998		1997		1996		1995		1994		1993		1992		1991		1990		1989		1988		1987		1986		1985		1984		1983		1982		1981		1980		1979		1978		1977		1976		1975		1974		1973		1972		1971		1970		1969		1968		1967		1966		1965		1964		1963		1962		1961		1960		1959		1958		1957		1956		1955		1954		1953		1952		1951		1950		1949		1948		1947		1946		1945		1944		1943		1942		1941		1940		1939		1938		1937		1936		1935		1934		1933		1932		1931		1930		1929		1928		1927		1926		1925		1924		1923		1922		1921		1920		1919		1918		1917		1916		1915		1914		1913		1912		1911		1910		1909		1908		1907		1906		1905		1904		1903		1902		1901		1900		1899		1898		1897		1896		1895		1894		1893		1892		1891		1890		1889		1888		1887		1886		1885		1884		1883		1882		1881		1880		1879		1878		1877		1876		1875		1874		1873		1872		1871		1870		1869		1868		1867		1866		1865		1864		1863		1862		1861		1860		1859		1858		1857		1856		1855		1854		1853		1852		1851		1850		1849		1848		1847		1846		1845		1844		1843		1842		1841		1840		1839		1838		1837		1836		1835		1834		1833		1832		1831		1830		1829		1828		1827		1826		1825		1824		1823		1822		1821		1820		1819		1818		1817		1816		1815		1814		1813		1812		1811		1810		1809		1808		1807		1806		1805		1804		1803		1802		1801		1800		1799		1798		1797		1796		1795		1794		1793		1792		1791		1790		1789		1788		1787		1786		1785		1784		1783		1782		1781		1780		1779		1778		1777		1776		1775		1774		1773		1772		1771		1770		1769		1768		1767		1766		1765		1764		1763		1762		1761		1760		1759		1758		1757		1756		1755		1754		1753		1752		1751		1750		1749		1748		1747		1746		1745		1744		1743		1742		1741		1740		1739		1738		1737		1736		1735		1734		1733		1732		1731		1730		1729		1728		1727		1726		1725		1724		1723		1722		1721		1720		1719		1718		1717		1716		1715		1714		1713		1712		1711		1710		1709		1708		1707		1706		1705		1704		1703		1702		1701		1700		1699		1698		1697		1696		1695		1694		1693		1692		1691		1690		1689		1688		1687		1686		1685		1684		1683		1682		1681		1680		1679		1678		1677		1676		1675		1674		1673		1672		1671		1670		1669		1668		1667		1666		1665		1664		1663		1662		1661		1660		1659		1658		1657		1656		1655		1654		1653		1652		1651		1650		1649		1648		1647		1646		1645		1644		1643		1642		1641		1640		1639		1638		1637		1636		1635		1634		1633		1632		1631		1630		1629		1628		1627		1626		1625		1624		1623		1622		1621		1620		1619		1618		1617		1616		1615		1614		1613		1612		1611		1610		1609		1608		1607		1606		1605		1604		1603		1602		1601		1600		1599		1598		1597		1596		1595		1594		1593		1592		1591		1590		1589		1588		1587		1586		1585		1584		1583		1582		1581		1580		1579		1578		1577		1576		1575		1574		1573		1572		1571		1570		1569		1568		1567		1566		1565		1564		1563		1562		1561		1560		1559		1558		1557		1556		1555		1554		1553		1552		1551		1550		1549		1548		1547		1546		1545		1544		1543		1542		1541		1540		1539		1538		1537		1536		1535		1534		1533		1532		1531		1530		1529		1528		1527		1526		1525		1524		1523		1522		1521		1520		1519		1518		1517		1516		1515		1514		1513		1512		1511		1510		1509		1508		1507		1506		1505		1504		1503		1502		1501		1500		1499		1498		1497		1496		1495		1494		1493		1492		1491		1490		1489		1488		1487		1486		1485		1484		1483		1482		1481		1480		1479		1478		1477		1476		1475		1474		1473		1472		1471		1470		1469		1468		1467		1466		1465		1464		1463		1462		1461		1460		1459		1458		1457		1456		1455		1454		1453		1452		1451		1450		1449		1448		1447		1446		1445		1444		1443		1442		1441		1440		1439		1438		1437		1436		1435		1434		1433		1432		1431		1430		1429		1428		1427		1426		1425		1424		1423		1422		1421		1420		1419		1418		1417		1416		1415		1414		1413		1412		1411		1410		1409		1408		1407		1406		1405		1404		1403		1402		1401		1400		1399		1398		1397		1396		1395		1394		1393		1392		1391		1390		1389		1388		1387		1386		1385		1384		1383		1382		1381		1380		1379		1378		1377		1376		1375		1374		1373		1372		1371		1370		1369		1368		1367		1366		1365		1364		1363		1362		1361		1360		1359		1358		1357		1356		1355		1354		1353		1352		1351		1350		1349		1348		1347		1346		1345		1344		1343		1342		1341		1340		1339		1338		1337		1336		1335		1334		1333		1332		1331		1330		1329		1328		1327		1326		1325		1324		1323		1322		1321		1320		1319		1318		1317		1316		1315		1314		1313		1312		1311		1310		1309		1308		1307		1306		1305		1304		1303		1302		1301		1300		1299		1298		1297		1296		1295		1294		1293		1292		1291		1290		1289		1288		1287		1286		1285		1284		1283		1282		1281		1280		1279		1278		1277		1276		1275		1274		1273		1272		1271		1270		1269		1268		1267		1266		1265		1264		1263		1262		1261		1260		1259		1258		1257		1256		1255		1254		1253		1252		1251		1250		1249		1248		1247		1246		1245		1244		1243		1242		1241		1240		1239		1238		1237		1236		1235		1234		1233		1232		1231		1230		1229		1228		1227		1226		1225		1224		1223		1222		1221		1220		1219		1218		1217		1216		1215		1214		1213		1212		1211		1210		1209		1208		1207		1206		1205		1204		1203		1202		1201		1200		1199		1198		1197		1196		1195		1194		1193		1192		1191		1190		1189		1188		1187		1186		1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UNITED INSURANCE COMPANY  
(A PUBLIC SHAREHOLDING LIMITED COMPANY)  
AMMAN - JORDAN

