



شركة الأراضي المقدسة للتأمين المساهمة العامة المحدودة

HOLY LAND INSURANCE CO. Ltd. H.L.I.C

٢٠١٩/٨/٧

٢٠١٩/٦/٢٦

السادة/ بورصة عمان المحترمين .

عمان - الاردن

الموضوع: البيانات المالية كما في ٢٠١٩/٦/٣٠

تحية طيبة وبعد،،،

لاحقا لكتابنا رقم ٢٠١٩/٦٥٨/٢٦ تاريخ ٢٠١٩/٧/٣١ نرفق لكم البيانات المالية الموحدة كما في ٢٠١٩/٦/٣٠ مترجمة الى اللغة الانجليزية وكذلك (CD) يحتوي المادة بصيغة (PDF) .

راجين التكرم بالاستلام حسب الاصول .

وتفضلوا بقبول فائق الاحترام،،،

المدير العام / عضو مجلس الادارة

مهند المظفر



بورصة عمان  
الدائرة الإدارية والمالية  
الديوان

٢٠١٩ آب ٧

3946

الرقم المتسلسل:

21010

رقم الملف:

الجهة المختصة:

**The Holy Land Insurance Company**  
**Public shareholding company**  
**Amman - The Hashemite Kingdom Of Jordan**

**Consolidated condensed interim  
financial statements**

**As of June 30, 2019**  
**(Reviewed not audited)**

**The Holy Land Insurance Company**  
**Public shareholding company**  
**Amman - The Hashemite Kingdom Of Jordan**

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## Report on the review of the condensed interim consolidated financial statements

785 19 03

To the Board of Directors of  
The Holy Land Insurance Co. (P.S.C)  
Amman - The Hashemite Kingdom of Jordan

### Introduction:

We have reviewed the accompanying condensed interim Consolidated financial statements of **The Holy Land Insurance Co. (P.S.C)** which comprising , statement of consolidated condensed interim financial position as at June 30, 2019, and statement of consolidated condensed interim of comprehensive income, statement of consolidated condensed interim of changes in owners' equity and statement of consolidated condensed interim of cash flows for the six-month period ended June 30, 2019 and the related explanatory notes.

The management is responsible for the preparation and presentation of these condensed interim consolidated financial statements in accordance with IAS 34 – *Condensed interim Financial Reporting*. Our responsibility is to express a conclusion on these consolidated condensed interim consolidated financial statements based on our review.

### Scope of review:

We conducted our review in accordance with International Standard on Review 2410 "Review of Condensed interim Financial Information Performed by the Independent Auditor of the Entity". A review of the 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. Consequently, it 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.

### Qualified Conclusion:

1. The consolidated financial statements include deferred tax assets amounting to JD 1,674,443 this amount is from previous years. We have not been provided with a study on how to recover this amount and therefore we have not verified the possibility of recovery, and to insure its effect on the financial statements.

2. The Company reduced the reserve of incurred but not yet reported (IBNYR) and the reserve of incurred but not enough reported (IBNER) at the end of current period by JD 1,276,000 than what evaluated by actuarial expert as at December 31, 2018. The reduction was based on a study submitted by the management not by actuarial expert, the study will be reviewed by conducting the actuarial study on the company's allocations the end of the year.

Based on our review, except the effect of what we have mentioned, nothing has come to our attention that causes us to believe that the accompanying consolidated condensed interim financial statements are not prepared, in all material respects in accordance with IAS 34.

**Emphasis of matters:**

The Company has divided commission paid and excess loss premiums to be charged each quarter of its expenses, while all these expenses were charged once in the first quarter in previous years.

**Other matters:**

- Consolidated condensed interim financial statements were prepared for purpose of the Securities Commission and the Insurance Department.
- The solvency ratio of the company is much less than the required percentage of the insurance department.

Al Abbasi & Partners Co.



Nabeel Moh'd Obeidat

License No. 877



Amman in

July 30, 2019

**The Holy Land Insurance Company**  
**Public shareholding company**  
**Amman - The Hashemite Kingdom Of Jordan**

**Statement of consolidated condensed interim financial position**  
**as of June 30, 2019 (reviewed not audited)**

	Note	30-Jun-2019	31-Dec-2018
		JD	JD
<u>Assets</u>		(Reviewed)	(Audited)
Deposits at banks	7	1,085,174	1,434,912
Financial assets at fair value through income statement	8	277,435	514,702
Financial assets at fair value through other comprehensive income	9	10,000	10,000
Realestate investments		176,725	176,725
<b>Total investments</b>		<b>1,549,334</b>	<b>2,136,339</b>
Cash on hand & at banks		102,958	59,050
Notes receivable & cheques under collection - net		78,774	63,173
Accounts receivable - net	10	1,350,533	1,216,411
Due from reinsurers - net	11	588,153	709,083
Deferred tax assets	12	1,674,443	1,674,443
Property , plant & equipments - net		2,019,805	2,065,296
Intangible assets - Net		13,446	15,821
Other assets		468,677	202,441
<b>Total assets</b>		<b>7,846,123</b>	<b>8,142,057</b>

**The accompanying notes form from (1) To (24) is an integral part of these statements**

**The Holy Land Insurance Company**  
**Public shareholding company**  
**Amman - The Hashemite Kingdom Of Jordan**

**Follow-statement of consolidated condensed interim financial position**  
**as of June 30, 2019 (reviewed not audited)**

