



شركة الأراضي المقدسة للتأمين المساهمة العامة المحدودة

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

التاريخ : 2020/8/19

الرقم : 2020 / 565 / 26

السادة / بورصة عمان المحترمين

عمان - الاردن

الموضوع : البيانات المالية للربع الاول / 2020 و النصف الاول / 2020

تحية طيبة وبعد ،،،

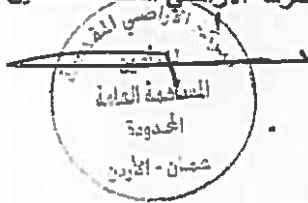
بالإشارة الى الموضوع اعلاه و لاحقا لكتابنا رقم 26 / 538 / 2020 تاريخ 2020/8/6 فاننا نرفق لكم طيه البيانات المالية الموحدة للربع

الاول / 2020 و النصف الاول / 2020 مرفقة بتقرير مدقق الحسابات الخارجي عليها مترجمة الى اللغة الانجليزية .

راجين التكرم بالاستلام حسب الاصول و شاكرين لكم حسن تعاونكم .

و تفضلوا بقبول فائق الاحترام و التقدير .

شركة الأراضي المقدسة للتأمين م.ع.م



بورصة عمان
الدائرة الإدارية والمالية
الديسك

١٩ آب ٢٠٢٠

3199

الرقم التسلسل:

21010

رقم الملف:

6110000

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, 2020
(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 20 03

**To the Board of Directors of
The Holy Land Insurance Co.
Public shareholding company
Amman - The Hashemite Kingdom of Jordan**

Introduction:

We have reviewed the accompanying condensed interim Consolidated financial statements of **The Holy Land Insurance Co. – public shareholding company** which comprising , statement of consolidated condensed interim financial position as at June 30, 2020, 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, 2020 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:

The consolidated financial statements include deferred tax assets with a value of JD 1,674,443, and this amount is from previous years. We have not been provided with a study on how to recover this amount, and therefore we did not verify the possibility of recovering this asset and

its impact on the financial statements, and the value of the deferred tax assets was not recalculated. Based on the development of their items.

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 financial statements include recoveries amounting to JD 1,434,014 (legal recourse returns on those causing accidents), that the movement is slow on this item and therefore we have not achieved in any way the possibility of recovering those recoveries, that a large part of these recoveries, especially with regard to allegations that have passed on Paying it more than three years, with cases filed, and according to the instructions of the Insurance Department, there is no need to make provisions for it. The company's management will prepare a detailed study of these recoveries during the year 2020 to express the final opinion.

Other matters:

- The solvency ratio of the company is much less than the required percentage of the insurance department.
- As stated in note no. (11) on the consolidated financial statements, the consolidated financial statements of the subsidiaries (Dead Sea for vehicle surveying & paint Co.) and the (Dead Sea Auto Parts Trading Co.) were not consolidated with the parent company, as the companies are under voluntary liquidation and Cancellation from the Ministry's records based on the decisions of the Extraordinary General Assembly on July 9, 2019 and September 26, 2019, respectively.
- Consolidated condensed interim financial statements were prepared for purpose of the Securities Commission and the Insurance Department.

Al Abbasi & Partners Co.

Nabeel Moh'd Obeidat

License No. 877



**Amman in
August 5, 2020**

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, 2020 (reviewed not audited)

	Note	30-Jun-2020 JD (Reviewed)	31-Dec-2019 JD (Audited)
<u>Assets</u>			
Deposits at banks	7	454,433	453,932
Financial assets at fair value through income statement	8	348,493	363,536
Financial assets at fair value through other comprehensive income	9	10,000	10,000
Realestate investments	10	3,784,002	3,784,002
Investments in subsidiary - under liquidation	11	135,000	135,000
Total investments		4,731,928	4,746,470
Cash on hand & at banks		624,326	245,480
Cheques under collection		65,371	54,389
Due from related parties	20	212,617	209,311
Accounts receivable - net	12	1,383,146	1,190,709
Due from reinsurers - net	13	902,148	779,259
Deferred tax assets	14	1,674,443	1,674,443
Property , plant & equipments - net		1,900,150	1,937,560
Intangible assets - Net		7,605	11,844
Other assets		714,615	797,256
Total assets		12,216,349	11,646,721

