

United Insurance Company

(Public Limited Shareholding Company)

Amman – The Hashemite Kingdom of Jordan

**Interim Condensed Financial Statements, independent
auditors' report
(Unaudited)**

For the ended three months March 31, 2023

United Insurance Company
(Public Limited Shareholding Company)
Amman – The Hashemite Kingdom of Jordan
Interim Condensed Financial Statements Independent Auditors' Report (Unaudited)
For the ended three months March 31, 2023

| <u>Table of Contents</u> | <u>Page</u> |
|--|--------------------|
| Independent Auditor's Report | 1-2 |
| Interim Condensed Financial Position as of March 31, 2023 (Unaudited) | 3 |
| Interim Condensed Statements of profit or loss for the ended three months March 31, 2023 (Unaudited) | 4 |
| Interim Condensed Other Comprehensive Income for the three months period ended March 31, 2023 (Unaudited) | 5 |
| Interim Condensed Statement of Changes in Shareholders' Equity for the ended three months March 31,2022 (Unaudited) | 6 |
| Interim Condensed Statement of Cash Flows for the ended three months March 31,2023 (Unaudited) | 7 |
| Underwriting Revenue List for Condensed life insurance business for the three ended months March 31,2023 (Unaudited) | 8 |
| Compensation cost List for the Interim Condensed life insurance business for the three ended months 31, March 2023 (Unaudited) | 9 |
| Compensation Profit List for the Interim Condensed life insurance business for the three ended months 31, March 2023 (Unaudited) | 10 |
| Underwriting Revenue List for the Interim Condensed General Insurance Business For the three months period ended March 31, 2023 (Unaudited) | 11 |
| Compensation cost List for the Interim Condensed General Insurance Business for the three months period ended March 31, 2023 (Unaudited) | 12 |
| Underwriting profit List for the Interim Condensed General Insurance Business for the three months period ended March 31, 2023 (Unaudited) | 13 |
| Notes to the Interim Condensed Financial Statements (Unaudited) For the three months period ended March 31, 2023 (Unaudited) | 14-25 |
| Financial Position Statement for Interim Condensed Life Insurance Branch as of March 31,2023 (Unaudited) | 26 |

Independent Auditor's Report

To, The Shareholders
United Insurance Company
(Public Limited Shareholding Company)
Amman - the Hashemite Kingdom of Jordan

Introduction

We have reviewed the accompanying interim condensed statement of financial position of **United Insurance Company ("the Company")** as of March 31, 2023 and the related interim condensed statements of profit or loss, other comprehensive income, changes in shareholders' equity, and cash flows for the three months period then ended and a summary of significant accounting policies and other explanatory notes.

Management is responsible for the preparation and fair presentation of these interim condensed financial statements in accordance with International Accounting Standard ("IAS") 34, "Interim Financial Reporting" as endorsed in the Hashemite Kingdom of Jordan and the instructions of Central Bank of Jordan. Our responsibility is to express a conclusion on these interim condensed financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements (2410) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" as endorsed in the Hashemite Kingdom of Jordan. A review of interim condensed financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial statements for the period ended March 31, 2023 are not prepared in all material respects, in accordance with IAS (34) "Interim Financial Reporting" as endorsed in the Hashemite Kingdom of Jordan.

Emphasis Matter

Without qualifying in our report, we confirm that these interim consolidated condensed financial statements are prepared in accordance with the instructions of the Central Bank of Jordan, circular No. 17/1/6983 issued on 12/4/2023, which stipulates "the continuation of the Provisions of Resolution (4) of 2012 "a special resolution regarding the necessary forms for the preparation of financial reports" for the purposes of preparing these financial statements for the first quarter of 2023, provided that the semi-annual financial statements for the current year to be prepared in accordance with International Financial Reporting Standard No. (17)".

Independent Auditor's Report (continued)

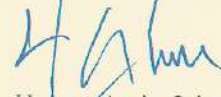
Other Matter

The financial statements for the year ended December 31, 2022 whose numbers appear in the statement of financial position for comparison purposes have been audited by another auditor, who issued an unqualified report on February 28, 2023. The interim condensed financial statements for the period ended March 31, 2022, the statements of profit or loss, other comprehensive income, changes in shareholders' equity, and cash flows which appears in the comparative figures have been reviewed by another auditor who issued an unqualified conclusion on April 27, 2022.

Date: May 01, 2023



Al - Abbasi and Company
(Independent Member of Moore Global)


Hassan Amin Othman
(License No. 674)

United Insurance Company
(Public Limited Shareholding Company)
Interim Condensed Statement of Financial position(Unaudited)
As of March 31, 2023
(Jordanian Dinars)

| | Note | March 31,2023 (Unaudited) | Dec 31,2022 (Audited) |
|---|------|------------------------------|--------------------------|
| Assets: | | | |
| Investments: | | | |
| Deposits at banks | 5 | 11,489,100 | 11,089,100 |
| Financial assets at fair value through profit or loss | 6 | 96,724 | 108,247 |
| Financial assets at fair value through other comprehensive income | 7 | 5,730,219 | 5,692,404 |
| Financial assets at amortized cost | 8 | 3,547,001 | 3,547,001 |
| Investment properties | 9 | 4,816,419 | 4,833,647 |
| Total Investments | | 25,679,463 | 25,270,399 |
| Other assets: | | | |
| Cash on hands and at banks | | 911,941 | 896,423 |
| Cheques under collection | 10 | 2,220,840 | 2,354,557 |
| Accounts receivable, net | 11 | 8,646,543 | 8,190,705 |
| Reinsurance receivable, net | 12 | 392,153 | 548,534 |
| Deferred tax assets | 16 | 653,905 | 662,385 |
| Property and equipment, net | | 4,540,592 | 4,580,828 |
| Intangible assets | | 8,310 | 9,281 |
| Other assets | | 1,556,242 | 1,609,464 |
| Total other assets | | 18,930,526 | 18,852,177 |
| Total Assets | | 44,609,989 | 44,122,576 |
| Liabilities and Equity | | | |
| Liabilities: | | | |
| Insurance contract liability | | | |
| Unearned premium reserve, net | | 8,757,795 | 9,565,769 |
| Outstanding claims reserve, net | | 11,814,798 | 11,773,232 |
| Mathematical reserve, net | | 39,873 | 39,873 |
| Total Technical Reserves Liabilities | | 20,612,466 | 21,378,874 |
| Other liabilities: - | | | |
| Accounts payable | 13 | 2,525,585 | 1,958,911 |
| Reinsurance payables | 14 | 2,934,213 | 2,719,351 |
| Other provisions | 15 | 293,292 | 247,490 |
| Income tax provision | 16 | 330,685 | 348,893 |
| Deferred tax liability | 16 | 26,865 | 26,864 |
| Other liabilities | | 219,176 | 190,568 |
| Total other liabilities | | 6,329,816 | 5,492,077 |
| Total Liabilities | | 26,942,282 | 26,870,951 |
| Equity: | | | |
| Paid in capital | 17 | 8,000,000 | 8,000,000 |
| Additional paid in capital | | 41,507 | 41,507 |
| Statuary reserve | 18 | 2,000,000 | 2,000,000 |
| Fair value reserve | 19 | (85,802) | (113,784) |
| Retained earnings | | 7,712,002 | 7,323,902 |
| Net Shareholder's Equity | | 17,667,707 | 17,251,625 |
| Total Liabilities and Shareholders' Equity | | 44,609,989 | 44,122,576 |

The accompanying notes from 1 to 27 are an integral part of these interim condensed financial statement