STATEMENT OF CLAIMS COST FOR GENERAL INSURANCE ACTIVITIES FOR THE PERIOD ENDED 30 JUNE 2019 AND 2018  
(REVIEWED NOT AUDITED)

	Fire and Damages Other for												Liability		Medical		Aviation		Other		Total	
	Marine and Transportation																					
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018		
Motor	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,		
2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2018		
JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD		
Paid claims	5,393,121	5,598,880	21,646	24,475	797,071	675,398	1,357	1,132	5,424,686	3,144,449	-	-	8,602	4,316	11,646,683	9,728,650						
Less: Recoveries	993,603	1,188,169	9,400	2,837	20,268	4,085	-	-	-	-	-	-	-	-	1,022,271	1,195,091						
Local re-insurers' share	25,855	75,546	-	-	-	-	-	-	348,501	382,317	-	-	-	-	374,772	457,863						
Foreign re-insurers' share	-	-	18,276	19,785	772,865	852,728	-	-	1,762,512	971,378	-	-	10,315	-	2,658,072	1,643,801						
Net Paid Claims	4,373,663	4,672,165	(8,030)	1,851	4,238	18,575	941	1,132	3,012,768	1,790,754	-	-	(1,513)	4,316	7,665,587	6,491,795						
Add: Claims Reserve - End of the Period	10,866,857	11,451,737	187,260	184,093	20,178,844	1,456,506	70,683	64,913	408,611	276,500	-	-	1,282	1,816	41,713,617	13,435,665						
Incurred but not reported claims (IBNR)	1,100,000	1,100,000	3,745	3,682	17,789	14,565	707	649	834,259	499,806	-	-	13	19	1,990,513	1,618,721						
Less: Re-insurers share - end of the period	1,061,868	1,296,656	161,797	134,815	28,993,604	1,284,134	40,896	41,187	516,982	351,621	-	-	761	1,724	31,775,926	3,120,157						
Recoveries	874,233	695,821	-	-	-	-	-	-	-	-	-	-	-	-	814,233	892,821						
Net Claims Reserve - End of the Period	10,090,718	10,559,280	79,208	57,860	203,179	178,917	30,484	24,375	775,888	424,685	-	-	514	211	11,079,591	11,728,408						
Less: Claims Reserve - Beginning of the Period	10,775,950	12,010,241	159,278	193,233	2,087,367	1,286,224	77,308	65,809	2,48,925	1,06,335	-	-	1,282	2,042	13,350,090	13,744,004						
Incurred but not reported claims (IBNR)	1,100,000	1,100,000	3,186	3,885	20,874	12,862	773	658	586,967	398,090	-	-	13	30	1,711,813	1,515,505						
Re-insurers' share - beginning of the period	1,101,494	1,378,748	120,786	144,614	1,934,500	1,147,705	49,098	41,119	347,949	275,237	-	-	761	1,888	3,580,589	2,888,411						
Recoveries	603,531	738,166	-	-	-	-	-	-	-	-	-	-	-	-	603,531	738,166						
Net Claims Reserve - Beginning of the Period	9,870,845	10,993,322	37,678	52,484	123,241	151,081	28,982	23,348	497,843	300,208	-	-	314	1,084	10,694,802	11,534,832						
Net Paid Claims Cost	4,493,438	4,329,098	(9,500)	2,378	34,128	44,111	3,493	159	2,453,213	1,895,321	-	-	(1,822)	2,442	8,070,715	6,195,271						