The accompanying notes form from (1) To (25) 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, 2020 (reviewed not audited)

	Note	30-Jun-2020	31-Dec-2019
		JD	JD
<u>Liabilities and owners' equity</u>		(Reviewed)	(Audited)
<u>Technical provisions</u>			
Unearned premium provision - net		4,956,165	4,897,750
Outstanding claims provision - net		1,774,771	2,464,165
Total technical provisions		6,730,936	7,361,915
<u>Liabilities</u>			
Banks overdraft		233,087	289,034
Accounts payable	15	199,128	189,509
Due to reinsurers	16	443,217	553,745
Other liabilities		383,164	416,418
Total liabilities		1,258,596	1,448,706
Total technical provisions & liabilities		7,989,532	8,810,621
<u>Owners' equity</u>			
Capital	1	9,868,691	9,868,691
Issuance discount		(3,522,386)	(3,522,386)
Fair value reserves for financial assets	17	(200,000)	(200,000)
Accumulated (losses)		(3,310,205)	(3,310,205)
Profit for the period		1,390,717	-
Net owners' equity		4,226,817	2,836,100
Total owners' equity & liabilities		12,216,349	11,646,721

The accompanying notes form from (1) To (25) 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 comprehensive income
for the sex months ended June 30, 2020 (reviewed not audited)

	Note	For the six months ended		For the three months ended	
		30-Jun-2020	30-Jun-2019	30-Jun-2020	30-Jun-2019
		(Reviewed)	(Reviewed)	JD (Reviewed)	JD (Reviewed)
<u>Revenues</u>					
Total written premiums		5,050,201	4,998,653	2,634,132	2,263,699
Deduct: reinsurance share		(53,291)	(90,027)	(18,686)	(33,988)
Net written premiums		4,996,910	4,908,626	2,615,446	2,229,711
Net change in unearned premium provision		(58,415)	(169,388)	(779,630)	490,617
Net earned premium income		4,938,495	4,739,238	1,835,816	2,720,328
Commissions received		9,890	19,910	3,429	7,439
Issuance fees		201,862	216,960	92,393	107,705
Interests revenues		5,405	12,075	3,697	8,452
(Losses) from financial assets & investmer	18	(40,180)	(157,068)	25,755	(97,438)
Other revenues due to written accounts		402	16,935	-	5,163
Other revenues		17,839	18,029	4,102	4,189
Returned from impairment provisions	12 & 13	-	212,449	-	90,280
Total revenues		5,133,713	5,078,528	1,965,192	2,755,838
<u>Cost of claims</u>					
Claims paid		3,293,898	5,282,846	1,232,483	2,328,369
Deduct: recoveries		(202,571)	(408,966)	(98,523)	(206,723)
Deduct: reinsurance share		(256,437)	(35,886)	(535)	(26,801)
Net claims paid		2,834,890	4,837,994	1,133,425	2,094,845
Net change in outstanding claims provision		(689,394)	(1,230,826)	(112,421)	(627,747)
Allocated employees expenses		398,994	405,258	181,246	163,804
Allocated administrative expenses		249,474	252,843	96,804	109,435
Excess of loss		103,605	63,375	19,744	31,687
Acquisition policies cost		640,740	286,666	96,889	215,903
Other expenses due to written accounts		921	24,914	256	771
Net claims		3,539,230	4,640,224	1,415,943	1,988,698

The accompanying notes form from (1) To (25) 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 comprehensive income
for the sex months ended June 30, 2020 (reviewed not audited)

