



شركة الأراضي المقدسة للتأمين المساهمة العامة المحدودة

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

٢٠١٩/١١/١١

٢٠١٩/٩/٢٦

السادة/ بورصة عمان المحترمين .

عمان - الاردن

الموضوع: البيانات المالية للشركة

كما في ٢٠١٩/٩/٣٠

تحية طيبة وبعد،،،،

نرفق لكم طيه البيانات المالية الموحدة كما في ٢٠١٩/٩/٣٠ وتقرير مدقق الحسابات الخارجي عليها مترجمة الى اللغة الانجليزية و كذلك قرص مدمج (CD) يحتوي مادة البيانات المالية بصيغة PDF .

راجين التكرم بالاستلام حسب الاصول .

وتفضلوا بقبول فائق الاحترام،،،،

عبد السلام عبد اللطيف الشروف

نائب المدير العام

للمساهمة العامة

المحدودة

عمان - الاردن

بورصة عمان
المساهمة العامة للتأمين
الأمين
١٢ تموز ٢٠١٩
الرقم التسلسلي: ٦٦٦
رقم الملف: ٦٦٦
الجهة المستلمة: المدير العام

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

**Consolidated condensed interim
financial statements**

As of September 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 04

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 September 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 nine-month period ended September 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 1,682,868 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

October 29, 2019

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

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

	Note	30-Sep-2019 JD (Reviewed)	31-Dec-2018 JD (Audited)
<u>Assets</u>			
Deposits at banks	7	453,698	1,434,912
Financial assets at fair value through income statement	8	277,778	514,702
Financial assets at fair value through other comprehensive income	9	10,000	10,000
Investment in subsidiary - under liquidation	10	135,000	135,000
Realestate investments		3,784,002	176,725
Total investments		4,660,478	2,271,339
Cash on hand & at banks		56,482	27,175
Notes receivable & cheques under collection - net		82,647	63,173
Due from related parties	20	227,192	159,250
Accounts receivable - net	11	1,229,477	1,094,032
Due from reinsurers - net	12	471,361	709,083
Deferred tax assets	13	1,674,443	1,674,443
Property , plant & equipments - net		1,959,596	2,013,583
Intangible assets - Net		11,131	15,821
Other assets		469,262	188,155
Total assets		10,842,069	8,216,054

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 September 30, 2019 (reviewed not audited)

	Note	30-Sep-2019	31-Dec-2018
		JD	JD
<u>Liabilities and owners' equity</u>		(Reviewed)	(Audited)
<u>Technical provisions</u>			
Unearned premium provision - net		3,394,880	3,170,211
Outstanding claims provision - net		84,329	1,694,084
Total technical provisions		3,479,209	4,864,295
<u>Liabilities</u>			
Banks overdrafts		545,770	209,407
Accounts payable	14	352,336	322,649
Due to reinsurers	15	662,003	525,865
Other liabilities		306,237	314,119
Total liabilities		1,866,346	1,372,040
Total technical provisions & liabilities		5,345,555	6,236,335
<u>Owners' equity</u>			
Capital	1	5,000,000	5,000,000
Non-cash advanced payments on capital increase	1	3,408,084	-
Issuance discount		(2,061,779)	(2,061,779)
Fair value reserve	16	(200,000)	(200,000)
Accumulated (losses)	17	(758,502)	(758,502)
Profit for the period		108,711	-
Net owners' equity		5,496,514	1,979,719
Total owners' equity & liabilities		10,842,069	8,216,054

The accompanying notes form from (1) To (25) 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 nine months ended September 30, 2019 (reviewed not audited)