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

STATEMENT OF UNDERWRITING PROFIT FOR GENERAL INSURANCE ACTIVITIES FOR THE PERIOD END JUNE 30, 2019 AND 2018  
(REVIEWED, NOT AUDITED)

	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	
	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,	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	
Net earned revenue from the underwritten premiums	5,030,371	4,917,207	26,086	33,772	104,252	84,869	86,463	48,273	3,607,408	2,029,233	-	-	27,090	19,688	8,921,670	7,133,162			
Less: Net paid claims cost	4,083,438	4,239,028	(9,800)	2,239	34,126	45,111	2,432	139	3,351,273	1,888,231	-	-	(1,512)	3,443	8,020,213	6,183,271			
	536,935	678,179	35,586	31,443	70,126	49,758	64,010	48,114	115,035	115,932	-	-	28,602	16,245	850,457	949,791			
Add: Received commissions	23,438	23,618	104,059	57,102	164,229	183,801	6,787	4,461	(110)	395	-	-	107	(2,623)	936	295,780	270,420		
Insurance policies issuance fees	171,733	201,203	6,571	7,428	52,402	34,407	5,785	4,835	227,613	144,052	-	-	20	2,750	2,595	466,886	394,630		
Other Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10	
Total Revenue	105,173	224,921	110,630	64,540	216,651	218,208	13,572	9,286	227,503	144,447	-	-	127	127	762,438	645,090			
Less: Paid commissions	180,441	246,233	4,390	4,807	45,839	45,640	10,883	3,976	41,692	59,401	-	-	-	12,540	9,647	305,785	386,764		
Excess of loss premiums	43,185	31,200	-	-	32,000	32,000	-	-	-	-	-	-	-	-	-	75,185	63,200		
Employees and administrative expenses related to underwriting accounts	331,138	380,204	31,061	38,690	98,805	88,358	8,871	4,134	340,715	244,790	-	-	90	2,021	2,528	812,611	759,592		
Other expenses	112,742	144,431	1,432	1,351	6,470	5,954	100	103	105,851	86,215	-	-	-	281	312	201,982	238,766		
Total Expenses	687,506	892,128	36,890	44,848	183,114	172,152	19,854	8,403	480,358	300,096	-	-	90	14,822	12,795	1,155,544	1,431,332		
Net written Profit	49,667	104,602	109,236	51,135	103,643	86,814	58,728	48,877	(145,180)	(133,437)	-	-	37	13,938	6,891	188,246	173,758		

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UNITED INSURANCE COMPANY  
(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - JORDAN

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

	For the Six Months Period	
	Ended June 30,	
	2019	2018
	JD	JD
Written Premiums:		
Direct premium	289,286	83,864
Re-insurers' facultative premium	-	124,942
Gross Written Premiums	289,286	208,806
<u>Less:</u> Foreign re-insurers' share	166,889	124,942
Local re-insurers' share	-	6,214
Net Written Premiums	122,397	77,650
<u>Add:</u> Mathematical reserve - beginning of the period	223,292	309,176
<u>Less:</u> Re-insurers' share - beginning of the period	63,930	75,358
Net Mathematical Reserve - beginning of the period	159,362	233,818
<u>Less:</u> Mathematical reserve - end of the period	216,459	184,355
Re-Insurers' share - end of the period	89,749	20,369
Net mathematical reserve - end of the period	126,710	163,986
Net Earned Revenue from Written Premiums	155,049	147,482

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE CONDENSED  
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UNITED INSURANCE COMPANY  
(A PUBLIC SHAREHOLDING LIMITED COMPANY)  
AMMAN - JORDAN  
STATEMENT OF CLAIMS COST FOR LIFE INSURANCE ACTIVITIES  
(REVIEWED NOT AUDITED)