	Note	For the six months ended		For the three months ended	
		30-Jun-2020	30-Jun-2019	30-Jun-2020	30-Jun-2019
				JD	JD
		(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)
Net claims		3,539,230	4,640,224	1,415,943	1,988,698
Employees expenses - not allocated		99,748	101,314	45,312	40,951
Administrative expenses - not allocated		41,649	44,474	20,821	22,187
Depreciation & amortization		62,369	63,111	24,201	27,359
Impairment debts	12	-	10,566	-	(1,318)
Total expenses		3,742,996	4,859,689	1,506,277	2,079,195
Profit for the period before tax		1,390,717	218,839	458,915	676,643
Tax	14	-	-	-	-
Profit for the period		1,390,717	218,839	458,915	676,643
Total comprehensive income for the period		1,390,717	218,839	458,915	676,643
		Dinar/Fils	Dinar/Fils	Dinar/Fils	Dinar/Fils
Basic and diluted earning per share	19	0.141	0.044	0.046	0.135

The accompanying notes form from (1) To (25) 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 three sex ended June 30, 2020 (reviewed not audited)

Description	Fair value reserves for					profit for		Net
	Capital	Issuance discount	financial assets	Accumulate (loss)d	the period	the period	the period	
	JD	JD	JD	JD	JD	JD	JD	JD
For the sex months ended June 30, 2020								
Balance as of January 1, 2020 - audited	9,868,691	(3,522,386)	(200,000)	(3,310,205)	-	-	-	2,836,100
Total comprehensive income for the period	-	-	-	-	1,390,717	1,390,717	1,390,717	1,390,717
Balance as of June 30, 2020 - reviewed	<u>9,868,691</u>	<u>(3,522,386)</u>	<u>(200,000)</u>	<u>(3,310,205)</u>	<u>1,390,717</u>	<u>1,390,717</u>	<u>1,390,717</u>	<u>4,226,817</u>
For the sex months ended June 30, 2019								
Balance as of January 1, 2019 - audited	5,000,000	(2,061,779)	(200,000)	(758,502)	-	-	-	1,979,719
Total comprehensive income for the period	-	-	-	-	218,839	218,839	218,839	218,839
Balance as of June 30, 2019 - reviewed	<u>5,000,000</u>	<u>(2,061,779)</u>	<u>(200,000)</u>	<u>(758,502)</u>	<u>218,839</u>	<u>218,839</u>	<u>218,839</u>	<u>2,198,558</u>

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

The accompanying notes form from (1) To (25) 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 sex months ended June 30, 2020 (reviewed not audited)**

	30-Jun-2020	30-Jun-2019
	JD	JD
<u>Cash flows from operating activities</u>	(Reviewed)	(Reviewed)
Profit for the period before tax	1,390,717	218,839
Capital loss	41,649	44,474
Depreciation & amortization	58,415	169,388
Net change in unearned premium provision	(689,394)	(1,230,826)
Net change in outstanding claims provision	40,180	89,667
Realized losses from the sale of financial assets at fair value through the income list	-	67,401
Imparment debts	-	10,566
Returned from impairment provisions	-	(212,449)
Operating (loss) income before changes in working capital	841,567	(842,940)
<u>Changes in assets & liabilities</u>		
Cheques under collection	(10,982)	(15,601)
Accounts receivable	(3,307)	(42,106)
Due from related parties	(192,437)	67,761
Due from reinsurers	(122,889)	120,930
Other assets	82,642	(266,236)
Account payable	9,619	(92,278)
Due to reinsurers	(110,528)	149,634
Other liabilities	(33,254)	10,876
Net cash flows from operating activities	460,431	(909,960)

The accompanying notes form from (1) To (25) 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 sex months ended June 30, 2020 (reviewed not audited)**