United Insurance Company
(Public Limited Shareholding Company)
Interim Condensed Statement of Profit or Loss (Unaudited)
As of March 31, 2023
(Jordanian Dinars)

| | | for the three-month period ended March ,31 | |
|---|----|--|-------------------|
| | | 2023 (Unaudited) | 2022 (Audited) |
| Revenues | | | |
| Gross written premiums | | 6,169,934 | 8,510,925 |
| Less: reinsurance share | | (2,222,409) | (3,297,812) |
| Net written premiums | | 3,947,525 | 5,213,113 |
| Net change in unearned premiums reserve | | 807,974 | (1,596,384) |
| Net change in mathematical reserve | | - | - |
| Net earned premiums | | 4,755,499 | 3,616,729 |
| Commissions income | | 149,598 | 148,060 |
| Insurance policies issuance fees | | 265,201 | 304,169 |
| Interest income | | 207,429 | 147,458 |
| Gain from financial assets and investments | 20 | 6,649 | (22,475) |
| Other income | | 9,827 | 17,784 |
| Total revenues | | 5,394,203 | 4,211,725 |
| Claims, losses and related expenses- | | | |
| Paid claims | | 5,265,118 | 4,670,757 |
| Less: recoveries | | (399,102) | (357,329) |
| Less: reinsurance share | | (1,022,379) | (1,248,541) |
| Paid claims, net | | 3,843,637 | 3,064,887 |
| Net change in claims reserve | | 41,566 | (159,813) |
| Allocated employees' expenses | | 324,196 | 299,332 |
| Allocated administrative and general expenses | | 171,178 | 158,906 |
| Excess of loss premium | | 80,000 | 61,721 |
| Policies acquisition costs | | 160,599 | 178,515 |
| Other expenses | | 125,353 | 108,083 |
| Net Claims Costs | | 4,746,529 | 3,711,631 |
| Unallocated employees' expenses | | 45,039 | 42,635 |
| Depreciation and amortization | | 64,650 | 73,769 |
| Administrative and unallocated general expenses | | 42,795 | 39,726 |
| Other expenses | | 11,247 | 10,000 |
| Total expenses | | 163,731 | 166,130 |
| Profit for the period before tax | | 483,943 | 333,964 |
| Income tax expenses | | (86,341) | (69,720) |
| National contribution fees | | (9,502) | (6,241) |
| Profit for the period | | 388,100 | 258,003 |
| Basic and diluted earnings per share | 21 | 0.049 | 0.032 |

The accompanying notes from 1 to 27 are an integral part of these interim condensed financial statements

United Insurance Company
(Public Limited Shareholding Company)
Condensed Statement of Other Comprehensive Income (Unaudited)
For the three-month period ended March 31, 2023
(Jordanian Dinars)

| | For the ended three months March 31 | |
|---|--|-------------------|
| | 2023 (Unaudited) | 2022 (Audited) |
| Profit for the period | 388,100 | 258,003 |
| Add: Other comprehensive income elements after tax which will not to be reclassified to profit and loss in subsequent periods: | | |
| Changes in fair value of financial assets at fair value through other comprehensive income, net | 27,982 | 27,338 |
| Comprehensive income | | |
| Total other comprehensive income net of tax which will not be reclassified to profit and loss in subsequent period | 27,982 | 27,338 |
| Total comprehensive income for the period | 416,082 | 285,341 |

The accompanying notes from 1 to 27 are an integral part of these interim condensed financial statement

United Insurance Company
(Public Limited Shareholding Company)
Interim Condensed Statement of Changes in Shareholder's Equity (Unaudited)
For the three months period ended March 31, 2023
(Jordanian Dinars)

| | Paid-up Share Capital | Statutory Reserve | Voluntary Reserve | Fair Value Reserve | Retained Earnings | Total |
|--|--------------------------|----------------------|----------------------|-----------------------|----------------------|-------------------|
| For the Three-Month Period Ended March 31, 2023 | | | | | | |
| Balance at 31 December 2022 (Audited) | 8,000,000 | 41,507 | 2,000,000 | (113,784) | 7,323,902 | 17,251,625 |
| Profit for the period | - | - | - | - | 388,100 | 388,100 |
| Change in fair value reserve | - | - | - | 27,982 | - | 27,982 |
| Total comprehensive income for the period | - | - | - | 27,982 | 388,100 | 416,082 |
| Balance at 31 March 2023 (Unaudited) | 8,000,000 | 41,507 | 2,000,000 | (85,802) | 7,712,002 | 17,667,707 |
| For the Three-Month Period Ended March 31, 2022 | | | | | | |
| Balance at 31 March 2021 (Audited) | 8,000,000 | 41,507 | 2,000,000 | (308,463) | 6,783,907 | 16,516,951 |
| Profit for the period | - | - | - | - | 258,003 | 258,003 |
| Change in fair value reserve | - | - | - | 27,338 | - | 27,338 |
| Total comprehensive income for the period | - | - | - | 27,338 | 258,003 | 258,003 |
| Balance at 31 March 2023 | 8,000,000 | 41,507 | 2,000,000 | (281,125) | 7,041,905 | 16,802,292 |

- Retained earnings include an amount of 653,905 JD as on March 31, 2023 compared to 662,385 JD as on December 31, 2022, representing deferred tax assets restricted for disposal under the instructions of the Securities Commission.

The accompanying notes from 1 to 27 are an integral part of these interim condensed financial statement

United Insurance Company
 (Public Limited Shareholding Company)
Interim Condensed Statement of Cash flow (Unaudited)
For the three months period ended March 31, 2023
 (Jordanian Dinars)

| | For the three months period ended March 31 | |
|---|---|---------------------|
| | 2023 (Unaudited) | 2022 (Unaudited) |
| <u>Operating Activities</u> | | |
| Profit for the period before tax | 483,940 | 333,966 |
| <u>Adjustment for non-cash items</u> | | |
| Depreciation and amortization | 64,650 | 73,768 |
| Change in financial assets at fair value through other comprehensive income | 11,524 | 2,380 |
| Other provisions | 77,622 | 85,687 |
| Expected credit loss provision | - | - |
| Net change in unearned premiums reserve | (807,974) | 1,596,383 |
| Net change in outstanding claims reserve | 41,566 | (159,813) |
| Net change in mathematical reserve | - | - |
| Interest income | (207,429) | (147,458) |
| Cash flows from (used in) operating activities before changes in working capital | (336,101) | 1,784,913 |
| Cheques under collection | 133,717 | 166,272 |
| Account receivables | (455,838) | (2,997,796) |
| Reinsurance receivables | 156,381 | (218,256) |
| Other assets | 53,222 | 8,407 |
| Account payables | 566,674 | 5,500 |
| Reinsurance payables | 214,862 | 1,210,868 |
| Other payables | 29,097 | 60,549 |
| Other provisions | (31,820) | (54,955) |
| Paid income tax | (103,154) | (82,750) |
| Net cash flows from (used in) operating activities | 227,040 | (117,248) |
| <u>Investing Activities</u> | | |
| Term deposits mature after 3 months | (4,400,000) | (1,290,880) |
| Proceeds from financial assets at fair value through other comprehensive income. | (12,738) | - |
| Purchase of property and equipment | (6,213) | (1,248) |
| Interest payable | 207,429 | 147,458 |
| selling property investments | - | 13,278 |
| Net cash flows used in investing activities | (4,211,522) | (1,131,392) |
| Net decrease in cash and cash equivalent | (3,984,482) | (1,248,640) |
| Cash and cash equivalents at beginning of the period | 7,796,423 | 6,749,186 |
| Cash and cash equivalents at the end of the period | 3,811,941 | 5,500,546 |

The accompanying notes from 1 to 27 are an integral part of these interim condensed financial statement.