		For the nine months ended		For the three months ended	
	Note	30-Sep-2019	30-Sep-2018	30-Sep-2019	30-Sep-2018
		JD	JD	JD	JD
<u>Revenues</u>					
Total written premiums		7,546,051	7,266,900	2,547,398	1,727,751
Deduct: reinsurance share		(141,841)	(159,709)	(51,814)	(53,169)
Net written premiums		7,404,210	7,107,191	2,495,584	1,674,582
Net change in unearned premium provision		(224,669)	618,719	(55,281)	411,641
Net earned premium income		7,179,541	7,725,910	2,440,303	2,086,223
Commissions received		30,866	40,445	10,956	13,646
Issuance fees		342,245	383,937	125,285	125,899
Interests revenues		18,769	75,149	6,694	18,333
(Losses) gains from financial assets & investment: 18		(156,725)	3,968	343	3,527
Other revenues due to written accounts		26,994	29,713	(4,100)	24,027
Other revenues		21,146	29,490	3,117	2,099
Returned from impairment provisions	11 + 12	108,252	-	(104,197)	-
Total revenues		7,571,088	8,288,612	2,478,401	2,273,754
<u>Cost of claims</u>					
Claims paid		7,506,217	7,918,266	2,241,586	2,744,844
Deduct: recoveries		(600,852)	(651,322)	(191,886)	(232,327)
Deduct: reinsurance share		(84,081)	(236,255)	(48,195)	(166,124)
Net claims paid		6,821,284	7,030,689	2,001,505	2,346,393
Net change in outstanding claims provision		(1,609,755)	(445,898)	(378,929)	(60,518)
Allocated employees expenses		668,948	610,514	229,115	164,984
Allocated administrative expenses		392,855	409,107	122,514	138,046
Excess of loss		95,062	130,000	31,687	65,000
Acquisition policies cost		704,914	632,594	418,248	206,811
Other expenses due to written accounts		26,467	30,704	(6,027)	24,092
Net claims		7,099,775	8,397,710	2,418,113	2,884,808

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

Follow - Condensed interim consolidated statement of comprehensive income
for the nine months ended September 30, 2019 (reviewed not audited)

	Note	For the nine months ended		For the three months ended	
		30-Sep-2019	30-Sep-2018	30-Sep-2019	30-Sep-2018
		JD	JD	JD	JD
Net claims		7,099,775	8,397,710	2,418,113	2,884,808
Employees expenses - not allocated		167,237	152,629	57,279	41,246
Depreciation & amortization		66,609	66,836	11,760	28,446
Administrative expenses - not allocated		98,213	102,277	30,628	34,512
Impairment debts	11 + 12	30,543	-	19,977	-
Total expenses		7,462,377	8,719,452	2,537,757	2,989,012
Profit (loss) for the period before tax		108,711	(430,840)	(59,356)	(715,258)
Tax	13	-	-	-	-
Profit (loss) for the period		108,711	(430,840)	(59,356)	(715,258)
Total comprehensive income (loss) for the period		108,711	(430,840)	(59,356)	(715,258)
		Fils/Dinar	Fils/Dinar	Fils/Dinar	Fils/Dinar
Basic and diluted earning per share	19	0.022	(0.086)	(0.012)	0.455

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 nine months ended September 30, 2019 (reviewed not audited)**

Description	Capital		Non-cash advanced payments on capital increase		Issuance discount		Statutory reserve		Voluntary reserve		Fair value reserve		Accumulated (loss)		profit for(loss) the period		Net	
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
For the nine months ended September 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	-	-	-	-	-	-	-	-	-	-	-	-	-	-	108,711	108,711		
Non-cash advanced payments on capital increase (note 1)	-	3,408,084	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,408,084	
Balance as of September 30, 2019 - reviewed	5,000,000	3,408,084	(2,061,779)	-	-	-	-	-	-	-	(200,000)	-	(758,502)	108,711	108,711	5,496,514		
For the nine months ended September 30, 2018																		
Balance as of January 1, 2018 - audited	5,000,000	-	-	(2,061,779)	743,751	22,561	(150,000)	-	(1,254,186)	-	2,300,347							
Effect of initial application of IFRS 9	-	-	-	-	-	-	-	-	(29,091)	-	(29,091)							
Adjusted opening balances	5,000,000	-	(2,061,779)	743,751	743,751	22,561	(150,000)	-	(1,283,277)	-	2,271,256							
Total comprehensive (loss) for the period	-	-	-	-	-	-	-	-	-	-	(430,840)							
Amortized reserves to accumulated loss (note 17)	-	-	-	-	(743,751)	(22,561)	-	-	766,312	-	-							
Balance as of September 30, 2018 - reviewed	5,000,000	(2,061,779)	(2,061,779)	-	-	-	(150,000)	-	(516,965)	(430,840)	1,840,416							