	30-Jun-2020	30-Jun-2019
	JD	JD
<u>Cash flows from investing activities</u>	(Reviewed)	(Reviewed)
Deposits at banks due over 3 months	(501)	349,738
Acquisitions of property , plant & equipments	-	(4,540)
Acquisitions of intangible assets	-	(2,442)
Paid to purchase financial assets through income statement	(25,137)	-
Proceeds from the sale of financial assets at fair value through the income list	-	80,199
Net cash flows from investing activities	(25,638)	422,955
<u>Cash flows from financing activities</u>		
Banks Overdraft	(55,947)	532,807
Net cash flows from financing activities	(55,947)	532,807
Net increase in cash	378,846	45,802
Cash on hand and at banks at beginning of period	245,480	27,175
Cash on hand and at banks at end of period	624,326	72,977

The accompanying notes form from (1) To (25) 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 sex months ended June 30, 2020 (reviewed not audited)

	Motor		Marine & transport		Fire & other damage to property		Liability		Total	
	30-Jun-2020	30-Jun-2019	30-Jun-2020	30-Jun-2019	30-Jun-2020	30-Jun-2019	30-Jun-2020	30-Jun-2019	30-Jun-2020	30-Jun-2019
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Written premiums										
Direct insurance	4,909,135	4,814,803	6,238	2,658	51,786	93,332	9,900	11,821	4,977,059	4,922,614
Reinsurance inward business	65,187	70,799	-	-	7,955	5,240	-	-	73,142	76,039
Total premiums	4,974,322	4,885,602	6,238	2,658	59,741	98,572	9,900	11,821	5,050,201	4,998,653
Less:										
Local reinsurer share	(5,656)	0.9774	-	0.0005	-	1.97%	-	0.0024	(5,656)	(11,461)
Foreign reinsurer share	-	-	(4,081)	(1,804)	(43,554)	(76,762)	-	-	(47,635)	(78,566)
Net written premiums	4,968,666	4,874,141	2,157	854	16,187	21,810	9,900	11,821	4,996,910	4,908,626
Add : balance at beginning of the year										
Unearned premiums reserve	4,884,287	3,156,806	2,001	1,800	91,358	95,929	13,587	14,011	4,991,233	3,268,546
Un expired risks reserve	-	-	-	-	-	-	-	-	-	-
Less: Reinsurer share	(14,547)	(18,931)	(1,286)	(1,374)	(77,650)	(78,030)	-	-	(93,483)	(98,335)
Net unearned premium reserve	4,869,740	3,137,875	715	426	13,708	17,899	13,587	14,011	4,897,750	3,170,211
Less : balance at ending of the year										
Unearned premiums reserve	4,942,425	3,320,171	1,850	1,314	62,729	91,488	9,665	13,426	5,016,669	3,426,399
Un expired risks reserve	-	-	-	-	-	-	-	-	-	-
Less: Reinsurer share	(7,836)	(11,851)	(1,093)	(881)	(51,575)	(74,068)	-	-	(60,504)	(86,800)
Net unearned premium reserve	4,934,589	3,308,320	757	433	11,154	17,420	9,665	13,426	4,956,165	3,339,599
Net earned revenue from written premiums	4,903,817	4,703,696	2,115	847	18,741	22,289	13,822	12,406	4,938,495	4,739,238

The accompanying notes form from (1) To (25) 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, 2020 (reviewed not audited)**