United Insurance Company
(Public Limited Shareholding Company)
Underwriting Revenue List for Condensed life insurance business (Unaudited)
For the three months period ended March 31, 2023
(Jordanian Dinars)

| | Life | |
|--|--|-------------|
| | For the three-month period ended March 31 | |
| | 2023 | 2022 |
| Written Premiums | | |
| Direct insurance | 169,503 | 164,486 |
| Total written premiums | 169,503 | 164,486 |
| Less: | | |
| Foreign reinsurance share | 124,301 | 118,101 |
| Net premiums | 45,202 | 46,385 |
| Add: | | |
| Balance at the beginning of the period | 129,295 | 161,832 |
| Less: reinsurance share | 89,422 | 111,464 |
| Net mathematical reserve at the beginning of the period | 39,873 | 50,368 |
| Less: | | |
| Balance at the end of the period | 129,295 | 161,832 |
| Less: reinsurance share | 89,422 | 111,464 |
| Net mathematical reserve at the end of the period | 39,873 | 50,368 |
| Net earned revenue from written Premiums- net | 45,202 | 46,385 |

National Insurance Company
(Public Limited Shareholding Company)
Compensation cost List for the Interim Condensed life insurance business
For the three months period ended months 31, March 2023
(Jordanian Dinars)

| | Life | |
|--|---|-------------|
| | For the three-month period ended March, 31 | |
| | 2023 | 2022 |
| Paid claims | 5,118 | 4,035 |
| Less: Reinsurance share: | 3,994 | - |
| Net paid claims | 1,124 | 4,035 |
| Add: | | |
| Claims reserve at the end of the period | | |
| Reported | 267,127 | 171,144 |
| Not reported | 10,000 | 10,000 |
| Less: | | |
| Reinsurance share | 207,113 | 129,757 |
| Net claims reserve at the end of the period | 70,014 | 51,386 |
| Less: | | |
| Claims reserve at the beginning of the period | | |
| Reported | 194,767 | 160,644 |
| Not reported | 10,000 | 10,000 |
| Less: | | |
| Reinsurance share | 145,796 | 121,357 |
| Net claims reserve at the beginning of the period | 58,971 | 49,286 |
| Net claims cost | 12,167 | 6,135 |

United Insurance Company
(Public Limited Shareholding Company)
Compensation cost List for the Interim Condensed life insurance business
For the three months period ended 31, March 2023
(Jordanian Dinars)

| | Life insurance business | |
|---|---|---------------|
| | Three months period ended 31 March | |
| | 2023 | 2022 |
| Net earned revenue from written premiums | 45,202 | 46,385 |
| Less: | | |
| Net claims cost | 12,167 | 6,135 |
| Add: | | |
| Commissions received | 13 | - |
| Insurance policies issuance fees | 5,060 | 4,574 |
| Other revenues | - | 12,875 |
| Total revenues | 5,073 | 17,449 |
| Less: | | |
| Policy acquisition cost | 1,605 | (551) |
| Allocated administrative and general expenses | 9,652 | 6,367 |
| Other expenses | 518 | 358 |
| Total expenses | 11,775 | 6,173 |
| Underwriting profit | 26,334 | 51,526 |

United Insurance Company
(Public Limited Shareholding Company)
Underwriting Revenue List for the Interim Condensed General Insurance Business (Unaudited)
For the three months period ended March 31, 2023
(Jordanian Dinars)

| | Motor | | Marine and Transportation | | Fire and property | | Public liability | | Aviation | | Medical | | Other | | Total | |
|--|-------------------------------------|------------------|-------------------------------------|----------------|-------------------------------------|----------------|-------------------------------------|----------------|-------------------------------------|------------|-------------------------------------|------------------|-------------------------------------|---------------|-------------------------------------|------------------|
| | For the ended three months March 31 | | For the ended three months March 31 | | For the ended three months March 31 | | For the ended three months March 31 | | For the ended three months March 31 | | For the ended three months March 31 | | For the ended three months March 31 | | For the ended three months March 31 | |
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| Written Premium: | | | | | | | | | | | | | | | | |
| Direct insurance | 2,782,345 | 2,724,057 | 89,975 | 103,094 | 551,996 | 519,844 | 130,736 | 117,583 | - | - | 2,100,198 | 4,545,943 | 5,160 | 15,086 | 5,660,410 | 8,025,607 |
| Optional reinsurance | | | | | | | | | | | | | | | | |
| inward business | 288,894 | 240,174 | 898 | 545 | 49,898 | 79,595 | - | 225 | - | - | - | - | 331 | 293 | 340,021 | 320,832 |
| Total Premiums | 3,071,239 | 2,964,231 | 90,873 | 103,639 | 601,893 | 599,438 | 130,736 | 117,808 | - | - | 2,100,198 | 4,545,943 | 5,491 | 15,379 | 6,000,431 | 8,346,439 |
| Less: | | | | | | | | | | | | | | | | |
| Local reinsurance share | 215,233 | 195,019 | - | - | 67,964 | 73,298 | - | - | - | - | 392 | 1,429,122 | - | - | 283,589 | 1,697,440 |
| Foreign reinsurance share | 38,096 | 37,372 | 79,485 | 86,654 | 442,444 | 435,524 | 85,187 | 77,040 | - | - | 1,167,136 | 845,009 | 2,171 | 671 | 1,814,518 | 1,482,271 |
| Net Written Premiums | 2,817,910 | 2,731,839 | 11,388 | 16,985 | 91,486 | 90,616 | 45,549 | 40,768 | - | - | 932,670 | 2,271,812 | 3,320 | 14,708 | 3,902,323 | 5,166,728 |
| Add: | | | | | | | | | | | | | | | | |
| Balance at the beginning of the period | | | | | | | | | | | | | | | | |
| Unearned premiums reserve | 7,174,435 | 5,235,489 | 78,074 | 81,362 | 927,779 | 926,302 | 80,071 | 78,147 | - | 16,525 | 3,609,812 | 2,869,415 | 15,422 | 20,105 | 11,885,593 | 9,227,345 |
| Less: reinsurance share | 136,422 | 119,408 | 64,908 | 69,724 | 830,590 | 833,600 | 55,082 | 45,970 | - | 15,579 | 1,222,842 | 1,407,635 | 9,980 | 7,290 | 2,319,824 | 2,499,206 |
| Net Uncearned Premiums Reserve | 7,038,012 | 5,116,081 | 13,166 | 11,638 | 97,190 | 92,702 | 24,989 | 32,177 | - | 946 | 2,386,970 | 1,461,780 | 5,442 | 12,815 | 9,565,769 | 6,728,139 |
| Less: | | | | | | | | | | | | | | | | |
| Balance at the end of the period | | | | | | | | | | | | | | | | |
| Unearned premiums reserve | 6,667,113 | 5,550,039 | 99,740 | 109,618 | 860,425 | 836,914 | 140,609 | 124,475 | - | - | 3,523,817 | 5,356,081 | 11,183 | 18,646 | 11,302,888 | 11,995,774 |
| Less: Reinsurance share | 131,436 | 120,866 | 86,306 | 91,523 | 733,529 | 715,123 | 94,759 | 82,172 | - | - | 1,491,431 | 2,656,632 | 7,631 | 4,935 | 2,545,092 | 3,671,250 |
| Unearned Premiums Reserve- net | 6,535,678 | 5,429,172 | 13,435 | 18,096 | 126,897 | 121,791 | 45,849 | 42,303 | - | - | 2,032,386 | 2,699,450 | 3,551 | 13,711 | 8,757,795 | 8,324,524 |
| Earned revenue from written Premiums- net | 3,320,244 | 2,418,748 | 11,120 | 10,527 | 61,779 | 61,527 | 24,689 | 30,642 | - | 946 | 1,287,255 | 1,034,142 | 5,211 | 13,812 | 4,710,297 | 3,570,344 |