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 (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 nine months ended September 30, 2019 (reviewed not audited)

	Note	30-Sep-2019 JD	30-Sep-2018 JD
<u>Cash flows from operating activities</u>		(Reviewed)	(Reviewed)
Profit (loss) for the period before tax		108,711	(430,840)
Capital (gains)		-	(604)
Depreciation & amortization		66,609	82,549
Net change in unearned premium provision		224,669	(618,719)
Net change in outstanding claims provision		(1,609,755)	(445,898)
Unrealized loss (gains) of financial assets at fair value through income statement		89,324	(3,478)
Realized loss (profit) from selling financial assets at fair value through income statement		67,401	
Impairment debts	11 & 12	30,543	-
Returned from impairment provisions	11 & 12	(108,252)	-
Operating (loss) before changes in working capital		(1,130,750)	(1,416,990)
<u>Changes in assets & liabilities</u>			
Notes receivable & cheques under collection		(19,474)	(14,793)
Accounts receivable		(49,972)	123,306
Due from related parties		(67,942)	-
Due from reinsurers		229,958	1,700
Other assets		(281,107)	9,731
Accounts payable		29,687	64,944
Due to reinsurers		136,138	36,072
Other provisions		-	(33,177)
Other liabilities		(7,882)	(47,749)
Net cash flows (used in) from operating activities		(1,161,344)	(1,276,956)

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 nine months ended September 30, 2019 (reviewed not audited)

	Note	30-Sep-2019	30-Sep-2018
		JD	JD
<u>Cash flows from investing activities</u>		(Reviewed)	(Reviewed)
Deposits at banks due over 3 months		981,214	998,784
Acquisitions of financial assets through income statement		-	(3,863)
Acquisitions of property , plant & equipments		(5,490)	(87,224)
Proceeds from sales of property , plant & equipments		-	5,500
Acquisitions of intangible assets		(2,442)	(780)
Proceeds from selling financial assets through income statement		80,199	-
Acquisitions of purchasing real-estate investments		(3,607,277)	-
Net cash flows (used in) from investing activities		(2,553,796)	912,417
<u>Cash flows from financing activities</u>			
Bank Overdrafts		336,363	320,211
Non-cash advanced payments on capital increase		3,408,084	-
Net cash flows from financing activities		3,744,447	320,211
Net increase (dcrease) in cash		29,307	(44,328)
Cash on hand and at banks at beginning of period		27,175	101,011
Cash on hand and at banks at end of period		56,482	56,683
<u>Non-cash flows items</u>			
Amortized reserves to accumulated loss	17	-	766,312

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

Holy Land Insurance Company
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Amman - The Hashemite Kingdom Of Jordan