	Motor						Marine & transport						Fire & other damage to property						Liability		Total	
	30-Jun-2020		30-Jun-2019		30-Jun-2020		30-Jun-2019		30-Jun-2020		30-Jun-2019		30-Jun-2020		30-Jun-2019		30-Jun-2020		30-Jun-2020		30-Jun-2019	
	JD		JD		JD		JD		JD		JD		JD		JD		JD		JD		JD	
Paid claims	3,110,882		5,209,194		-		-		173,232		73,652		9,784		-		3,293,898		-		5,282,846	
Less:;																						
Recoveries	(202,571)		(408,966)		-		-		-		-		-		-		(202,571)		-		(408,966)	
Local reinsurer share	-		-		-		-		-		-		-		-		-		-		-	
Foreign reinsurer share	(121,219)		(18,526)		-		-		(135,218)		(17,360)		-		-		(256,437)		-		(35,886)	
Net paid claims	2,787,092		4,781,702		-		-		38,014		56,292		9,784		-		2,834,890		-		4,837,994	
Add: outstanding claims reserve at end of the year																						
RCR	1,659,077		2,016,111		-		-		2,215,082		1,899,981		5,105		12,805		3,879,264		-		3,928,897	
IBNER	2,519,036		871,447		-		-		-		-		-		-		2,519,036		-		871,447	
IBNYR	1,451,616		753,042		-		-		30,786		1,364		1,000		396		1,483,402		-		754,802	
Less:;																						
Reinsurer share	(1,192,529)		(797,178)		-		-		(2,095,484)		(1,736,521)		-		-		(3,288,013)		-		(2,533,699)	
Recoveries	(2,818,918)		(2,558,189)		-		-		-		-		-		-		(2,818,918)		-		(2,558,189)	
Net reported outstanding claims	602,538		(178,767)		-		-		148,547		163,460		5,105		12,805		756,190		-		(2,502)	
Net unreported outstanding claims reserve at end of the year	1,015,744		464,000		-		-		1,837		1,364		1,000		396		1,018,581		-		465,760	
Less: outstanding claims reserve at beginning of the year																						
RCR	1,976,641		1,919,062		-		-		2,351,247		1,642,794		15,105		22,430		4,342,993		-		3,584,286	
IBNER	2,860,979		1,451,447		-		-		-		-		-		-		2,860,979		-		1,451,447	
IBNYR	1,648,663		1,449,042		-		-		30,786		1,364		1,000		396		1,680,449		-		1,450,802	
Less:;																						
Reinsurer share	(1,232,167)		(779,563)		-		-		(2,203,871)		(1,544,385)		(2,500)		-		(3,436,038)		-		(2,323,948)	
Recoveries	(2,981,718)		(2,468,503)		-		-		-		-		-		-		(2,981,718)		-		(2,468,503)	
Net reported outstanding claims reserve at beginning of the year	1,112,398		411,485		-		-		176,325		98,409		12,605		22,430		1,301,328		-		532,324	
Net unreported outstanding claims reserve at beginning of the year	1,160,000		1,160,000		-		-		1,837		1,364		1,000		396		1,162,837		-		1,161,760	
Net claims cost	2,132,976		3,495,450		-		-		10,236		121,343		2,284		(9,625)		2,145,496		-		3,607,168	

The accompanying notes form from (1) To (25) 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 sex months ended June 30, 2020 (reviewed not audited)

	Motor		Marine & transport		Fire & other damage to property		Liability		Total	
	30-Jun-2020	30-Jun-2019	30-Jun-2020	30-Jun-2019	30-Jun-2020	30-Jun-2019	30-Jun-2020	30-Jun-2019	30-Jun-2020	30-Jun-2019
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Net earned revenue from written premiums										
	4,903,817	4,703,696	2,115	847	18,741	22,289	13,822	12,406	4,938,495	4,739,238
Net claims cost										
	2,132,976	3,495,450	-	-	10,236	121,343	2,284	(9,625)	2,145,496	3,607,168
Add:										
Commissions received	43	129	919	502	8,928	19,279	-	-	9,890	19,910
Insurance policies issuance fees	198,319	211,521	360	164	2,566	4,584	617	691	201,862	216,960
Other revenues	402	16,935	-	-	-	-	-	-	402	16,935
Net revenues	198,764	228,585	1,279	666	11,494	23,863	617	691	212,154	253,805
Less:										
Commissions paid	(639,489)	(286,135)	(150)	-	(1,101)	(531)	-	-	(640,740)	(286,666)
Excess of loss premiums	(103,605)	(63,375)	-	-	-	-	-	-	(103,605)	(63,375)
Allocated general & administrative expenses	(638,725)	(643,232)	(801)	(350)	(7,671)	(12,978)	(1,271)	(1,556)	(648,468)	(658,116)
Other allocated expenses	(250)	(23,999)	(18)	(13)	(653)	(902)	-	-	(921)	(24,914)
Total expenses	(1,382,069)	(1,016,741)	(969)	303	(9,425)	(14,411)	(1,271)	(1,556)	(1,393,734)	(1,033,071)
Underwriting profit	1,587,536	420,090	2,425	1,816	10,574	(89,602)	10,884	21,166	1,611,419	352,804