	Note	30-Jun-2019	31-Dec-2018
		JD	JD
		(Reviewed)	(Audited)
<b><u>Liabilities and owners' equity</u></b>			
<b><u>Technical provisions</u></b>			
Unearned premium provision - net		3,339,599	3,170,211
Outstanding claims provision - net		463,258	1,694,084
<b>Total technical provisions</b>		<b>3,802,857</b>	<b>4,864,295</b>
<b><u>Liabilities</u></b>			
Income tax provision	12	-	3,603
Bank overdrafts		742,214	209,407
Accounts payable	13	230,371	322,649
Due to reinsurers	14	675,499	525,865
Other liabilities		327,065	316,188
<b>Total liabilities</b>		<b>1,975,149</b>	<b>1,377,712</b>
<b>Total technical provisions &amp; liabilities</b>		<b>5,778,006</b>	<b>6,242,007</b>
<b><u>Owners' equity</u></b>			
Capital	1	5,000,000	5,000,000
Issuance discount		(2,061,779)	(2,061,779)
Statutory reserve		3,304	3,304
Fair value reserve	15	(200,000)	(200,000)
Accumulated (losses)	16	(841,475)	(841,475)
(Loss) for the period		168,067	-
<b>Net owners' equity</b>		<b>2,068,117</b>	<b>1,900,050</b>
<b>Total owners' equity &amp; liabilities</b>		<b>7,846,123</b>	<b>8,142,057</b>

**The accompanying notes form from (1) To (24) is an integral part of these statements**

**The Holy Lands Insurance Company**  
**Public shareholding company**  
**Amman - The Hashemite Kingdom Of Jordan**

**Condensed interim consolidated statement of comprehensive income**  
**For the six months ended June 30, 2019 (reviewed not audited)**

		For the six months ended		For the three months ended	
	Note	30-Jun-2019	30-Jun-2018	30-Jun-2019	30-Jun-2018
		JD	JD	JD	JD
<b><u>Revenues</u></b>					
Total written premiums		4,998,653	5,539,149	2,263,699	2,818,698
Deduct: reinsurance share		(90,027)	(106,540)	(33,988)	(44,367)
<b>Net written premiums</b>		<b>4,908,626</b>	<b>5,432,609</b>	<b>2,229,711</b>	<b>2,774,331</b>
Net change in unearned premium provision		(169,388)	207,078	490,617	(114,865)
<b>Net earned premium income</b>		<b>4,739,238</b>	<b>5,639,687</b>	<b>2,720,328</b>	<b>2,659,466</b>
Commissions received		19,910	26,799	7,439	11,334
Issuance fees		216,960	258,038	107,705	120,691
Interests revenues		12,075	56,816	8,452	27,565
(Losses) gains from financial assets & investment	17	(157,068)	441	(97,438)	5,169
Other revenues due to written accounts		31,094	43,831	12,804	26,059
Other revenues		18,029	27,391	4,189	8,269
Returned from impairment provisions	11 & 10	212,449		90,280	
<b>Total revenues</b>		<b>5,092,687</b>	<b>6,053,003</b>	<b>2,853,759</b>	<b>2,858,553</b>
<b><u>Cost of claims</u></b>					
Claims paid		5,264,631	5,071,967	2,317,769	2,686,136
Deduct: recoveries		(408,966)	(418,995)	(206,723)	(174,561)
Deduct: reinsurance share		(35,886)	(70,131)	(26,801)	(38,755)
<b>Net claims paid</b>		<b>4,819,779</b>	<b>4,582,841</b>	<b>2,084,245</b>	<b>2,472,820</b>
Net change in outstanding claims provision		(1,230,826)	(385,380)	(627,747)	(443,251)
Allocated employees expenses		439,833	488,350	184,293	274,240
Allocated administrative expenses		270,341	294,695	119,844	149,971
Excess of loss		63,375	65,000	31,687	-
Acquisition policies cost		286,666	425,783	215,903	222,978
Other expenses due to written accounts		32,494	23,740	4,180	12,486
<b>Net claims</b>		<b>4,681,662</b>	<b>5,495,029</b>	<b>2,012,405</b>	<b>2,689,244</b>

**The accompanying notes form from (1) To (24) is an integral part of these statements**



**The Holy Lands Insurance Company**  
**Public shareholding company**  
**Amman - The Hashemite Kingdom Of Jordan**

**Follow - Condensed interim consolidated statement of comprehensive income**  
**For the six months ended June 30, 2019 (reviewed not audited)**

	Note	For the six months ended		For the three months ended	
		30-Jun-2019	30-Jun-2018	30-Jun-2019	30-Jun-2018
		JD	JD	JD	JD
<b>Net claims</b>		<b>4,681,662</b>	<b>5,495,029</b>	<b>2,012,405</b>	<b>2,689,244</b>
Employees expenses - not allocated		109,958	122,088	46,073	68,480
Administrative expenses - not allocated		54,849	54,103	27,401	27,541
Depreciation & amortization		67,585	73,673	29,961	37,572
Impairment debts	10	10,566		(1,318)	
<b>Total expenses</b>		<b>4,924,620</b>	<b>5,744,893</b>	<b>2,114,522</b>	<b>2,822,837</b>
<b>Profit for the period before tax</b>		<b>168,067</b>	<b>308,110</b>	<b>739,237</b>	<b>35,716</b>
Tax	12	-	-	-	-
<b>Profit for the period</b>		<b>168,067</b>	<b>308,110</b>	<b>739,237</b>	<b>35,716</b>
<b>Total comprehensive income for the period</b>		<b>168,067</b>	<b>308,110</b>	<b>739,237</b>	<b>35,716</b>
		<b>Fils/Dinar</b>	<b>Fils/Dinar</b>	<b>Fils/Dinar</b>	<b>Fils/Dinar</b>
<b>Basic and diluted earning per share</b>	18	<b>0.034</b>	<b>0.062</b>	<b>0.148</b>	<b>0.007</b>

**The accompanying notes form from (1) To (24) is an integral part of these statements**

**The Holy Land Insurance Company**  
**Public shareholding company**  
**Amman - The Hashemite Kingdom Of Jordan**

**Statement of consolidated condensed interim of change in owners' equity  
for the six months ended June 30, 2019 (reviewed not audited)**