The accompanying notes from 1 to 28 are an integral part of these interim condensed financial statements

United Insurance Company
(Public Limited Shareholding Company)
Compensation cost List for the Interim Condensed General Insurance Business (Unaudited)
for the three months period ended March 31, 2023
(Jordanian Dinars)

| | Motor | | Marine and Transportations | | Fire and property | | Public liability | | Aviation | | Medical | | Others | | Total | |
|--|-------------------------------------|-------------------|-------------------------------------|---------------|-------------------------------------|----------------|-------------------------------------|---------------|-------------------------------------|------|-------------------------------------|------------------|-------------------------------------|--------------|-------------------------------------|-------------------|
| | For the ended three months March,31 | | For the ended three months March,31 | | For the ended three months March,31 | | For the ended three months March,31 | | For the ended three months March,31 | | For the ended three months March,31 | | For the ended three months March,31 | | For the ended three months March,31 | |
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| Paid claims | 2,024,029 | 2,563,989 | 19,184 | 11,374 | 47,742 | 53,016 | 982 | 437 | - | - | 2,267,702 | 2,035,935 | 362 | 1,971 | 5,260,000 | 4,666,722 |
| Less: | | | | | | | | | | | | | | | | |
| Recoveries | 396,526 | 356,761 | 2,000 | 216 | 576 | 352 | - | - | - | - | - | - | - | - | 399,102 | 357,329 |
| Local reinsurance share | 20,797 | 82,298 | - | - | - | - | - | - | - | - | 307,716 | 310,807 | - | - | 328,513 | 393,105 |
| Foreign reinsurance share | - | - | 16,590 | 9,206 | 40,335 | 47,236 | - | - | - | - | 632,947 | 799,321 | - | 328 | 689,872 | 855,436 |
| Net Paid Claims | 2,506,707 | 2,124,930 | 594 | 1,952 | 6,831 | 5,428 | 982 | 437 | - | - | 1,327,039 | 925,807 | 362 | 2,299 | 3,842,514 | 3,060,852 |
| Add: | | | | | | | | | | | | | | | | |
| Outstanding Claims Reserve at the end of the period | | | | | | | | | | | | | | | | |
| Reported | 12,060,462 | 11,097,987 | 101,942 | 122,886 | 2,425,728 | 2,438,619 | 46,137 | 84,037 | - | - | 151,983 | 274,898 | 1,262 | 12 | 14,787,514 | 14,018,439 |
| Not reported | 1,100,000 | 1,100,000 | 2,039 | 2,458 | 24,257 | 24,386 | 461 | 840 | - | - | 224,888 | 337,293 | 13 | - | 1,351,658 | 1,464,977 |
| Less: | | | | | | | | | | | | | | | | |
| Reinsurance share | 754,168 | 929,281 | 82,328 | 96,911 | 2,257,231 | 2,272,214 | 18,368 | 53,960 | - | - | 64,792 | 137,998 | 11 | 11 | 3,176,899 | 3,490,375 |
| Unreported reinsurance share | - | - | - | - | - | - | - | - | - | - | 92,872 | 182,690 | - | - | 92,872 | 182,690 |
| Recoveries | 1,124,616 | 940,408 | - | - | - | - | - | - | - | - | - | - | - | - | 1,124,616 | 940,408 |
| Net Outstanding Claims Reserve at the end of the period | 11,281,677 | 10,328,298 | 21,653 | 28,433 | 192,753 | 190,792 | 28,230 | 30,917 | - | - | 219,207 | 291,503 | 1,264 | 1 | 11,744,784 | 10,869,944 |
| Less: | | | | | | | | | | | | | | | | |
| Net outstanding claims reserve at the beginning of the period | | | | | | | | | | | | | | | | |
| Reported | 11,917,171 | 11,328,409 | 90,576 | 129,189 | 2,398,531 | 2,330,731 | 44,637 | 81,911 | - | - | 283,775 | 243,970 | 1,262 | 12 | 14,735,952 | 14,114,222 |
| Not reported | 1,100,000 | 1,100,000 | 1,812 | 2,584 | 23,985 | 23,307 | 446 | 819 | - | - | 316,873 | 438,874 | 13 | - | 1,443,129 | 1,565,585 |
| Less: | | | | | | | | | | | | | | | | |
| Reinsurance share | 799,295 | 1,023,513 | 73,445 | 102,199 | 2,225,209 | 2,173,311 | 18,368 | 50,631 | - | - | 118,529 | 136,310 | 11 | 11 | 3,234,856 | 3,485,975 |
| Unreported reinsurance share | - | - | - | - | - | - | - | - | - | - | 128,085 | 241,024 | - | - | 128,085 | 241,024 |
| Recoveries | 1,101,878 | 920,950 | - | - | - | - | - | - | - | - | - | - | - | - | 1,101,878 | 920,950 |
| Net Outstanding Claims Reserve at the beginning of the period | 11,115,998 | 10,483,946 | 18,943 | 29,574 | 197,308 | 180,728 | 26,715 | 32,099 | - | - | 354,034 | 305,510 | 1,264 | 1 | 11,714,261 | 11,031,857 |
| Net Claims Cost | 2,672,386 | 1,969,282 | 3,304 | 811 | 2,277 | 15,491 | 2,497 | 744 | - | - | 1,192,211 | 911,800 | 362 | 2,299 | 3,873,037 | 2,898,939 |

The accompanying notes from 1 to 28 are an integral part of these interim condensed financial statements

United Insurance Company
(Public Limited Shareholding Company)

| | Motor | Marine and Transportation | | | Property Fire and | | | Public liability | | | Aviation | | | Medical | | | Other dep. | | | Total |
|---|-----------|-------------------------------------|--------|--------|-------------------------------------|---------|--------|-------------------------------------|------|------|-------------------------------------|-----------|-------|-------------------------------------|-----------|-----------|-------------------------------------|------|------|-------|
| | | For the ended three months March 31 | | | For the ended three months March 31 | | | For the ended three months March 31 | | | For the ended three months March 31 | | | For the ended three months March 31 | | | For the ended three months March 31 | | | |
| | | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 | |
| Net earned revenue from written premiums | 3,320,244 | 2,418,748 | 11,120 | 10,527 | 61,779 | 61,527 | 24,689 | 30,642 | - | 946 | 1,287,255 | 1,034,142 | 5,211 | 13,812 | 4,710,297 | 3,570,344 | | | | |
| Less: | | | | | | | | | | | | | | | | | | | | |
| Net claims cost | 2,672,386 | 1,969,282 | 3,304 | 811 | 2,277 | 15,491 | 2,497 | (744) | - | - | 1,192,211 | 911,800 | 362 | 2,299 | 3,873,037 | 2,898,939 | | | | |
| Add: | | | | | | | | | | | | | | | | | | | | |
| Commissions received | 22 | 797 | 28,838 | 28,332 | 116,894 | 97,569 | 3,869 | 7,128 | -- | -- | 4 | 14,291 | (42) | (58) | 149,585 | 148,060 | | | | |
| Insurance policies issuance fees | 135,115 | 121,810 | 4,072 | 3,660 | 26,268 | 26,323 | 5,757 | 4,478 | - | - | 88,585 | 143,182 | 344 | 142 | 260,141 | 299,595 | | | | |
| Other income related to written premiums | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | | | |
| Other income | - | 584 | - | - | 1,129 | - | - | - | - | - | - | - | - | - | 1,129 | 584 | | | | |
| Total revenues | 135,137 | 123,191 | 32,910 | 31,993 | 144,291 | 123,892 | 9,626 | 11,606 | - | - | 88,589 | 157,473 | 302 | 84 | 410,855 | 448,240 | | | | |
| Less: | | | | | | | | | | | | | | | | | | | | |
| Policies acquisition cost | 90,982 | 98,493 | 738 | 1,772 | 37,018 | 35,970 | 9,334 | 8,725 | - | - | 20,617 | 27,522 | 307 | 6,585 | 158,995 | 179,067 | | | | |
| Excess of loss premiums | 35,000 | 27,033 | - | - | 45,000 | 34,688 | - | - | - | - | - | - | - | - | 80,000 | 61,721 | | | | |
| Allocated administrative and general expenses | 250,149 | 181,564 | 15,691 | 14,699 | 52,769 | 38,157 | 7,445 | 4,560 | - | - | 159,356 | 212,296 | 313 | 595 | 485,722 | 451,871 | | | | |
| Allocated other expenses | 91,328 | 85,010 | 783 | 523 | 2,554 | 1,500 | 63 | 49 | - | - | 30,054 | 20,629 | 54 | 14 | 124,835 | 107,726 | | | | |
| Total Expenses | 467,458 | 392,100 | 17,212 | 16,994 | 137,340 | 110,315 | 16,841 | 13,334 | - | - | 210,027 | 260,447 | 673 | 7,194 | 849,552 | 800,384 | | | | |
| Underwriting profit | 315,536 | 180,557 | 23,514 | 24,715 | 66,453 | 59,613 | 14,977 | 29,658 | - | 946 | (26,394) | 19,368 | 4,478 | 4,404 | 398,563 | 319,261 | | | | |