The accompanying notes form from (1) To (25) is an integral part of these statements

The Holy Land Insurance Company
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Amman - The Hashemite Kingdom Of Jordan

Notes to consolidated condensed interim financial statements - reviewed not audited

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 debuty chairman of board of directors and its evaluated by five realestate 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 pcedures 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 **August 5, 2020**, these financial statements aren't subject to the approval of the general assembly of shareholders .

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

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, 2019**, in addition, The results for the six months period ended **June 30, 2020** are not necessarily indicative of the results that may be expected for the financial year ending **December 31, 2020**.

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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 & expenses of **The Holy Lands Insurance Company** and 1 subsidiary as follows :

Company's name	Date of control	Legal form	Activity	Capital	Ownership rate	Company's share of subsidiary's (loss)	Investment book value
Reyaza Realstate Investments Co.	JD 30-Nov-2014	L.L.C	Real-estates	JD 10,000	% 100	JD (6)	JD 5,000

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

Company's name	Assets	Liabilities	Revenues	(Loss) for the period
	JD	JD	JD	JD
Reyaza Realstate Investments Co.	158,255	171,810	-	(6)

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 differnet policies some adjusting must made on its financial statements to be applicable to the policies used in the mother company .

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Notes to consolidated condensed interim financial statements - reviewed not audited

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:

Amendments to IFRS 3 "Business Combinations"

Amendments to IFRS 1 "Presentation of financial statements"

Amendments to IFRS 8 "Changes in accounting estimates or notifications"

Amendments to IFRS 7 "Disclosures"

Amendments to IFRS 9 "Financial instruments"

As for the amended standards and the effective date of their application has not yet been determined, they are:

Amendments to IFRS 10 "Consolidated financial statements"

Amendments to IFRS 28 "Investing in associates and joint ventures"

Not to adopt the new and revised IFRSs and improvements to IFRSs has an important impact on the interim condensed financial statements.

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.

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Notes to consolidated condensed interim financial statements - reviewed not audited

7- Deposits at banks

This item consists of :

	30-Jun-2020	31-Dec-2019
	JD	JD
	(Reviewed)	(Audited)
Jordan Trade Bank - JD	7,017	7,017
Cairo Amman Bank - JD	14,155	14,155
Union Bank for Saving & Investment - JD	202,500	202,500
Arab Bank - JD & \$	188,053	187,932
Arab Jordanian Inestment Bank - \$	5,308	5,306
Housing Bank for Trade & Finance - JD	17,081	16,706
Jordan Dubai Islamic Bank - JD	11,306	11,306
Capital Bank - JD	9,013	9,010
Total	454,433	453,932

Interest rate on JD deposit at banks ranging between **1.25%** to **3.25%** and of USD deposits between **0.5%** to **2.8%** , it accrued quarterly, midterm and yearly .

The mortgaged deposited upon request for general manager of Insurance Authority in addition to his job amounted of JD **225,000** as of **June 30, 2020** , its details as follows :

	30-Jun-2020	31-Dec-2019
	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
Total	225,000	225,000

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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-2020	31-Dec-2019
	JD	JD
<u>National</u>	(Reviewed)	(Audited)
Stocks in Amman stock Exchange (listed) (8 B)	340,786	355,663
Stocks in Amman stock Exchange (unlisted) (8C)	622	788
<u>International</u>		
Stocks in international stock Exchange (unlisted) (8C)	7,085	7,085
Total	348,493	363,536

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 **12,000**.