Description	Capital	Issuance discount	Statutory reserve	Voluntary reserve	Fair value reserve	Accumulated (loss)	profit for the period		Net
	JD	JD	JD	JD	JD	JD	JD	JD	JD
<b>For the six months ended June 30, 2019</b>									
Balance as of January 1, 2019 - audited	5,000,000	(2,061,779)	3,304	-	(200,000)	(841,475)	-	-	1,900,050
Profit for the period after tax	-	-	-	-	-	-	168,067	168,067	168,067
<b>Total comprehensive income for the period</b>	-	-	-	-	-	-	168,067	168,067	168,067
Balance as of June 30, 2019 - reviewed	5,000,000	(2,061,779)	3,304	-	(200,000)	(841,475)	168,067	168,067	2,068,117
<b>For the six months ended June 30, 2018</b>									
Balance as of January 1, 2018 - audited	5,000,000	(2,061,779)	745,254	22,561	(150,000)	(1,347,649)	-	-	2,208,387
Profit for the period after tax	-	-	-	-	-	-	308,110	308,110	308,110
<b>Total comprehensive income for the period</b>	-	-	-	-	-	-	308,110	308,110	308,110
Amortized reserves to accumulated loss (note 16)	-	-	(743,751)	(22,561)	-	766,312	-	-	-
Balance as of June 30, 2018 - reviewed	5,000,000	(2,061,779)	1,503	-	(150,000)	(581,337)	308,110	308,110	2,516,497

In accordance with the instructions of Securities Commission , it is prohibited to dispose fair value reserve through dividends to shareholders or capitalization or loss amortization or anything else .

The accompanying notes form from (1) To (24) is an integral part of these statements

# The Holy Land Insurance Company

Public shareholding company

Amman - The Hashemite Kingdom Of Jordan

## Statement of consolidated condensed interim of cash flows for the six months ended June 30, 2019 (reviewed not audited)

	Note	30-Jun-2019 JD	30-Jun-2018 JD
<b><u>Cash flows from operating activities</u></b>		<b>(Reviewed)</b>	<b>(Reviewed)</b>
Profit for the period before tax		168,067	308,110
Capital (gains)		-	(604)
Depreciation & amortization		54,849	54,103
Net change in unearned premium provision		169,388	(207,078)
Net change in outstanding claims provision		(1,230,826)	(385,380)
Unrealized (gains) of financial assets at fair value through income statement		89,667	(441)
Realized losses from selling financial assets at fair value through income statement		67,401	-
Impairment debts	10	10,566	-
Returned from impairment provisions	11 + 10	(212,449)	-
<b>Operating (loss) before changes in working capital</b>		<b>(883,337)</b>	<b>(231,290)</b>
<b><u>Changes in assets &amp; liabilities</u></b>			
Notes receivable & cheques under collection		(15,601)	(44,269)
Accounts receivable		67,761	92,575
Due from reinsurers		120,930	119,981
Other assets		(266,236)	52,201
Accounts payable		(92,278)	(55,995)
Due to reinsurers		149,634	226,027
Other liabilities		10,876	(169,559)
<b>Net cash flows from operating activities</b>		<b>(908,251)</b>	<b>(10,329)</b>
Paid tax	12	(3,603)	-
<b>Net cash flows from operating activities</b>		<b>(911,854)</b>	<b>(10,329)</b>

The accompanying notes form from (1) To (24) is an integral part of these statements

# **The Holy Land Insurance Company**

**Public shareholding company**

**Amman - The Hashemite Kingdom Of Jordan**

**Follow - statement of consolidated condensed interim of cash flows  
for the six months ended June 30, 2019 (reviewed not audited)**

	Note	30-Jun-2019	30-Jun-2018
		JD	JD
<b><u>Cash flows from investing activities</u></b>		<b>(Reviewed)</b>	<b>(Reviewed)</b>
Deposits at banks due over 3 months		349,738	(33,060)
Acquisitions of property , plant & equipments		(4,540)	(78,218)
Proceeds from sales of property , plant & equipments		-	5,500
Acquisitions of intangible assets		(2,442)	(780)
Acquisitions of financial assets through income statement		-	(664)
Proceeds from selling financial assets through income statement		80,199	-
<b>Net cash flows from investing activities</b>		<b>422,955</b>	<b>(107,222)</b>
<b><u>Cash flows from financing activities</u></b>			
Bank Overdrafts		532,807	173,706
<b>Net cash flows from financing activities</b>		<b>532,807</b>	<b>173,706</b>
<b>Net increase in cash</b>		<b>43,908</b>	<b>56,155</b>
Cash on hand and at banks at beginning of period		59,050	132,182
<b>Cash on hand and at banks at end of period</b>		<b>102,958</b>	<b>188,337</b>
<b><u>Non-cash flows items</u></b>			
Amortized reserves to accumulated loss	16	-	766,312

**The accompanying notes form from (1) To (24) is an integral part of these statements**

**Holy Land Insurance Company**  
Public shareholding company  
Amman - The Hashemite Kingdom Of Jordan

**Statement of consolidated condensed interim of general insurance underwriting revenue  
for the six months ended June 30, 2019 (reviewed not audited)**