	For the Six Months Period	
	Ended June 30,	
	2019	2018
	JD	JD
Paid claims	234,470	155,943
<u>Less:</u> Foreign re-insurers' share	<u>179,760</u>	<u>124,090</u>
Net Paid Claims	<u>54,710</u>	<u>31,853</u>
<u>Add:</u> Reported claims reserve - end of the period	291,947	211,252
Unreported claims reserve - end of the period	10,000	10,000
<u>Less:</u> Re-insurers' share	<u>238,748</u>	<u>157,758</u>
Net Outstanding Claims Reserve - End of the Period	<u>63,199</u>	<u>63,494</u>
<u>Less:</u> Reported claims reserve - beginning of the period	321,976	333,829
Unreported claims reserve - beginning of the period	10,000	10,000
<u>Less:</u> Re-Insurers' share	<u>251,742</u>	<u>274,147</u>
Net Claims Reserve - Beginning of the Period	<u>80,234</u>	<u>69,682</u>
Net Claims Cost	<u>37,675</u>	<u>25,665</u>

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE CONDENSED  
INTERIM FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM AND  
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UNITED INSURANCE COMPANY

(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - JORDAN

STATEMENT OF UNDERWRITING PROFIT FOR LIFE INSURANCE ACTIVITIES

(REVIEWED NOT AUDITED)

	For the Six Months Period	
	Ended June 30,	
	2019	2018
	JD	JD
Net earned revenue from written premiums	155,049	147,482
<u>Less:</u> Net claims cost	<u>37,675</u>	<u>25,665</u>
	<u>117,374</u>	<u>121,817</u>
<u>Add:</u> Received commissions	-	1,250
Insurance policies insurance fees	<u>6,173</u>	<u>204</u>
Total Revenue	6,173	1,454
<u>Less:</u> Paid commissions	26,939	2,530
Administrative expenses related to underwriting accounts	10,739	8,868
Other expenses	<u>956</u>	<u>14,517</u>
Total Expenses	<u>38,634</u>	<u>25,915</u>
Net Underwriting Profit	<u>84,913</u>	<u>97,356</u>

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**

**STATEMENT OF FINANCIAL POSITION FOR LIFE INSURANCE ACTIVITIES**

	June 30, 2019 (reviewed not audited)	December 30, 2018 (Audited)
<u>ASSETS</u>	JD	JD
Deposits at banks	100,000	100,000
Total Investments	100,000	100,000
Accounts receivable	51,094	112,206
Re-insurance companies' accounts receivable	389,941	164,795
Property and equipment	49	55
TOTAL ASSETS	541,084	377,056
<u>LIABILITIES AND HEAD OFFICE'S EQUITY</u>		
<u>LIABILITIES</u>		
Accounts payable	12,385	9,576
Re-insurance companies' accounts payable	180,727	-
<u>TECHNICAL RESERVES</u>		
Claims reserve - net	63,199	80,234
Mathematical reserve - net	126,710	159,362
Total Technical Reserves	189,909	239,596
TOTAL LIABILITIES	383,021	249,172
<u>HEAD OFFICE'S</u>		
Unearned premiums provision - net	73,150	(32,335)
Income for the year	84,913	160,219
Surplus (Deficit) in Head Office's Equity	158,063	127,884
TOTAL LIABILITIES AND HEAD OFFICE'S EQUITY	541,084	377,056

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  
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.

- b. The accompanying condensed interim financial statements were approved by the Board of Directors on July 28, 2019.

2. Accounting Policies

Basis of preparation of the Condensed Interim Financial Statements

- The condensed interim financial statements 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 the insurance commission.
- The financial statements have been prepared according to the historical cost convention except for the financial assets and liabilities that appear at fair value at the date of the condensed interim financial statements.
- The Jordanian Dinar is the functional and reporting currency of the condensed interim financial statements.
- The condensed interim financial statements do 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 of report for the year December 31, 2018 In addition, the results of the Company's operations for the six months ended June 30, 2019 do not necessarily represent an indication of the expected results for the year ending December 31, 2019.
- The Company did not deduct any statutory reserves for the profit of the six months ended June 30, 2019 in accordance with the Companies Laws and the Regulations issued, as these financial statements are interim statements and the deductions made at the end of the fiscal year.

The accounting policies adopted in preparing the condensed interim financial statements are consistent with those applied in the year ended December 31, 2018 except for the effect of the adoption of the new and revised standards which are applied on or after the 1<sup>st</sup> of January of 2019 as follow:

**a. Amendments with no material effect on the condensed interim financial statements of the company:**

**Annual improvements to IFRSs issued between 2015 and 2017**

Improvements include amendments to IFRS (3) Business Combinations, (11) Joint Arrangements, International Accounting Standards (12), Income Taxes and (23) Borrowing Costs.

**IFRIC (23) Uncertainty on the Treatment of Income Tax**

The interpretation clarifies the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax benefits and tax rates when there is uncertainty about the treatment of income tax under IAS (12) and specifically addresses:

- Whether the tax treatment should be considered in aggregate;
- Assumptions regarding the procedures for the examination of tax authorities;
- Determination of taxable profit (tax loss), tax basis, unused tax losses, unused tax breaks, and tax rates;
- The impact of changes in facts and circumstances.