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-2020	31-Dec-2019
	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)
Total	10,000	10,000

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

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Notes to consolidated condensed interim financial statements - reviewed not audited

10- Real estate investments - net

A. This item consists of :

	Lands	Buildings	Total
	JD	JD	JD
<u>Cost</u>			
Balance ending of the period	3,630,777	123,737	3,754,514
<u>Accumulated depreciations</u>			
Balance ending of the period	-	123,737	123,737
Net book value as of June 30, 2020	3,630,777	-	3,630,777
Net book value as of December 31, 2019	3,630,777	-	3,630,777

- B. The lands item represents of the cost of land of JD **23,500** and constitute a percentage of **47%** of whole land's value located on land number **853** basin number **11** Wadi Assalt of Amman lands with a totally space of **788** square meters and the buildings constructed on it. As well, the cost of land of JD **153,225** located on land number **2363** basin number **42** alboqan of Assalt lands with a totally space of **1,803** square meters. As well, the cost of land of JD **3,607,277** located on land number **431** basin number **4** of Dabouq lands with a totally space of **4,010** square meters, the cost represents the market value of the land at the date of acquisition on **September 1, 2019**. Thus, the market value of real estate investments, according to the estimation of two licensed real estate experts during the month of **March 2020**, reached an average amount of **706,465 JD**, in addition to the cost of owning a plot of land in the amount of **3,607,277 JD**, for a total of **4,313,742 JD**.

11- Investment in subsidiary - under liquidation

A. This item consists of :

	Ownerity rate	30-Jun-2020	31-Dec-2019
	%	JD	JD
<u>National</u>		(Reviewed)	(Audited)
<u>Limited liabilities companies</u>			
The Dead Sea Co. For Vehicle Surveying & Paint (11 B)	100	120,000	120,000
The Dead Sea Co. For Vehicles' Parts Trading (11 B)	100	15,000	15,000
Total		135,000	135,000

- B. According to The Dead Sea Co. for Vehicle surveying & Paint extraordinary general assembly meeting held on **July 9, 2019**, it took voluntary liquidation decision, and either, the extraordinary general assembly meeting of The Dead Sea Co. for Vehicle's Parts Trading held on **September 26, 2019** decided of cancel the record of the company in ministry of trade. the subsidiary financial statements have not been consolidated due to absence of one of the consolidated terms in accordance with the requirements of (IFRS 10)(Consolidated Financial Statements) as there is no control over this subsidiary.

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12- Accounts receivable - net

A. This item consists of :

	30-Jun-2020	31-Dec-2019
	JD	JD
	(Reviewed)	(Audited)
Policies campaign receivable	1,568,463	1,479,851
Agents receivable	600,412	498,181
Returned cheques	81,027	81,027
Issues and under settelment receivable	122,081	122,771
Garages receivable	16,177	17,698
Employees receivable	38,380	34,575
Total	2,426,540	2,234,103
Deduct :receivable debts impairment (Note 12 B)	(1,043,394)	(1,043,394)
Net	1,383,146	1,190,709

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

	30-Jun-2020	31-Dec-2019
	JD	JD
	(Reviewed)	(Audited)
Balance beginning of the period/year	1,043,394	1,037,754
Additions for the period / year	-	5,640
Balance ending of the period/year	1,043,394	1,043,394

13- Due from reinsurers - net

A. This item consists of :

	30-Jun-2020	31-Dec-2019
	JD	JD
	(Reviewed)	(Audited)
Local insurance co. receivable	895,195	856,058
foreign reinsurers co. receivable	473,222	389,470
Total	1,368,417	1,245,528
Deduct : reinsurers debts impairment (Note 13 B)	(466,269)	(466,269)
Net	902,148	779,259

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

	30-Jun-2020	31-Dec-2019
	JD	JD
	(Reviewed)	(Audited)
Balance beginning of the period/year	466,269	461,388
Additions for the period / year	-	4,881
Balance ending of the period/year	466,269	466,269

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Notes to consolidated condensed interim financial statements - reviewed not audited

14- Income tax

A. Income tax provision

- No income tax allowance was calculated for the results of the work of the parent company and the subsidiary for the current period due to the existence of accumulated losses tax-acceptable for previous years, according to the opinion
- Income tax for the parent company was accepted until the end of 2018 under the sample system, and the self-assessment statement for 2019 has not yet been reviewed. .
- Income tax for the subsidiary company (Riaza Real Estate Investment Company) has been accepted until the end of 2018 under the sample system, and the self-assessment statement for 2019 has been submitted and has not yet been reviewed.