	Motor		Marine & transport		Fire & other damage to property		Liability		Total	
	30-Jun-2019	30-Jun-2018	30-Jun-2019	30-Jun-2018	30-Jun-2019	30-Jun-2018	30-Jun-2019	30-Jun-2018	30-Jun-2019	30-Jun-2018
<b>Written premiums</b>	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Direct insurance	4,814,803	5,340,771	2,658	2,716	93,332	114,126	11,821	12,026	4,922,614	5,469,639
Reinsurance inward business	70,799	67,139	-	-	5,240	2,371	-	-	76,039	69,510
<b>Total premiums</b>	<b>4,885,602</b>	<b>5,407,910</b>	<b>2,658</b>	<b>2,716</b>	<b>98,572</b>	<b>116,497</b>	<b>11,821</b>	<b>12,026</b>	<b>4,998,653</b>	<b>5,539,149</b>
<b>Less:</b>										
Local reinsurer share	(11,461)	(12,543)	-	-	-	-	-	-	(11,461)	(12,543)
Foreign reinsurer share	-	-	(1,804)	(1,841)	(76,762)	(92,156)	-	-	(78,566)	(93,997)
<b>Net written premiums</b>	<b>4,874,141</b>	<b>5,395,367</b>	<b>854</b>	<b>875</b>	<b>21,810</b>	<b>24,341</b>	<b>11,821</b>	<b>12,026</b>	<b>4,908,626</b>	<b>5,432,609</b>
<b>Add : balance at beginning of the year</b>										
Unearned premiums reserve	3,156,806	4,209,072	1,800	3,538	95,929	149,407	14,011	20,951	3,268,546	4,382,968
Un expired risks reserve	-	-	-	-	-	-	-	-	-	-
Less: Reinsurer share	(18,931)	(15,896)	(1,374)	(2,660)	(78,030)	(126,582)	-	-	(98,335)	(145,138)
<b>Net unearned premium reserve</b>	<b>3,137,875</b>	<b>4,193,176</b>	<b>426</b>	<b>878</b>	<b>17,899</b>	<b>22,825</b>	<b>14,011</b>	<b>20,951</b>	<b>3,170,211</b>	<b>4,237,830</b>
<b>Less : balance at ending of the year</b>										
Unearned premiums reserve	3,320,171	4,008,481	1,314	626	91,488	111,265	13,426	15,503	3,426,399	4,135,875
Un expired risks reserve	-	-	-	-	-	-	-	-	-	-
Less: Reinsurer share	(11,851)	(13,151)	(881)	(385)	(74,068)	(91,587)	-	-	(86,800)	(105,123)
<b>Net unearned premium reserve</b>	<b>3,308,320</b>	<b>3,995,330</b>	<b>433</b>	<b>241</b>	<b>17,420</b>	<b>19,678</b>	<b>13,426</b>	<b>15,503</b>	<b>3,339,599</b>	<b>4,030,752</b>
<b>Net earned revenue from written premiums</b>	<b>4,703,696</b>	<b>5,593,213</b>	<b>847</b>	<b>1,512</b>	<b>22,289</b>	<b>27,488</b>	<b>12,406</b>	<b>17,474</b>	<b>4,739,238</b>	<b>5,639,687</b>

The accompanying notes form from (1) To (24) is an integral part of these statements

**Holy Land Insurance Company**  
**Public shareholding company**  
**Amman - The Hashemite Kingdom Of Jordan**

**Statement of consolidated condensed interim of general insurance cost of claims**  
**for the six months ended June 30, 2019 (reviewed not audited)**

	Motor		Marine & transport		Fire & other damage to property		Liability		Total	
	30-Jun-2019	30-Jun-2018	30-Jun-2019	30-Jun-2018	30-Jun-2019	30-Jun-2018	30-Jun-2019	30-Jun-2018	30-Jun-2019	30-Jun-2018
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
<b>Paid claims</b>	5,190,979	5,019,474	-	-	73,652	52,493	-	-	5,264,631	5,071,967
<b>Less:;</b>										
Recoveries	(408,966)	(418,995)	-	-	-	-	-	-	(408,966)	(418,995)
Local reinsurer share	-	-	-	-	-	-	-	-	-	-
Foreign reinsurer share	(18,526)	(51,241)	-	-	(17,360)	(18,890)	-	-	(35,886)	(70,131)
<b>Net paid claims</b>	<b>4,763,487</b>	<b>4,549,238</b>	<b>-</b>	<b>-</b>	<b>56,292</b>	<b>33,603</b>	<b>-</b>	<b>-</b>	<b>4,819,779</b>	<b>4,582,841</b>
<b>Add: outstanding claims reserve at end of the year</b>										
RCR	2,016,111	1,553,442	-	-	1,899,981	1,758,912	12,805	20,880	3,928,897	3,333,234
IBNER	871,447	1,032,239	-	-	-	-	-	-	871,447	1,032,239
IBNYR	753,042	1,433,424	-	100	1,364	5,000	396	100	754,802	1,438,624
<b>Less:;</b>										
Reinsurer share	(797,178)	(782,342)	-	-	(1,736,521)	(1,636,155)	-	-	(2,533,699)	(2,418,497)
Recoveries	(2,558,189)	(2,237,008)	-	-	-	-	-	-	(2,558,189)	(2,237,008)
<b>Net reported outstanding claims</b>	<b>(178,767)</b>	<b>(160,245)</b>	<b>-</b>	<b>-</b>	<b>163,460</b>	<b>122,757</b>	<b>12,805</b>	<b>20,880</b>	<b>(2,502)</b>	<b>(16,608)</b>
<b>Net unreported outstanding claims reserve at end of the year</b>	<b>464,000</b>	<b>1,160,000</b>	<b>-</b>	<b>100</b>	<b>1,364</b>	<b>5,000</b>	<b>396</b>	<b>100</b>	<b>465,760</b>	<b>1,165,200</b>
<b>Less: outstanding claims reserve at beginning of the year</b>										
RCR	1,919,062	2,095,536	-	-	1,642,794	1,431,337	22,430	24,230	3,584,286	3,551,103
IBNER	1,451,447	1,032,239	-	-	-	-	-	-	1,451,447	1,032,239
IBNYR	1,449,042	1,433,424	-	100	1,364	5,000	396	100	1,450,802	1,438,624
<b>Less:</b>										
Reinsurer share	(779,563)	(791,703)	-	-	(1,544,385)	(1,356,075)	-	-	(2,323,948)	(2,147,778)
Recoveries	(2,468,503)	(2,340,216)	-	-	-	-	-	-	(2,468,503)	(2,340,216)
<b>Net reported outstanding claims reserve at beginning of the year</b>	<b>411,485</b>	<b>245,702</b>	<b>-</b>	<b>-</b>	<b>98,409</b>	<b>75,262</b>	<b>22,430</b>	<b>24,230</b>	<b>532,324</b>	<b>345,194</b>
<b>Net unreported outstanding claims reserve at beginning of the year</b>	<b>1,160,000</b>	<b>1,183,578</b>	<b>-</b>	<b>100</b>	<b>1,364</b>	<b>5,000</b>	<b>396</b>	<b>100</b>	<b>1,161,760</b>	<b>1,188,778</b>
<b>Net claims cost</b>	<b>3,477,235</b>	<b>4,119,713</b>	<b>-</b>	<b>-</b>	<b>121,343</b>	<b>81,098</b>	<b>(9,625)</b>	<b>(3,350)</b>	<b>3,588,953</b>	<b>4,197,461</b>