**Amendments to IFRS 9 Financial Instruments.**

These amendments relate to the advantages of prepayment with negative compensation, where the current requirements of IFRS (9) regarding termination rights have been amended to allow for the measurement at amortized cost (or on the business model at fair value through other comprehensive income) status of negative compensation payments.

**Amendments to IAS (28) "Investment in Associates and Joint Ventures".**

These amendments relate to long-term shares in allied enterprises and joint ventures. These amendments clarify that an entity applies IFRS (9) "*Financial Instruments*" to long-term interests in an associate or joint venture that forms part of the net investment in an associate or joint venture if the equity method has not been applied to it.

**Amendments to IAS 19 Employee Benefits.**

These amendments relate to adjustments to plans, reductions, or settlements.

**b. Amendments that has impact on the condensed interim financial statements of the Company**

**Effect of Application of IFRS (16) "Leases"**

The Company has adopted IFRS (16), "Leases", which replace the existing guidelines on leases, including IAS (17) "Leases" , IFRIC (4) "Determining whether an arrangement contains a lease "and the interpretation of the previous Interpretations Committee (15)" Operational leases - incentives " and SIC 27 "Evaluating the Substance of Transactions in the Legal Form of a Lease".

IFRS (16) was issued in January 2016 and is effective for annual periods commencing on or after 1 January 2019. IFRS (16) stipulates that all leases and the associated contractual rights and obligations should generally be recognize in the Company's financial Position, unless the term is 12 months or less or the lease for low value asset. Thus, the classification required under IAS (17) "Leases" into operating or finance leases is eliminated for Lessees. For each lease, the lessee recognizes a liability for the lease obligations incurred in the future. Correspondingly, a right to use the leased asset is capitalized, which is generally equivalent to the present value of the future lease payments plus directly attributable costs and which is amortized over the useful life.

The Company has adopted for the modified retrospective application permitted by IFRS (16) upon adoption of the new standard. During the first time application of IFRS (16) to operating leases, the right to use the leased assets was generally measured at the amount of lease liability, using the interest rate at the time of first time application.

The company have evaluated the scope of IFRS (16), and there was no material impact on the financial statements, noting that the impact (if any) will be revaluated in details during the year.

### 3. Use of Estimates

Preparation of the condensed interim financial statements and application of the accounting policies require the Company's management to perform estimates and judgments that affect the amounts of the financial assets and liabilities, and disclosures relating to contingent liabilities. These estimates and judgments also affect revenues, expenses, provisions and changes in the fair value shown within comprehensive income and shareholders' equity. In particular, management is required to issue significant judgments to assess future cash flows and their timing. The aforementioned estimates are based on several assumptions and factors with varying degrees of estimation and uncertainty. Moreover, the actual results may differ from the estimates due to changes resulting from the circumstances and conditions of those estimates in the future.

Management believes that the estimates adopted in the condensed interim financial statements are reasonable and are consistent with the estimates adopted in the financial statements for the year ended December 31, 2018, except for what is mentioned in Note (2-A) and (2-B).

### 4. Deposits at Banks

- During the period ended June 30, 2019, interest rates on deposits in Jordanian Dinar ranged from %6.0 to %6.5 (5.75 % to 6 % during the period ended June 30, 2018).
- Moreover, deposits collateralized to the order of the Director General of the Insurance Commission in addition to his position amounted to JD 325,000 as of June 30, 2019 (JD 325,000 as of December 31, 2018).

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

This item consists of the following:

	June 30, 2019 JD	December 31, 2018 JD
<u>Inside Jordan:</u>		
Listed shares	169,212	219,118
	<u>169,212</u>	<u>219,118</u>

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

This item consists of the following:

Company Name	June 30, 2019 JD	December 31, 2018 JD
<u>Inside Jordan</u>		
Quoted shares at Amman Stock Market	5,197,901	5,054,375
Unquoted shares at Amman Stock Market	8,589	8,589
	<u>5,206,490</u>	<u>5,062,964</u>
<u>Outside Jordan</u>		
Arab Reinsurance Company – Lebanon *	198,288	198,288
	<u>5,404,778</u>	<u>5,261,252</u>

- \* This investment has been evaluated according to the equity method used and the Company's last audited financial statements.