The accompanying notes from 1 to 27 are an integral part of these interim condensed financial statements

United Insurance Company
(Public Limited Shareholding Company)
Notes to the Interim Condensed Financial Statements (Unaudited)
For the three months period ended March 31, 2023
(Jordanian Dinars)

1- Legal Status and Activities

The United Insurance Company was established in 1972 under the Jordanian Corporate Law and its amendments under No. (74) as a limited public shareholding company. The United Insurance Company was merged with the Egyptian Orient Insurance Company and the New India Insurance Company in Jordan in 1988.

The company resulting from the merger (United Insurance Company) became a general successor to the merged companies. As a Several amendments were made to the capital, the latest was during 2008, so that the authorized and paid-up capital amounted to 8,000,000 JOD, divided into 8,000,000 shares, with a nominal value of 1 JOD per share.

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

The company aims to practice all types of insurance, including the field of life insurance.

The interim condensed financial statements were approved by the Board of Directors' decision held on April 20, 2023.

2- Basis of Preparation:

Statement of compliance

The interim condensed financial statements for the Group for the three months period ended 31 March 2023 have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting".

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

The financial statements have been prepared on historical cost basis, except for financial assets at fair value through other comprehensive income that have been measured at fair value.

Functional and presentation currency

The interim condensed financial statements do not contain all information and disclosures required for full financial statements prepared in accordance with International Financial Reporting Standards, and should be read in conjunction with the Group's annual report as at 31 December 2022. In addition, the results for the three months ended 31 March 2023 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2023.

3- Accounting estimates and assumptions

The accounting policies used in preparing the interim condensed financial statements are consistent with those followed in preparing the financial statements for the year ending on December 31, 2022, except that the company applied the following amendments as of January 1, 2023:

(Reference to the Conceptual Framework - Amendments to IFRS No. (3) during May 2020, the International Accounting Standards Board issued amendments to International Financial Reporting Standard No. (3) Business Combinations - a reference to the conceptual framework. These amendments replace the reference to the conceptual framework for the preparation and presentation of financial statements, which was issued in 1989, with reference to the conceptual framework for financial reports, which was issued in March 2018 without fundamental change to the requirements of the conceptual framework.

The Board also added an exception to the recognition principle of International Financial Reporting Standard No. (3) to avoid "Day 2" profits or losses for potential liabilities and liabilities that may fall within the scope of International Accounting Standard No. (37) or Interpretation of the International Financial Reporting Standards Committee No. (21) If they occur separately.

At the same time, the Board decided to clarify the current guidance on IFRS 3 for potential assets that will not be affected by the replacement of the conceptual framework for the preparation and presentation of financial statements.

These amendments did not have a material impact on the Company's interim condensed financial statements.'

4- Significant Accounting Policies

Proceeds from Sale Prior to the Intended Use - Amendments to International Accounting Standard No. (16)

Financial instruments

Classification and measurement

During May 2020, the International Accounting Standards Board issued amendments to International Accounting Standard No. (16) Property, Plant and Equipment:

The proceeds from the sale before the concerned use, which prevents the establishments from reducing the cost of property, machinery and equipment by the value of the amounts received from selling a product that was produced during the period of bringing the asset to the site and preparing it for the necessary condition to work in the intended manner determined by the administration.

Accordingly, the entity must recognize the amounts received from the sale of these products and the cost of their production in profit or loss.

These amendments did not have a material impact on the Company's interim condensed financial statements.

Loss Contracts - Cost of Contract Obligations - Amendments to IAS No. (37)

During May 2020, the IAS Board issued amendments IAS No. (37), which specify the costs that the entity must take into account when evaluating whether the contract is or will result in a loss.

The adjustments apply the direct cost method. Direct costs related to contracts for the sale of goods or services include both incremental costs and allocated costs that are directly related to contract activities. Administrative and general expenses are not directly related to the contracts and are therefore excluded unless they are charged to the other party under the terms of the contract.

These amendments did not have a material impact on the Company's interim condensed financial statements.

As part of the improvements to the treatment of IFRS for the years 2018-2020, the IAS Board issued an amendment to International Financial Reporting Standard No. (9). The amendment clarifies the fees that the Company considers in assessing whether the terms of a new or modified financial liability are materially different from the terms of the original financial liability. Such fees include only those paid or received by the Borrower and Lender, including fees paid or received by the Borrower or Lender on behalf of another. The company applies the modification to the financial liabilities that are modified or exchanged at or after the beginning of the fiscal year in which the company applies this modification.

These amendments did not have a material impact on the Company's interim condensed financial statements.

Fair value through statement of profit and loss

As part of the improvements to the treatment of IFRS's for the years 2018-2020, the IAS Board has issued an amendment to IAS 41 Agriculture. The amendment removed the requirement of the standard in paragraph 22 of IAS 41, which requires that entities exclude cash flows from taxes when measuring the fair value of assets within the scope of IAS 41.

These amendments did not have a material impact on the Company's interim condensed financial statements.

Fundamentals of preparing financial statements

International Financial Reporting Standard No. (17) Insurance Contracts

In May 2017, the IAS Board issued IFRS No. (17) Insurance Contracts, a comprehensive model for the recognition, measurement, presentation, and clarifications related to insurance contracts. Once operational, IFRS 17 replaces IFRS 4 Insurance Contracts issued in 2005. IFRS 17 applies to all types of insurance contracts (such as contracts life and other direct insurance contracts and reinsurance contracts) without regard to the entity issuing the insurance contract, as it applies to some guarantees and financial instruments that carry the participation feature. Limited exceptions to the scope of application apply. The general framework of IFRS 17 provides an accounting model for insurance contracts that is more useful and consistent for insurance companies. Unlike the requirements in IFRS 4, which are largely based on previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts that covers all relevant accounting aspects.

4- Significant Accounting Policies (continued)

Fundamentals of preparing financial statements

The core of IFRS 17 is the general model, complemented by:

- Application specific contracts with direct participation features (variable fee approach).
- Simplified approach (premium allocation approach) mainly for short term contracts.

This IFRS will be applied retrospectively as of January 1, 2023, with early application permitted, provided that the entity applied IFRS No. (9) and IFRS No. (15) before or with the application of IFRS No. (17).