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

	Fire & other damage to						Total					
	Motor			Marine & transport			property			Liability		
	30-Sep-2019	30-Sep-2018		30-Sep-2019	30-Sep-2018		30-Sep-2019	30-Sep-2018		30-Sep-2019	30-Sep-2018	
<u>Written premiums</u>	JD	JD		JD	JD		JD	JD		JD	JD	
Direct insurance	7,247,813	6,960,567		4,774	5,235		145,313	165,147		19,769	7,414,346	7,150,718
Reinsurance inward business	124,157	111,813		-	-		7,548	4,369		-	131,705	116,182
Total premiums	7,371,970	7,072,380		4,774	5,235		152,861	169,516		19,769	7,546,051	7,266,900
<u>Less:</u>												
Local reinsurer share	(17,046)	(19,563)		-	-		-	-		-	(17,046)	(19,563)
Foreign reinsurer share	-	-		(3,185)	(3,780)		(121,610)	(136,366)		-	(124,795)	(140,146)
Net written premiums	7,354,924	7,052,817		1,589	1,455		31,251	33,150		19,769	7,404,210	7,107,191
<u>Add : balance at beginning of the year</u>												
Unearned premiums reserve	3,156,806	4,209,072		1,800	3,538		95,929	149,407		14,011	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)
Net unearned premium reserve	3,137,875	4,193,176		426	878		17,899	22,825		20,951	3,170,211	4,237,830
<u>Less : balance at ending of the year</u>												
Unearned premiums reserve	3,381,491	3,599,766		2,116	2,518		96,175	109,655		11,634	3,491,416	3,726,816
Un expired risks reserve	-	-		-	-		-	-		-	-	-
Less: Reinsurer share	(14,222)	(14,136)		(1,381)	(1,939)		(80,933)	(91,630)		-	(96,536)	(107,705)
Net unearned premium reserve	3,367,269	3,585,630		735	579		15,242	18,025		11,634	3,394,880	3,619,111
Net earned revenue from written premiums	7,125,530	7,660,363		1,280	1,754		33,908	37,950		18,823	7,179,541	7,725,910

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 nine months ended September 30, 2019 (reviewed not audited)**

	Motor		Marine & transport		Fire & other damage to property		Liability		Total	
	30-Sep-2019	30-Sep-2018	30-Sep-2019	30-Sep-2018	30-Sep-2019	30-Sep-2018	30-Sep-2019	30-Sep-2018	30-Sep-2019	30-Sep-2018
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Paid claims	7,412,726	7,781,605	-	-	93,491	136,661	-	-	7,506,217	7,918,266
Less::										
Recoveries	(598,852)	(651,322)	-	-	(2,000)	-	-	-	(600,852)	(651,322)
Local reinsurer share	-	-	-	-	-	-	-	-	-	-
Foreign reinsurer share	(19,526)	(133,358)	-	-	(64,555)	(102,897)	-	-	(84,081)	(236,255)
Net paid claims	6,794,348	6,996,925	-	-	26,936	33,764	-	-	6,821,284	7,030,689
Add: outstanding claims reserve at end of the year										
RCR	2,051,688	1,656,193	-	-	1,928,053	1,690,712	13,055	21,980	3,992,796	3,368,885
IBNER	580,579	1,032,239	-	-	-	-	-	-	580,579	1,032,239
IBNYR	637,042	1,433,424	-	100	1,364	5,000	396	100	638,802	1,438,624
Less::										
Reinsurer share	(862,342)	(817,635)	-	-	(1,761,517)	(1,591,060)	-	-	(2,623,859)	(2,408,695)
Recoveries	(2,503,989)	(2,342,979)	-	-	-	-	-	-	(2,503,989)	(2,342,979)
Net reported outstanding claims	(445,022)	(198,758)	-	-	166,536	99,652	13,055	21,980	(265,431)	(77,126)
Net unreported outstanding claims reserve at end of the year	348,000	1,160,000	-	100	1,364	5,000	396	100	349,760	1,165,200
Less: outstanding claims reserve at beginning of the year										
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
Less:										
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)
Net reported outstanding claims reserve at beginning of the year	411,485	245,702	-	-	98,409	75,262	22,430	24,230	532,324	345,194
Net unreported outstanding claims reserve at beginning of the year	1,160,000	1,183,578	-	100	1,364	5,000	396	100	1,161,760	1,188,778
Net claims cost	5,125,841	6,528,887	-	-	95,063	58,154	(9,375)	(2,250)	5,211,529	6,584,791