The accompanying notes form from (1) To (24) is an integral part of these statements

**Holy Land Insurance Company**  
**Public shareholding company**  
**Amman - The Hashemite Kingdom Of Jordan**

**Statement of consolidated condensed interim of general insurance underwriting profit**  
**for the six months ended June 30, 2019 (reviewed not audited)**

	Motor		Marine & transport		Fire & other damage to property		Liability		Total	
	30-Jun-2019	30-Jun-2018	30-Jun-2019	30-Jun-2018	30-Jun-2019	30-Jun-2018	30-Jun-2019	30-Jun-2018	30-Jun-2019	30-Jun-2018
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
<b>Net earned revenue from written premiums</b>										
	4,703,696	5,593,213	847	1,512	22,289	27,488	12,406	17,474	4,739,238	5,639,687
<b>Net claims cost</b>										
<b>Add:</b>	3,477,235	4,119,713	-	-	121,343	81,098	(9,625)	(3,350)	3,588,953	4,197,461
Commissions received	129	-	502	655	19,279	26,144	-	-	19,910	26,799
Insurance policies issuance fees	211,521	251,662	164	168	4,584	5,600	691	608	216,960	258,038
Other revenues	31,094	43,323	-	-	-	508	-	-	31,094	43,831
<b>Net revenues</b>	<b>242,744</b>	<b>294,985</b>	<b>666</b>	<b>823</b>	<b>23,863</b>	<b>32,252</b>	<b>691</b>	<b>608</b>	<b>267,964</b>	<b>328,668</b>
<b>Less:</b>										
Commissions paid	(286,135)	(423,848)	-	-	(531)	(1,935)	-	-	(286,666)	(425,783)
Excess of loss premiums	(63,375)	(65,000)	-	-	-	-	-	-	(63,375)	(65,000)
Allocated general & administrative expenses	(694,113)	(764,492)	(378)	(384)	(14,004)	(16,468)	(1,679)	(1,701)	(710,174)	(783,045)
Other allocated expenses	(31,579)	(18,518)	(13)	(9)	(902)	(5,213)	-	-	(32,494)	(23,740)
<b>Total expenses</b>	<b>(1,075,202)</b>	<b>(1,271,858)</b>	<b>(391)</b>	<b>(371)</b>	<b>(15,437)</b>	<b>(22,689)</b>	<b>(1,679)</b>	<b>(1,605)</b>	<b>(1,092,709)</b>	<b>(1,297,568)</b>
<b>Underwriting profit</b>	<b>394,003</b>	<b>496,627</b>	<b>1,122</b>	<b>1,964</b>	<b>(90,628)</b>	<b>(44,047)</b>	<b>21,043</b>	<b>19,827</b>	<b>325,540</b>	<b>473,326</b>

The accompanying notes form from (1) To (24) is an integral part of these statements



**The Holy Land Insurance Company**  
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**Notes to consolidated condensed interim financial statements - reviewed not audited**

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**1- Company's registration and objectives**

The **Holy Land Insurance Company** was established & registered as a public shareholding company in the Ministry of Industry & Trade under number (136) on the year **1980** .

**The company exercised all kinds of general insurances according to license which obtained from Insurance Authority for these insurance branches :**

- Motor insurance license
- Marine & transport insurance license
- Fire & other damage to property insurance license
- Liability insurance license

General assembly in its extraordinary meeting held on **June 30, 2015** decided to increase capital from JD/Share **6,000,000** to JD/Share **8,000,000** , by increasing amount of JD/Share **2,000,000** and by issuance discount JD/Share **0.35** through private written to the shareholders , by a plan declared by board of directors to correct company's financial status in accordance with regulations and laws for the benefit of the company , legal procedures were completed on **August 2, 2015**. Securities commission approved to register increased shares on **October 6, 2015** , and some of the shares were recovered ( **607,729** shares).

The board of directors decided to recover the unrecovered increased shares amounted of **1,392,271** shares by customize it to the chairman and deputy of chairman of board of directors , legal & official procedures were completed on **February 8, 2016** .

General assembly in its extraordinary meeting held on **September 22, 2016** decided to increase capital from JD/Share **8,000,000** to JD/Share **10,000,000** , by increasing amount of JD/Share **2,000,000** and by issuance discount JD/Share **0.35** through owning land no. **200** basin no. **20** South Om Othaina of Amman lands , its space of **1,009** square meters , this land owned by deputy chairman of board of directors and its evaluated by five realstate evaluators delegated for Ministry of Industry & Trade by average market value of JD **1,836,380** , the rest amount of JD **163,620** was recovered through private written of shareholders , legal procedures were completed on **October 30, 2016**. Securities commission approved to register increased shares on **November 23, 2016**, and in depository center on **November 28, 2016** .

General assembly in its extraordinary meeting held on **December 22, 2016** decided to reduce capital from JD/Share **10,000,000** to JD/Share **5,000,000** , by amortizing amount of JD/Share **5,000,000** from accumulated loss to capital , legal procedures were completed to competent authorities on **April 13, 2017**.

The consolidated condensed interim financial statements were approved by the board of directors at its meeting held on **July 30, 2019**, these financial statements aren't subject to the approval of the general assembly of shareholders .



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**Notes to consolidated condensed interim financial statements - reviewed not audited**

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2- **Significant accounting policies**

**Basis of preparation of consolidated condensed interim consolidated financial statements**

These consolidated condensed interim financial statements have been prepared in accordance with international accounting standards ((IFRS) IAS 34))(Interim Financial Reporting).

The consolidated condensed interim financial statements are presented in Jordanian Dinars (JOD) which is the company's presentation functional currency .

The consolidated condensed interim financial statements have been prepared on historical cost except financial assets and liabilities which appears on fair value.