The company has prepared a preliminary study of the impact of the standard on the financial statements of the company, and the impact of applying the standard on the financial statements as of January 1, 2022 represents a decrease in written premiums by an amount of (462,766) JOD, a decrease in claims by an amount of (272,425) JOD, and a decrease in accumulated profits by an amount of (190,341) JOD.

Sector information

The business sector represents a group of assets and operations that jointly provide products or services that are subject to risks and returns different from those related to other business sectors, which are measured according to the reports that were used by the management and decision makers of the company.

The geographical sector is related to providing products or services in a specific economic environment subject to risks and returns that differ from those related to business sectors in economic environments.

Use of estimates

The preparation of the interim condensed financial statements and the application of accounting policies require the company's management to make estimates and assumptions that affect the amounts of financial assets and liabilities and disclose potential liabilities. Also, these estimates and assumptions affect revenues, expenses and provisions, as well as changes in the fair value that appear within equity. In particular, the company's management is required to issue significant judgments and judgments in estimating the amounts and times of future cash flows. The aforementioned estimates are necessarily based on assumptions and multiple factors that have varying degrees of estimation and uncertainty, and that the actual results may differ from the estimates as a result of the changes resulting from the conditions and circumstances of those estimates in the future.

The following are the details of the essential jurisprudence made by the management:

- A provision for expected credit losses is formed based on principles and assumptions approved by the company's management to estimate the provision that must be formed according to the requirements of International Financial Reporting Standard No. (9).
- The fiscal year is charged with its income tax expense in accordance with the laws and regulations.
- The management periodically reassesses the useful lives of tangible assets for the purpose of calculating annual depreciation based on the general condition of those assets and estimates of expected useful lives in the future, and the impairment loss (if any) is included in the interim condensed income statement.
- The claims provision and technical provisions are estimated based on technical studies and in accordance with the instructions of the Central Bank of Jordan. The computational provision is also calculated according to actuarial studies.
- A provision is made for cases filed against the company based on a legal study prepared by the company's lawyer, according to which the risks likely to occur in the future are determined, and those studies are reviewed periodically.

United Insurance Company
(Public Limited Shareholding Company)
Notes to the Interim Condensed Financial Statements (Unaudited)
For the three months period ended March 31, 2023
(Jordanian Dinars)

5- Deposits at banks

This item consists of the following:

| | March 31, 2023 (Unaudited) | | | December 31,2022 (Audited) |
|-----------------|-----------------------------------|---------------------------------------|---|----------------------------------|
| | Deposits due within a month | Deposits due from 1 to 3 months | Deposits due from 3 months to 1 year | Total |
| Local deposits | 4,000,000 | - | | 11,100,000 |
| less: | | | | |
| Expected credit | - | - | (10,900) | (10,900) |
| | <u>4,000,000</u> | <u>-</u> | <u>7,489,100</u> | <u>11,089,100</u> |

- Interest rates on bank deposits balances in Jordanian Dinar ranges from 4% to 6.5% during the period ended 31 march 2023.
- Deposits pledged to the order of the Central Bank Governor amounted to 800,000 JOD as of March 31, 2023 and December 31, 2022. At The Investment Bank.
- The restricted balances amounted to 300,000 JOD as of March 31, 2023 (300,000 JOD as of December 31, 2022) in the form of cash deposits, in addition to deposits pledged to the order of the Director of the Central Bank of Jordan.

6- Financial assets at fair value through profit or loss

This item consists of the following:

| | March 31,2023 (Unaudited) | December 31,2022 (Audited) |
|---|------------------------------|-------------------------------|
| <u>In Jordan</u> | | |
| Shares listed on the Amman Stock Exchange | 96,724 | 108,247 |
| | <u>96,724</u> | <u>108,247</u> |

7- Financial assets at fair value through other comprehensive income

This item consists of the following:

| | March 31,2023 (Unaudited) | December 31,2022 (Audited) |
|---|------------------------------|-------------------------------|
| <u>Inside of Jordan</u> | | |
| Shares listed on the Amman Stock Exchange | 5,522,341 | 5,484,536 |
| Unlisted shares / Interconnected | 6,477 | 6,477 |
| <u>Out of Jordan</u> | | |
| Arab Reinsurance Company - Lebanon* | 201,401 | 201,401 |
| | <u>5,730,219</u> | <u>5,692,404</u> |

* The above represents the evaluation of investments according to equity, and they are shown at fair value as of the date of the condensed interim financial statements.

United Insurance Company
(Public Limited Shareholding Company)
Notes to the Interim Condensed Financial Statements (Unaudited)
For the three months period ended March 31, 2023
(Jordanian Dinars)

8- Financial assets at amortized Cost

This item consists of the following:

| | March 31, 2023 (Unaudited) | December 31,2022 (Audited) |
|---|---|---|
| <u>In Jordan</u> | | |
| Arab corp. loan bond * | 50,000 | 50,000 |
| Less: Impairment provision at Arab corp. | (49,999) | (49,999) |
| | <u>1</u> | <u>1</u> |
| Jordanian treasury loan bond ** | 3,124,000 | 3,124,000 |
| Turkish government loan bond *** | 426,000 | 426,000 |
| Total | 3,550,001 | 3,550,001 |
| Less: Expected credit loss | (3,000) | (3,000) |
| Total financial assets at amortized cost | 3,547,001 | 3,547,001 |

* The bond of the Arab Corp. loan came due on the first of April 2014, and the original bond or any interest was not paid to the company. A provision was made for the full value of this bond and interest recognition was suspended over the past years.

** On June 17, 2021, the company invested in (13) Jordanian government loan bonds, with a nominal value of 200,000 dollars/loan bond, with a total value of \$ 2,600,000, and on March 28, 2021, the company invested in (1) Jordanian government loan bonds, with a nominal value of \$ 200,000/bond through the Housing Bank. These bonds mature on October 10, 2047, with a fixed interest rate of 7.375% annually, calculated on the basis of the actual number of days divided by 360 days.

*** On April 5, 2021, the company invested in (3) Turkish government loan bonds with a nominal value of \$200,000/loan bonds with a total value of \$600,000 through the Housing Bank. These bonds are due on January 14, 2041, and at a fixed interest rate of 6% annually, to be calculated Based on the number of actual days divided by 360 days.

9- Property investments

This item consists of the following:

| | March 31, 2023 (Unaudited) | December 31,2022 (Audited) |
|--------------------------------|---|---|
| Land | 723,272 | 723,272 |
| Buildings | 5,081,252 | 5,077,800 |
| Less: Accumulated depreciation | 988,105 | 967,425 |
| Buildings, net | 4,093,147 | 4,110,375 |
| Total | <u>4,816,419</u> | <u>4,833,647</u> |

- Buildings are depreciated at 2% per year and presented at their net book value.