**7. Investment Property - Net**

This item consists of the following:

	June 30, 2019	December 31, 2018
	JD	JD
Land	646,985	646,985
Buildings	5,007,455	5,007,455
<u>Less: Accumulated depreciation</u>	<u>(664,754)</u>	<u>(622,164)</u>
Buildings - net of accumulated depreciation	4,342,701	4,385,291
Total	<u>4,989,686</u>	<u>5,032,276</u>

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

	For the Six Months Ended June 30, 2019	For the Year Ended December 31, 2018
	JD	JD
Balance – beginning of the period / year	622,164	536,318
Depreciation expense	42,590	85,846
Balance at Period / Year - End	<u>664,754</u>	<u>622,164</u>

- Buildings are depreciated at an annual rate of 2% and are stated at the carrying amount.
- The fair value of investments property has been assessed by three real estate evaluators at JD 7,488,355 as of December 31, 2018.

**8. Cheques under collection:**

The maturity date of checks under collection extended to February 21, 2021, in an amount of JD 2,599,887 after June 30, 2019.

- This item consists of the following:

	For the Six Months Ended June 30, 2019	For the Year Ended December 31, 2018
	JD	JD
Balance	2,685,499	2,474,232
Expected credit losses	<u>(8,140)</u>	<u>(7,457)</u>
	<u>2,677,359</u>	<u>2,466,775</u>

**9. Receivables - Net**

This item consists of the following:

	June 30, 2019	December 31, 2018
	JD	JD
Policyholders receivable	7,562,727	4,624,778
Agents receivable	830,110	1,072,504
Brokers receivable	1,703,794	1,343,547
Employees receivable	19,922	15,622
Legal cases receivable *	477,191	495,000
Related parties receivable (Note 19)	1,053,813	1,031,012
Others	<u>171,247</u>	<u>58,441</u>
	11,818,804	8,640,904
<u>Less: Expected credit losses **</u>	<u>(1,641,335)</u>	<u>(1,633,795)</u>
Receivables - Net	<u>10,177,469</u>	<u>7,007,109</u>

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

	For the Six Months Ended June 30, 2019	For the Year Ended December 31, 2018
	JD	JD
Balance at the beginning of the year	1,633,795	1,257,856
Effect of applying IFRS 9	-	370,284
Adjusted Balance	1,633,795	1,628,140
Additions during the year	110,000	5,655
Written off during the year	(102,460)	-
Balance – End of the Year	<u>1,641,335</u>	<u>1,633,795</u>

- The aging of receivables is as follows:

	June 30, 2019	December 31, 2018
	JD	JD
Less than 90 days	3,267,771	2,859,844
90 – 180 days	5,814,069	3,375,299
181 – 270 days	890,550	535,970
271 – 360 days	468,343	487,357
More than 360 days	<u>1,378,071</u>	<u>1,382,434</u>
	<u>11,818,804</u>	<u>8,640,904</u>

#### 10. Property and Equipment's - Net

During the six months that ended June 30, 2019 the company purchased property and equipment amounted 3,890 JOD and sold property at book value of 18,500 JOD. The depreciation expenses for the period was 132,634.

#### 11. Re-insurance and Local Insurance Companies' Accounts Receivable-net

This item consists of the following:

	June 30, 2019	December 31, 2018
	JD	JD
Local insurance companies	670,636	467,394
Foreign re-insurance companies	<u>159,296</u>	<u>274,271</u>
	829,932	741,665
<u>Less: Expected credit losses *</u>	<u>(35,207)</u>	<u>(77,345)</u>
Re-insurance Companies' Accounts – Net	<u>794,725</u>	<u>664,320</u>

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

	For the Six Months Ended June 30, 2019	For the Year Ended December 31, 2018
	JD	JD
Balance at the beginning of the period / year	77,345	47,724
IFRS (9) implementation impact	-	29,621
Adjusted balance	77,345	77,345
Written off during the period / year	<u>(42,138)</u>	<u>-</u>
Balance at End of Period /Year	<u>35,207</u>	<u>77,345</u>

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

	June 30, 2019	December 31, 2018
	JD	JD
Less than 90 days	519,465	495,953
90 – 180 days	186,567	119,934
181 – 270 days	68,491	56,715
271 – 365 days	43,085	26,941
More than 365 days	12,324	42,122
Total	<u>829,932</u>	<u>741,665</u>

- 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.