These consolidated condensed interim financial statements do not include all the information required for a complete set of IFRS financial statements, However , selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the company's financial position and performance since the last annual report of financial statements as of **December 31, 2018**, in addition, The results for the six months period ended **June 30, 2019** are not necessarily indicative of the results that may be expected for the financial year ending **December 31, 2019**.

**The Holy Land Insurance Company**  
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**Notes to consolidated condensed interim financial statements - reviewed not audited**

**3- Basis of consolidation of the financial statements**

- The consolidated condensed interim financial statements consist of assets , liabilities , revenues & expnses of **The Holy Lands Insurance Company** and 3 subsidiary as follows :

Company's name	Date of control	Legal form	Activity	Capital	Ownership rate	Company's	
						share of subsidiaries' (loss)	Investment's net book value
	JD			JD	%	JD	JD
The Dead Sea Co. For Vehicle Surveying & Paint	9-Sep-2014	L.L.C	Services	120,000	100	(49,996)	120,000
.Reyaza Realestate Investments Co.	30-Nov-2014	L.L.C	Real-estates	10,000	100	(476)	5,000
The Dead Sea Co. For Vehicles' Parts Trading	8-Nov-2018	L.L.C	Trading	30,000	100	(776)	15,000

**- Summary for Subsidiary's Assets & Liabilities & Revenues & Profits :**

Company's name	Assets	Liabilities	Revenues	(Loss) for the period
	JD	JD	JD	JD
The Dead Sea Co. For Vehicle Surveying & Paint	195,932	200,352	32,374	(49,996)
.Reyaza Realestate Investments Co.	158,249	170,360	-	(476)
The Dead Sea Co. For Vehicles' Parts Trading	14,948	5,969	-	(776)

Control realized when company has ability of control the financial and operation policies for subsidiaries for obtained benifets from its activities .

Subsidiaries' income results is being consolidated in statement of consolidated income from date of control up to stop that control on subsidiaries when the actual control on subsidiaries move to company or from company .

The financial statements for the mother company and subsidiaries are prepared for the period of the same accounting policies which used in the mother company (The Holy Lands Insurance Company) , if subsidiary used diffiernet policies some adjusting must made on its financial statements to be applicable to the policies used in the mother company .

# **The Holy Land Insurance Company**

**Public shareholding company**

**Amman - The Hashemite Kingdom Of Jordan**

## **Notes to consolidated condensed interim financial statements - reviewed not audited**

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### **4- Changes in accounting policies**

Accounting policies followed in condensed interim financial statements' preparation for this period are consistent with the policies followed the last year, Except for the Company's application of the following Standards effective for annual periods beginning on 1 January 2019:

IFRS 16 "Leases"

IFRIC 23 on uncertainties about tax treatment.

Amendments to IFRS 9 Financial Instruments, Advantages of Prepayments with Negative Compensation.

Amendments to IAS 28 Investments in Associates and Joint Ventures, long-term shares in associates and joint ventures.

Amendments to IAS 19 Employee awards, modification, reduction or settlement of the plan.

Amendments to different standards based on annual improvements to IFRS 2015-2017.

#### **Effective for year beginning 1 January 2020**

Amendments to references to conceptual framework in IFRS standards

#### **Effective for year beginning 1 January 2021**

IFRS 17 "Insurance Contracts"

#### **Effective date deferred indefinitely / available for optional adoption**

Amendments to IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures" on sale or contribution of assets between an investor and its associate or joint vent

**Not to adopt the new and revised IFRSs and improvements to IFRSs has an important impact on the consolidated condensed iterim financial statements, according to management opinion.**

### **5- Bussiness sector**

Bussiness sector represents a collection of assets and operations which are sharing together for serving produces or services subject to risk and benefits different from those related of other sectors and it measured according to reports used by excutive manager and decision maker of the company .

Geografic sector associated by nserving produces and services in limited economical environment subject to risks and benefits differnt from those related of bussiness sectors in economical environments .

### **6- Use of estimates**

The preparation of the interim condensed consolidated financial statements and the application of accounting policies requires management to make estimates and judgments that affect the amounts of financial assets and liabilities and disclose potential liabilities. These estimates and judgments also affect the income, expenses and provisions as well as changes in fair value that arise in equity. Requires management to issue significant judgments and judgments to estimate the amounts and timing of future cash flows.

## The Holy Land Insurance Company

Public shareholding company

Amman - The Hashemite Kingdom Of Jordan

**Notes to consolidated condensed interim financial statements - reviewed not audited**

### 7- Deposits at banks

This item consists of :

	30-Jun-2019	31-Dec-2018
	JD	JD
	(Reviewed)	(Audited)
Jordan Trade Bank - JD	7,017	7,017
Cairo Amman Bank - JD	64,157	414,023
Union Bank for Saving & Investment - JD	202,500	202,500
Arab Bank - JD & \$	719,546	719,425
Arab Jordanian Investment Bank - \$	5,303	5,301
Housing Bank for Trade & Finance - JD	16,339	16,339
Jordan Dubai Islamic Bank - JD	11,306	11,306
Oudih Bank - JD	50,000	50,000
Capital Bank - JD	9,006	9,001
<b>Total</b>	<b>1,085,174</b>	<b>1,434,912</b>

Interest rate on JD deposit at banks ranging between **3.25%** to **5.25%** and of USD deposits between **0.5%** to **2.8%** , it accrued quarterly, midterm and yearly .

There are mortgage on bank facilities which given to company from Audih Bank amounted of **JD 50,000** .