10- Cheques Under Collection

This item consists of the following:

| | March 31, 2023 (Unaudited) | December 31,2022 (Audited) |
|----------------------------|---|---|
| Cheques under collection | 2,227,928 | 2,361,645 |
| Less: Expected credit loss | (7,088) | (7,088) |
| | <u>2,220,840</u> | <u>2,354,557</u> |

United Insurance Company
(Public Limited Shareholding Company)
Notes to the Interim Condensed Financial Statements (Unaudited)
For the three months period ended March 31, 2023
(Jordanian Dinars)

11- Account receivables

This item consists of the following

| | 31 March 2023 (Unaudited) | 31 December 2022 (Audited) |
|---|--------------------------------------|---------------------------------------|
| Policy holder's receivables | 7,433,313 | 7,177,078 |
| Agent's receivables | 762,740 | 875,348 |
| Brokers receivables | 1,980,863 | 1,709,414 |
| Employee's receivables | 26,989 | 30,646 |
| Other receivables | 673,974 | 629,550 |
| | 10,877,879 | 10,422,041 |
| *Less: Provision for expected credit losses for receivables | (2,231,336) | (2,231,336) |
| Net receivables | 8,646,543 | 8,190,705 |

*The movement in the provision for expected credit losses was as follows:

| | 31 March 2023 (Unaudited) | 31 December 2022 (Audited) |
|------------------------------------|--------------------------------------|---------------------------------------|
| Beginning balance | 2,231,336 | 2,131,336 |
| Provision during the period / year | - | 100,000 |
| Ending balance | 2,231,336 | 2,231,336 |

12- Reinsurers receivables

This item consists of the following:

| | March 31, 2023 (Unaudited) | December 31, 2022 (Audited) |
|---|---------------------------------------|--|
| Local insurance companies | 357,463 | 414,304 |
| Foreign insurance companies | 116,361 | 215,901 |
| <u>Less: Expected credit loss provision</u> | (81,671) | (81,671) |
| Total reinsurers receivables | 392,153 | 548,534 |

13- Accounts payables

This item consists of the following:

| | March 31, 2023 (Unaudited) | December 2022 (Audited) |
|---------------------|---------------------------------------|------------------------------------|
| Agent's payables | 240,712 | 254,932 |
| Employee's payables | 453 | 353 |
| Broker's payables | 308,725 | 294,668 |
| Other payables | 1,975,695 | 1,408,960 |
| | 2,525,585 | 1,958,913 |

United Insurance Company
(Public Limited Shareholding Company)
Notes to the Interim Condensed Financial Statements (Unaudited)
For the three months period ended March 31, 2023
(Jordanian Dinars)

14- Reinsurers account payables, net

This item consists of the following:

| | March 31,2023 (Unaudited) | December 31,2022 (Audited) |
|-----------------------------|--|---|
| Local insurance companies | 185,056 | 422,862 |
| Foreign insurance companies | 2,749,157 | 2,296,489 |
| | 2,934,213 | 2,719,351 |

15- Various provisions

This item consists of the following:

| | March31, 2023 (Unaudited) | December 31, 2022 (Audited) |
|--|--|--|
| Central bank of Jordan fee's provision | 53,513 | 26,085 |
| End of service benefit provision | 65,078 | 59,873 |
| Accrual rewards provision | 174,701 | 161,532 |
| | 293,292 | 247,490 |

The following table shows the movement on accrued expenses and various provisions

| | Begging Balance | During the period | Paid during the period | Ending balance |
|------------------------------|------------------------|--------------------------|-------------------------------|-----------------------|
| Central bank of Jordan fee's | 26,085 | 27,428 | - | 53,513 |
| End of service benefit's | 59,884 | 5,194 | - | 65,078 |
| Accrual rewards | 161,521 | 45,000 | 31,820 | 174,701 |
| | 247,490 | 77,622 | 31,820 | 293,292 |

16- Income Tax

A- Income Tax provision

The movement on the income tax provision is as follows:

| | March 31, 2023 (Unaudited) | December 31, 2022 (Audited) |
|---|---|--|
| Balance at the beginning of the period /year | 348,893 | 260,536 |
| Income tax paid | (114,051) | (367,492) |
| Income tax expense for the period /year | 95,843 | 455,849 |
| Balance at the end of the period /year | 330,685 | 348,893 |

Income tax expense appearing in the income statement represents the following:

| | March 31,2023 (Unaudited) | December 31,2022 (Audited) |
|-------------------------------|--|---|
| Income tax for the period | 97,193 | 77,252 |
| Deferred tax assets additions | (26,865) | (1,289) |
| | 70,328 | 75,963 |

Income Tax

A final settlement was reached with the Income Tax Department until the end of 2020, and the self-assessment statements for the years 2021 and 2022 were submitted and were not reviewed by the Income and sales tax department.

United Insurance Company
(Public limited Shareholding Company)
Notes to the Interim Condensed Financial Statements (Unaudited)
For the ended three months March 31, 2023
(Jordanian Dinars)

16- Income Tax (continued)

B- Differed Tax assets / Liabilities

This item consists of the following:

| | March 31, 2023 | | | | December 31, 2022 | |
|---|-------------------|---------------|---------------|------------------|--------------------------|------------------------|
| | Beginning Balance | Reversal | Additions | Ending Balance | Deferred Tax (Unaudited) | Deferred Tax (Audited) |
| A- Deferred tax assets: | | | | | | |
| Estimated credit loss provision | 2,313,005 | - | - | 2,313,005 | 601,381 | 601,382 |
| Provision for end of service indemnity | 59,884 | - | 5,194 | 65,078 | 16,920 | 15,567 |
| Financial assets evaluation reserve | 153,759 | (47,411) | 9,602 | 115,949 | 30,147 | 39,979 |
| Applying IFRS 9 on bank deposits and cheques under collection | 20,988 | - | - | 20,988 | 5,457 | 5,457 |
| Total | 2,547,636 | 47,411 | 14,796 | 2,515,021 | 653,905 | 662,385 |
| B- Deferred tax liabilities: | | | | | | |
| Applying IFRS 9 on the portfolio of financial assets at fair value through other comprehensive income | 111,934 | - | - | 111,934 | 26,865 | 26,864 |
| | 111,934 | - | - | 111,934 | 26,865 | 26,864 |

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

| | Liabilities | | Assets | |
|---|----------------------------|-----------------------------|----------------------------|-----------------------------|
| | March 31, 2023 (Unaudited) | December 31, 2022 (Audited) | March 31, 2023 (Unaudited) | December 31, 2022 (Audited) |
| Balance at the beginning of the period / year | 26,864 | 26,864 | 662,385 | 687,298 |
| Additions | - | - | 1,350 | 43,487 |
| Disposals | - | - | (9,830) | (68,400) |
| Balance at the end of the period / year | 26,864 | 26,864 | 653,905 | 662,385 |

17- Share capital

The capital at the end of the period was 8,000,000 JOD divided into 8,000,000 shares with a nominal value of 1 JOD per share.

18- Statutory reserve

The company did not deduct any legal reserves and fees according to the provisions of the Companies law, as these financial statements are interim statements.

19- Fair value reserve

This amount represents the fair value of the financial assets through other comprehensive income and is stated as follows:

| | March 31, 2023 (Unaudited) | December 31, 2022 (Audited) |
|--|----------------------------|-----------------------------|
| Begging balance of the period / year | (113,784) | (308,460) |
| During the period / year | 37,812 | 263,076 |
| Transfer from deferred tax assets | (9,830) | (68,400) |
| Ending balance of the period / year | (85,802) | (113,784) |

United Insurance Company
(Public limited Shareholding Company)
Notes to the Interim Condensed Financial Statements (Unaudited)
For the ended three months March 31, 2023
(Jordanian Dinars)

20- Net profit from financial assets and investments

This item consists of the following:

| | March 31,2023 (Unaudited) | December 31,2022 (Audited) |
|--|--|---|
| Stock dividends | 12,738 | - |
| Rent revenue, net | 5,434 | 20,095 |
| Change in fair value through profit or loss, net | (11,523) | 2,380 |
| | 6,649 | 22,475 |

21- Basic and diluted earnings per share

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

| | March 31,2023 (Unaudited) | March 31, 2023 (Unaudited) |
|---|--|---|
| Profit for the period (JOD) | 388,100 | 258,003 |
| Weighted average number of shares (share) | 8,000,000 | 8,000,000 |
| Basic and diluted earnings per share for the period | 0.049 | 0.033 |

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

22- Cash and cash equivalent

This item consists of the following:

| | 31 March 2023 (Unaudited) | 31 March 2023 (Unaudited) |
|-------------------------------------|--|--|
| Cash on hands | 7,078 | 4,607 |
| deposits at banks | 904,863 | 891,816 |
| Net Cash and cash equivalent | 911,941 | 896,423 |

Cash and cash equivalents appearing in the interim condensed statement of cash flows are as follows:

| | 31 March 2023 (Unaudited) | 31 March 2023 (Unaudited) |
|--|--|--|
| Cash on hands and at banks | 911,941 | 670,628 |
| Add: deposits at banks | 4,000,000 | 5,929,918 |
| Less: deposits at banks with maturities more than three months | (1,100,000) | (1,100,000) |
| Net Cash and cash equivalent | 3,811,941 | 5,500,546 |

United Insurance Company
(Public limited Shareholding Company)
Notes to the Interim Condensed Financial Statements (Unaudited)
For the ended three months March 31, 2023
(Jordanian Dinars)

23- Related Parties

Related parties include subsidiaries, board of directors, executive management and the Companies which they own. pricing policies and terms of transactions with those related parties are approved by the Group's managements.