#### 12. Re-insurance and Local Insurance Companies' Accounts Payable

This item consists of the following:

	June 30, 2019	December 31, 2018
	JD	JD
Local insurance companies	410,888	703,288
Foreign re-Insurance companies	<u>4,071,095</u>	<u>2,435,594</u>
	<u>4,481,983</u>	<u>3,138,882</u>

#### 13. Accrued Expenses and Various Provisions

This item consists of the following:

	June 30, 2019	December 31, 2018
	JD	JD
Provision for the Insurance Administration fees	8,226	8,146
End of service provision	38,660	38,660
Accrued bonuses	<u>7,679</u>	<u>37,000</u>
	<u>54,565</u>	<u>83,806</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	8,146	93,826	93,746	8,226
End of service indemnity	38,660	-	-	38,660
Accrued bonuses	<u>37,000</u>	<u>-</u>	<u>29,321</u>	<u>7,679</u>
	<u>83,806</u>	<u>93,826</u>	<u>123,067</u>	<u>54,565</u>

**14. Income Tax**

**a. Income tax provision**

- Movement on the income tax provision was as follows:

	For the Six Months Ended June 30, 2019	For the Year Ended December 31, 2018
	JD	JD
Balance at the beginning of the period / year	240,223	28,549
Income tax paid	(240,433)	(73,802)
Income tax expense for the period / year	127,788	305,803
National court fee's	11,820	
Tax paid on interest deposits	(20,026)	(26,619)
Income tax expense for prior years	-	6,292
Balance at the End of the Period / Year	<u>119,372</u>	<u>240,223</u>

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

	For the Six Months Ended June 30, 2019	2018
	JD	JD
Income tax for the period profit	127,788	85,940
Deferred tax assets	(33,002)	(2,941)
	<u>94,786</u>	<u>82,999</u>

- A final settlement has been reached regarding the company's tax status up to the year 2016. Income tax returns have been submitted for the years 2017 and 2018. These returns have not been reviewed by the Sales and Income Tax Department so far.

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

This item consists of the following:

	For the Six Months Ended June 30, 2019	For the Year Ended December 31, 2018
	JD	JD
Balance at the beginning of the period/year	(240,847)	200,655
Changes during the period / year	164,455	(580,923)
Released from deferred tax liabilities	699	63,362
transferred from deferred tax assets	(9,756)	76,059
Net Change during the Period /Year	<u>155,398</u>	<u>(441,502)</u>
Balance – End of Period / Year	<u>(85,449)</u>	<u>(240,847)</u>

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

This item consists of the following:

	For the Six Months Ended June 30, 2019	
	2019	2018
	JD	JD
Cash dividends from financial assets at fair value through profit or loss	1,885	4,114
Cash dividends from financial assets at fair value through other comprehensive income	253,322	270,984
Rental income - net	81,183	96,611
Net change in financial assets fair value through income statement	27,689	(32,308)
	<u>364,079</u>	<u>339,401</u>

**17. 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,	
	2019	2018
	JD	JD
Income for the period	424,865	509,396
Weighted average number shares	<u>8,000,000</u>	<u>8,000,000</u>
Basic and diluted earnings per share - JD	<u>-/053</u>	<u>-/064</u>

**18. Cash and Cash Equivalent**

The details of this item are as follows:

	June 30, 2019	December 31, 2018
	JD	JD
Cash on hand	16,010	8,024
Deposits at banks maturing within three months	-	3,000,000
Current accounts at banks	158,732	344,777
<u>Less: Restricted deposits</u>	<u>(625,000)</u>	<u>(625,000)</u>
Cash on hand	<u>(450,258)</u>	<u>2,727,801</u>



**19. 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, 2019	December 31, 2018
	JD	JD
<b><u>Statement of Financial Position Items:</u></b>		
<b><u>Accounts receivable:</u></b>		
Jordan Projects for Tourism Development *	335,026	125,730
Jordan Paper and Cardboard Company *	387,627	387,627
Orient Insurance Agency *	15,026	22,500
Modern Arab Distribution Company Ltd *	83,799	211,569
Yousef Nader & Sons Company *	6,252	81,311
Specialized Logistics Services Company	18,099	77,337
General Investment Company *	91,706	30,562
Abu Jaber Brothers Company *	41,994	16,200
Board of Directors and Shareholders Receivables	20,368	7,683
Communication Development Company *	7,233	7,233
Saed Abu Jaber and Sons Company	20,302	23,705
Al Awael Distribution and General Trading Company	834	569
Arabian Italian Trading Company	4,675	9,851
Specialized Distributors for consumer goods Company	18,287	27,743
Bidfood Service Middle East- Jordan Company	835	864
Jordan Distribution Company and Agencies	1,513	528
Al-Yadouda Trading Company *	237	-
	<u>1,053,813</u>	<u>1,031,012</u>

**Checks under Collection:**

Jordan Projects for Tourism Development Company *	-	18,613
Orient Insurance Company *	92,803	100,303
Abu Jaber Brothers Company *	610,114	610,114
	<u>702,917</u>	<u>729,030</u>