B. Deferred tax assets

This item consists of :

Included accounts	30-Jun-2020				31-Dec-2019	
	Balance at beginning of the period	Amounts released	Amounts added	Balance at ending of the period	Deferred tax assets	Deferred tax assets
	JD	JD	JD	JD	JD	JD
Provision for impairment debts	2,593,174	-	-	2,593,174	(Reviewed)	(Audited)
Unrealized gain (loss) for financial assets at fair value through income	-	-	-	-	648,294	648,294
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 year 2015	1,733,268	-	-	1,733,268	433,317	433,317
Total	5,512,105	-	-	5,512,105	1,674,443	1,674,443

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

	30-Jun-2020	31-Dec-2019
	JD	JD
Balance beginning of the period/year	(Reviewed)	(Audited)
Additions for the period / year	1,674,443	1,674,443
Disposals during the period / year	-	-
Balance ending of the period/year	1,674,443	1,674,443

- 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

15- Accounts payable

This item consists of :

	<u>30-Jun-2020</u>	<u>31-Dec-2019</u>
	JD	JD
	(Reviewed)	(Audited)
Accidents payable	20,365	1,460
Agents payable	36,755	30,294
Policies compaign payable	134,748	154,732
Garages payable	7,260	3,023
Total	199,128	189,509

16- Due to reinsurers

This item consists of :

	<u>30-Jun-2020</u>	<u>31-Dec-2019</u>
	JD	JD
	(Reviewed)	(Audited)
Local insurance co. payable	123,038	414,700
Foreign reinsurers co. payable	320,179	139,045
Total	443,217	553,745

17- Fair value reserve

This item consists of :

	<u>30-Jun-2020</u>	<u>31-Dec-2019</u>
	JD	JD
	(Reviewed)	(Audited)
Balance beginning of the period/year	200,000	200,000
Net changes in fair value during the period / year	-	-
Balance ending of the period/year	200,000	200,000

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Notes to consolidated condensed interim financial statements - reviewed not audited

18- (Losses) from financial assets & investments

This item consists of :	30-Jun-2020 JD	30-Jun-2019 JD
Unrealized (losses) from financial assets at fair value through income statement	(40,180)	(89,667)
(loss) from the sale of financial assets through the income list	-	(67,401)
Total	(40,180)	(157,068)
Amount transfer to income statement	(40,180)	(157,068)

19- Basic and diluted earning per share

This item consists of :	30-Jun-2020 JD	30-Jun-2019 JD
Profit for the period after tax (JD)	1,390,717	218,839
Weighted average shares (share)	9,868,691	5,000,000
Basic and diluted earning per share	0.141	0.044

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

20- 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.

- Details of due from related parties appear on financial position

	Type of transaction	30-Jun-2020 JD (Reviewed)	31-Dec-2019 JD (Audited)
<u>Subsidiary</u>			
The Dead Sea Co. For Vehicle Surveying & Paint	Finance	206,348	203,041
The Dead Sea Co. For Vehicles' Parts Trading	Finance	6,269	6,269
Total		212,617	209,310

Wages, allowances and other benefits for senior excutive managements :

	30-Jun-2020 JD	30-Jun-2019 JD
Wages & other benefits	256,592	197,120

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21- Issues

There are issues facing company from others subject of accidents amounted of JD ,795,410 , 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 758,018 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.

22- Contingent liabilities

There are no contingent liabilities as of financial position date .

23- Subsequent events

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

24- 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.

25- 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 2019.