Below is a summary of related parties' transactions:

| Financial position statement elements | Nature of relation | March 31,2023 (Unaudited) | December 31 2022 (Audited) |
|--|--|--------------------------------------|---|
| <u>Accounts Receivables</u> | | | |
| Jordan Projects For Tourism Development (JPTD) | Joint Chairman of the Board | 456,187 | 456,187 |
| Jordan Paper & Cardboard Factories | Joint Chairman of the Board | 387,627 | 387,627 |
| Abu - Jaber & Bro's Co. | Owned by the Chairman The general manager is a board member | 1,666 | 28,181 |
| General Investments | | 29,172 | 27,001 |
| Receivables of shareholders and Board of Directors | Board of Directors | - | 16,857 |
| SA'D ABUJABER & SONS CO. LTD. | Owned by a former board member | 18,999 | 16,862 |
| Jordanian Mutamayizah Distribution Co. (JMDC) | Owned by a board member | 11,590 | 7,269 |
| Advanced Telecom Co. | Owned by a board member | 7,233 | 7,233 |
| Jordan spectrum for information technology | Owned by a board member | 949 | 949 |
| Al - Yadoda Co. | Owned by a board member | 75,166 | - |
| Modern Arab Distribution Ltd. | Owned by a board member | - | 259,038 |
| Yousef Qader & Sons Co. | Owned by a board member | - | 130,008 |
| Specialized Distributors Co | Owned by a board member | - | 16,749 |
| Bidfood Middle East - Jordan | Owned by a board member | - | 8,123 |
| Arab Italian trading Co. | Owned by a board member | - | 5,176 |
| Al-Awael trading & distribution CO | Owned by a board member | - | 2,607 |
| | | 988,589 | 1,369,867 |

The company has allocated an amount of 843,814 JOD from the provision for expected credit losses on receivables from related parties as of March 31, 2022 and December 31, 2023.

Summary of transactions with related parties during the period / year, as the following:

| | Nature of relation | March 31,2023 (Unaudited) | December 31,2022 (Audited) |
|---|-----------------------------|--------------------------------------|---------------------------------------|
| <u>Under collection cheques</u> | | | |
| Abu - Jaber & Bro's Co. | Owned by the Chairman | 96,747 | 96,747 |
| <u>Accounts Payables</u> | | | |
| Payables of shareholders and Board of Directors | Board of Directors | 22,145 | 60,072 |
| Specialized company for logistic services | Owned by a board member | 286 | 286 |
| Marina Plaza Hotel | Joint Chairman of the Board | 169 | 169 |

United Insurance Company
(Public limited Shareholding Company)
Notes to the Interim Condensed Financial Statements (Unaudited)
For the ended three months March 31, 2023
(Jordanian Dinars)

23- Related Parties (continue)

| Income statement elements: | March 31, 2023 (Unaudited) | March 31, 2023 (Unaudited) |
|--|---------------------------------------|---------------------------------------|
| Revenues and commissions of written premiums | 75,710 | 166,943 |
| Paid claims | 13,706 | 126,055 |
| Rent Revenue | 23,824 | 18,750 |

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

| | March 31, 2023 (Unaudited) | March 31, 2023 (Unaudited) |
|--------------------------------------|---------------------------------------|---------------------------------------|
| Salaries, bonuses and other benefits | 164,143 | 156,138 |

24- Financial instruments at fair value

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

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

Level 2: other techniques for which all inputs which have a significant effect on the fair value are observable, either directly or indirectly, from market data.

Level 3: other techniques which use inputs which have a significant effect on the fair value but which are not based on observable market data.

The following table shows the analysis of financial instruments recorded at fair value mentioned above:

| | Level 1 | Level 2 | Total |
|---|------------------|----------------|------------------|
| March 31, 2023 (Unaudited) | | | |
| Financial Assets | | | |
| Financial assets at fair value through profit or loss | 96,724 | - | 96,724 |
| Financial assets at fair value through other comprehensive income | 5,730,219 | - | 5,730,219 |
| Financial assets at amortized cost | 3,547,001 | - | 3,547,001 |
| March 31, 2023 (Audited) | | | |
| Financial Assets | | | |
| Financial assets at fair value through profit or loss | 108,247 | - | 108,247 |
| Financial assets at fair value through other comprehensive income | 5,692,404 | - | 5,692,410 |
| Financial assets at amortized cost | 3,547,001 | - | 3,547,001 |

25- Lawsuits against the company

The company appears as a defendant in this number of cases, and the company has calculated sufficient provisions to face these lawsuits. In the opinion of the company and its legal advisor, the calculated and amounted provisions is (3,892,819 JOD 31 March 2023), and (5,788,977 JOD as 31 December 2022) is sufficient to meet the obligations for these lawsuits.

United Insurance Company
(Public limited Shareholding Company)
Notes to the Interim Condensed Financial Statements (Unaudited)
For the ended three months March 31, 2023
(Jordanian Dinars)

26- Potential liabilities

On the date of the interim condensed financial statements, the company has obligations that may arise, represented in guarantees and bank credits of an amount of (191,370 JOD as 31 March 2023) against, (181,124 JOD as 31 December 2022).

27- Paid Dividends

Subsequent to the date of the interim condensed financial statements, the General Assembly held its ordinary meeting on 26 April 2023 and approved the dividends of 800,000 JOD which represents 10% of the nominal value of the company's capital for the profits of the year 2022.

United Insurance Company
(Public limited Shareholding Company)
Financial Position Statement for Interim Condensed Life Insurance Branch (Unaudited)
As of the ended three months March 31, 2023
(Jordanian Dinars)

| | March 31, 2023 (Unaudited) | March 31, 2022 (Audited) |
|---------------------------------|---|---|
| Assets: | | |
| Bank deposits | 400,000 | 400,000 |
| Total investments | 400,000 | 400,000 |
| Account receivables | 188,136 | 135,861 |
| Reinsurance receivables, net | 112,250 | 108,423 |
| Property and Equipment, net | 4 | 12 |
| Total Assets | 700,390 | 644,296 |
| Liabilities and Equity | | |
| Technical reserves: | | |
| Outstanding claims reserve, net | 70,014 | 58,971 |
| Mathematical reserve, net | 39,873 | 39,873 |
| Total Technical Reserves | 109,887 | 98,844 |
| Account payables | 50,118 | 43,934 |
| Reinsurers Payables, net | 195,018 | 279,203 |
| Total Liabilities | 355,023 | 421,981 |
| Head Office Equity: | | |
| Head Office account | 319,033 | 158,174 |
| Profits for the period/year | 26,334 | 64,141 |