	June 30, 2019	December 31, 2018
	JD	JD
<b><u>Accounts Payable:</u></b>		
Jordan Spectrum For Information Technology Co	5,590	14,657
Marina plaza Hotel	169	169
Board of Directors and Shareholders Receivables	4,798	10,560
	<u>10,557</u>	<u>25,386</u>

	For the Six Months Ended June 30,	
	2019	2018
	JD	JD
<b><u>Income Statement Items:</u></b>		
Revenues and commissions on underwritten installments	491,527	567,303
Paid claims	323,419	409,813
Rental income	53,186	110,538

\* 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>2019</u>	<u>2018</u>
	<u>JD</u>	<u>JD</u>
Salaries and other benefits	<u>361,314</u>	<u>288,556</u>

## 20. 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 3,783,253 as of June 30, 2019. In the opinion of the Company's management and its lawyer, no additional liabilities in excess of the provisions booked within the claims reserve.

## 21. Contingent Liabilities

As of the date of the statement of financial position, the Company was contingently liable for bank guarantees of JD 413,258 and cash collaterals for letters of credit of JD 1,440.

## 22. 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>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
	<u>JD</u>	<u>JD</u>	<u>JD</u>	<u>JD</u>	<u>JD</u>	<u>JD</u>
Total revenue	10,552,234	8,593,102				
Capital expenditures	882,120	985,848				
	<u>Inside Jordan</u>		<u>Outside Jordan</u>		<u>Total</u>	
	<u>June 30, 2019</u>	<u>December 31, 2018</u>	<u>June 30, 2019</u>	<u>December 31, 2018</u>	<u>June 30, 2019</u>	<u>December 31, 2018</u>
	<u>JD</u>	<u>JD</u>	<u>JD</u>	<u>JD</u>	<u>JD</u>	<u>JD</u>
Total assets	41,468,566	38,114,572	198,294	198,289	41,666,860	38,312,861

- 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.

### 23. Comparative Figures

During the period ended June 30, 2019, the company has restated the Comparative figures related to the six month period ended June 30, 2018 to comply with the requirements of IFRS (9). This treatment impacted beginning balance of retained earnings shown in the statement of Changes in Shareholders' Equity for the six-month period ended June 30, 2018 which is considered an accounting error under International Accounting Standard (8).

The reason behind restating the comparative figure is that the company has applied an enhanced methodology to calculate the Expected Credit Loss for the affected financial statements' items during the last quarter of 2018, taking into consideration the initial implementation of IFRS 9 which is related to calculating the expected credit losses on the beginning balance of retained earnings that were amended and adjusted in the financial statement for the period ended June 30, 2018, which were amended in the financial statements of 2018.

The effect of the restatement on the Statements of Changes in Shareholders' equity for the period ended June 30, 2018 is as follows:

	January 1, 2018		
	Balance before Restated	Prior Period Adjustments	Restated Balance
	JD	JD	JD
Statements of Changes in Shareholders' Equity			
Retained earnings	207,928	(165,267)	42,661

### 24. Dividend Distribution

The General Assembly has approved, on April 25, 2019, the distribution of 5% of the nominal value of the shares – i.e. equivalent to JD 400,000 as Cash dividends to the shareholder for the year 2018.

## 25. 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, 2019	December 31, 2018				
	JD	JD				
<b>Financial Assets at Fair Value Through Income Statement</b>						
Shares without market prices *	-	-	Level Two	Owners' equity	Not Applicable	Not Applicable
Shares with available market prices	169,212	219,118	Level One	Stated Rates in financial markets	Not Applicable	Not Applicable
	<u>169,212</u>	<u>219,118</u>				
<b>Financial Assets at Fair Value Through Statement of Comprehensive Income</b>						
Shares without market prices *	206,877	206,877	Level Two	Owners' equity	Not Applicable	Not Applicable
Shares with available market prices	5,197,901	5,056,375	Level One	Stated Rates in financial markets	Not Applicable	Not Applicable
	<u>5,404,778</u>	<u>5,263,252</u>				

There were no transfers between Level 1 and 2 during the period ended June 30, 2018.

### 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.

Financial assets without specific at fair value	June 30, 2019		December 31, 2018		Fair Value Hierarchy
	Book Value	Fair Value	Book Value	Fair Value	
	JD	JD	JD	JD	
Deposits with bank	9,762,231	9,948,523	8,729,191	8,938,966	Level 2
Investment property	4,989,686	7,488,355	5,032,276	7,488,355	Level 2
<b>Total financial assets without specific at fair value</b>	<u>14,751,917</u>	<u>17,436,878</u>	<u>13,761,467</u>	<u>16,427,321</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.