The mortgaged deposited upon request for general manager of Insurance Authority in addition to his job amounted of **JD 225,000** as of **March 31, 2019** , its details as follows :

	30-Jun-2019	31-Dec-2018
	JD	JD
	(Reviewed)	(Audited)
Bank Al Etihad - JD	202,500	202,500
Housing Bank For Trade & Finanace - JD	11,250	11,250
Jordan Dubai Islamic Bank - JD	11,250	11,250
<b>Total</b>	<b>225,000</b>	<b>225,000</b>

# The Holy Land Insurance Company

Public shareholding company

Amman - The Hashemite Kingdom Of Jordan

## Notes to consolidated condensed interim financial statements - reviewed not audited

### 8- Financial assets at fair value through income statement

A. This item consists of :

	30-Jun-2019	31-Dec-2018
	JD	JD
<u>National</u>	(Reviewed)	(Audited)
Stocks in Amman stock Exchange (listed) (8 B)	269,479	359,396
Stocks in Amman stock Exchange (unlisted) (8C)	871	621
<u>International</u>		
Stocks in international stock Exchange (unlisted) (8C)	7,085	154,685
<b>Total</b>	<b>277,435</b>	<b>514,702</b>

B. For purposes of company's membership in the Investing companys' board of directors, the number of share reserved was **25,000** share of market value amounted of JD **11,000**.

C. Financial assets are stated at cost according to couldn't mesure its fair value as trustly .

### 9- Financial assets at fair value through other comprehensive income

A. This item consists of :

	30-Jun-2019	31-Dec-2018
	JD	JD
<u>National</u>	(Reviewed)	(Audited)
Securities unlisted in Amman Stock Exchang (at cost)	210,000	210,000
Fair value reserve	(200,000)	(200,000)
<b>Total</b>	<b>10,000</b>	<b>10,000</b>

B. Financial assets are stated at cost according to couldn't mesure its fair value as trustly .

### 10- Accounts receivable - net

A. This item consists of :

	30-Jun-2019	31-Dec-2018
	JD	JD
	(Reviewed)	(Audited)
Policies compaign receivable	1,235,321	1,338,493
Agents receivable	627,177	535,279
Returned cheques	81,625	81,626
Issues and under settelmet receivable	121,561	123,825
Garages receivable	155,933	136,071
Employees receivable	44,281	38,871
<b>Total</b>	<b>2,265,898</b>	<b>2,254,165</b>
Deduct : Provision for receivable debts impairment (Note 10 B)	(915,365)	(1,037,754)
<b>Net</b>	<b>1,350,533</b>	<b>1,216,411</b>

**The Holy Land Insurance Company**  
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**Notes to consolidated condensed interim financial statements - reviewed not audited**

10- **Follow - Accounts receivable - net**

B. **Transaction of provision for receivable debts impairment during the period represents of :**

	30-Jun-2019	31-Dec-2018
	JD	JD
	(Reviewed)	(Audited)
Balance beginning of the period/year	1,037,754	1,055,250
Effect of initial application of IFRS 9	-	9,431
<b>Adjusted opening balances</b>	<b>1,037,754</b>	<b>1,064,681</b>
Addition for the period / year	10,566	2,655
Disposals for the period/year (returned to income statement)	(132,955)	(29,582)
<b>Balance ending of the period/year</b>	<b>915,365</b>	<b>1,037,754</b>

11- **Due from reinsurers - net**

A. This item consists of :

	30-Jun-2019	31-Dec-2018
	JD	JD
	(Reviewed)	(Audited)
Local insurance co. receivable	568,087	756,023
foreign reinsurers co. receivable	401,960	414,448
<b>Total</b>	<b>970,047</b>	<b>1,170,471</b>
Deduct : Provision for reinsurers debts impairment (Note 11 B)	(381,894)	(461,388)
<b>Net</b>	<b>588,153</b>	<b>709,083</b>

B. **Transaction of provision for reinsurers debts impairment during the period represents of :**

	30-Jun-2019	31-Dec-2018
	JD	JD
	(Reviewed)	(Audited)
Balance beginning of the period/year	461,388	506,538
Effect of initial application of IFRS 9	-	19,660
<b>Adjusted opening balances</b>	<b>461,388</b>	<b>526,198</b>
Addition for the period / year	-	4,190
Disposals for the period/year (returned to income statement)	(79,494)	(69,000)
<b>Balance ending of the period/year</b>	<b>381,894</b>	<b>461,388</b>

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**Notes to consolidated condensed interim financial statements - reviewed not audited**

**12- Income tax**

**A. Income tax provision**

**- Transaction of income tax provision during the period represents of :**

	30-Jun-2019	31-Dec-2018
	JD	JD
<b>Balance beginning of the period/year</b>		
Income tax for the period / year *	(Reviewed) 3,603	(Audited) -
Paid tax during the period / year	-	3,603
<b>Balance ending of the period/year</b>	(3,603)	-
	-	3,603

- \* The calculated income tax due to the subsidiary's (Dead sea Co. for Vehicle Surveying & Paint) income result .
- \* No income tax provision has been taken on the mother company's and the rest subsidiary companies results of operations for the current period as the company's expenses exceeded its taxable revenues in accordance of tax consultancy opinion.
- Income tax for the **mother company** was settled up to the year **2016**, the income tax return for the years **2017 & 2018** have been filed with the Income Tax Department but the Department has not reviewed the company's records till the date of this financial statements.
- The income tax for subsidiary (**The Dead Sea Co. For Vehicles Surveying & Paint**) was settled up to the year **2015**, the income tax return for the years **2016 & 2017 & 2018** have been filed with the Income Tax Department but the Department has not reviewed yet.
- The income tax return for subsidiary (**Reyaza realestate Investments Co.**) was settled up to the year **2017** according to sampling system. The income tax return for the year **2018** has been filed with the Income Tax Department but the Department has not reviewed yet.
- The income tax return for subsidiary (**The Dead Sea Co. For Vehicles' Parts Trading**) was settled for the year **2017** according to sampling system, The income tax return for the year **2018** has been filed with the Income Tax Department but the Department has not reviewed yet.

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**Notes to consolidated condensed interim financial statements - reviewed not audited**

**12- Follow - Income tax**

**B. Deferred tax assets**

This item consists of :

	30-Jun-2019			31-Dec-2018		
	Balance at beginning of the period	Amounts released	Amounts added	Balance at ending of the period	Deferred tax assets	Deferred tax assets
Included accounts	JD	JD	JD	JD	JD	JD
Provision for impairmentnet debts	2,593,174	-	-	2,593,174	(Reviewed) 648,294	(Audited) 648,294
Unrealized gain (loss) for financial assets at fair value through income	-	-	-	-	-	-
End of service indemnity provision	25,663	-	-	25,663	12,832	12,832
IBNER at end of the period	1,160,000	-	-	1,160,000	580,000	580,000
Accumulated loss to tax department for the years 2011,2012,2015	1,733,268	-	-	1,733,268	433,317	433,317
<b>Total</b>	<b>5,512,105</b>	<b>-</b>	<b>-</b>	<b>5,512,105</b>	<b>1,674,443</b>	<b>1,674,443</b>

**- Transaction of deferred tax assets during the period represents of :**

	31-Mar-2019	31-Dec-2018
	JD	JD
<b>Balance beginning of the period/year</b>	(Reviewed) 1,674,443	(Audited) 1,674,443
Additions for the period / year	-	-
Disposals during the period / year	-	-
<b>Balance ending of the period/year</b>	<b>1,674,443</b>	<b>1,674,443</b>

- According to tax consultant opinion the company can benefit from this deferred tax assets at future.



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**Notes to consolidated condensed interim financial statements - reviewed not audited**

13- **Accounts payable**

This item consists of :

	30-Jun-2019	31-Dec-2018
	JD	JD
	(Reviewed)	(Audited)
Accidents payable	33,244	68,051
Agents payable	29,198	32,143
Policies compaign payable	137,716	175,519
Garages payable	26,175	46,936
Employees payable	4,038	-
<b>Total</b>	<b>230,371</b>	<b>322,649</b>

14- **Due to reinsurers**

A. This item consists of :

	30-Jun-2019	31-Dec-2018
	JD	JD
	(Reviewed)	(Audited)
Local insurance co. payable	562,436	381,793
Foreign reinsurers co. payable	113,063	144,072
<b>Total</b>	<b>675,499</b>	<b>525,865</b>

15- **Fair value reserve**

This item consists of :

	30-Jun-2019	31-Dec-2018
	JD	JD
	(Reviewed)	(Audited)
Balance beginning of the period/year	200,000	150,000
Net changes in fair value during the period / year	-	50,000
<b>Balance ending of the period/year</b>	<b>200,000</b>	<b>200,000</b>

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**16- Accumulated (loss)**

This item consists of :

	30-Jun-2019	31-Dec-2018
	JD	JD
	(Reviewed)	(Audited)
<b>Balance beginning of the period / year</b>	<b>(841,475)</b>	<b>(1,347,649)</b>
Effect of initial application of IFRS 9	-	(29,091)
Prior years income tax	-	(110,142)
<b>Adjusted opening balances</b>	<b>(841,475)</b>	<b>(1,486,882)</b>
(Loss) for the year	-	(119,104)
Amortization reserve to accumulated loss *	-	766,312
Transfer to subsidiary's reserve	-	(1,801)
<b>Balance ending of the period / year</b>	<b>(841,475)</b>	<b>(841,475)</b>

\* The general assembly in it's extraordinary meeting held on **June 28, 2018** decided to close the balance of statutory reserve amounted of JD **743,751** & voluntary reserve amounted of JD **22,561** in accumulated loss in total amount of JD **766,312**.

**17- (Losses) gains from financial assets & investments**

This item consists of :

	30-Jun-2019	30-Jun-2018
	JD	JD
Unrealized (losses) gains from financial assets at fair value through income statement	(89,667)	441
Realized (losses) from selling financial assets at fair value through income statement	(67,401)	-
<b>Total</b>	<b>(157,068)</b>	<b>441</b>
<b>Amount transfer to income statement</b>	<b>(157,068)</b>	<b>441</b>

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**Notes to consolidated condensed interim financial statements - reviewed not audited**

**18- Basic and diluted earning per share**

This item consists of :

	30-Jun-2019	30-Jun-2018
	JD	JD
Profit for the period after tax (JD)	168,067	308,110
Weighted average shares (share)	5,000,000	5,000,000
<b>Basic and diluted earning per share</b>	<b>0.034</b>	<b>0.062</b>

The diluted earning per share is equal to the basic earning per share .

**19- Related parties transactions**

Realated parties include key shareholders , key management personnel , key managers , associates and subsidiaries and controlled companies . The company's management has approved the pricing policies and terms of transactions with related parties.

**Wages, allowances and other benefits for senior excutive managements :**

	30-Jun-2019	30-Jun-2018
	JD	JD
Wages & other benefits	197,120	140,368

**20- Legal situation**

There are issues facing company from others subject of accidents amounted of JD 1,061,907 , they appear in outstanding claims provision , upon Legal consultant opinion the outstanding claims balance is enough, also there are issues facing others amounted of JD 628,915 subject of recoveries, its appear within recoveries, upon legal consultant opinion the amounts allocated in records for outstanding recoveries which issues arise of it is enough within legal and technical standards and there is a chance to recover thats amounts.

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**Notes to consolidated condensed interim financial statements - reviewed not audited**

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## **21- Contingent liabilities**

There are no contingent liabilities as of financial position date .

## **22- Subsequent events**

There are no subsequent events may have material affects to financial position .

## **23- Future plan**

- Increase the share capital of the company in order to improve the margin of solvency and equity of the shareholders.
- The collection of the outstanding recoveries and distressed receivables in all the necessary legal ways, through contracting with one of the specialized companies in this field.
- Continue the policy of reservation to accept the risks of insurance.
- Diversify the company's insurance portfolio by creating new types of insurance risks.
- Increase the amount of written premiums by contracting with new and efficient insurance brokers.

## **24- Comparative figures**

Certain comparative figures were reclassified to conform with the presentation of the current period , according to the instructions of Insurance Authority no. (2) for the year 2003 and to the decesion of Insurance Authority no. (8) for the year 2007 and the decesion no. (1) for the year 2011 , the reclassification didn't result any effect on company's business results and its owners' equity for the year 2018.