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

Holy Land Insurance Company
Public shareholding company

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

	Fire & other damage to					
	Motor		Marine & transport		property	
	30-Sep-2019	30-Sep-2018	30-Sep-2019	30-Sep-2018	30-Sep-2019	30-Sep-2018
	JD	JD	JD	JD	JD	JD
Net earned revenue from written premiums	7,125,530	7,660,363	1,280	1,754	33,908	37,950
Net claims cost	5,125,841	6,528,887	-	-	95,063	58,154
Add:						
Commissions received	142	-	1,006	1,412	29,718	39,033
Insurance policies issuance fees	334,453	374,549	285	320	6,587	8,012
Other revenues	25,477	29,205	1,517	-	-	508
Net revenues	360,072	403,754	2,808	1,732	36,305	47,553
Less:						
Commissions paid	(703,091)	(628,848)	-	-	(1,823)	(3,746)
Excess of loss premiums	(95,062)	(130,000)	-	-	-	-
Allocated general & administrative expenses	(1,037,308)	(992,327)	(672)	(734)	(21,509)	(23,786)
Other allocated expenses	(25,171)	(24,988)	(26)	(18)	(1,270)	(5,698)
Total expenses	(1,860,632)	(1,776,163)	(698)	(752)	(24,602)	(33,230)
Underwriting profit (loss)	499,129	(240,933)	3,390	2,734	(49,452)	(5,881)
					26,804	26,375
					479,871	(1,812,919)
						(217,705)

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

The Holy Land Insurance Company
Public shareholding company
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 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 Extraordinary General Assembly held on May 13, 2019 decided to increase the company's capital from **5,000,000** shares / JD to **9,868,691** shares / JD with a discount of issuance of **1,460,607** JD through a non-cash plots owned by the Chairman of the Board of Directors. Legal and official procedures are not complete at the competent authorities up to the date of the current financial statements.

The consolidated condensed interim financial statements were approved by the board of directors at its meeting held on **October 29, 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

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 nine months period ended **September 30, 2019** are not necessarily indicative of the results that may be expected for the financial year ending **December 31, 2019**.

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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 , revenues & expnses 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 subsidiaries' (loss)	Investment's net book value
	JD			JD	%	JD	JD
Reyaza Realestate Investments Co.	30-Nov-2014	L.L.C	Real-estates	10,000	100	(1,932)	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 Realestate Investments Co.	158,243		171,810	-		(1,932)

Control realized when company has ability of control the financial and operation policies for subsidiaries for obtained benefets 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 .

The Holy Land Insurance 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:

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 Associate and Joint Ventures" on sale or contribution of assets between an investor and its associate or joint ve

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.

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Notes to consolidated condensed interim financial statements - reviewed not audited

7- Deposits at banks

This item consists of :

	30-Sep-2019	31-Dec-2018
	JD	JD
	(Reviewed)	(Audited)
Jordan Trade Bank - JD	7,017	7,017
Cairo Amman Bank - JD	14,310	414,023
Union Bank for Saving & Investment - JD	202,500	202,500
Arab Bank - JD & \$	187,546	719,425
Arab Jordanian Investment Bank - \$	5,305	5,301
Housing Bank for Trade & Finance - JD	16,706	16,339
Jordan Dubai Islamic Bank - JD	11,306	11,306
Audi Bank - JD	-	50,000
Capital Bank - JD	9,008	9,001
Total	453,698	1,434,912

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 .

The mortgaged deposited upon request for general manager of Insurance Authority in addition to his job amounted of JD **225,000** as of **September 30, 2019** , its details as follows :

	30-Sep-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
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-Sep-2019	31-Dec-2018
	JD	JD
<u>National</u>	(Reviewed)	(Audited)
Stocks in Amman stock Exchange (listed) (8 B)	269,822	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
Total	277,778	514,702

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-Sep-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)
Total	10,000	10,000

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

10- Investment in subsidiary - under liquidation

A. This item consists of :

	Ownerity rate	30-Sep-2019	31-Dec-2018
	%	JD	JD
<u>National</u>		(Reviewed)	(Audited)
<u>Limited liabilities companies</u>			
The Dead Sea Co. For Vehicle Surveying & Paint (10 B)	100	120,000	120,000
The Dead Sea Co. For Vehicles' Parts Trading (10 B)	100	15,000	15,000
Total		135,000	135,000

B. According to The Dead Sea Co. for Vehicle surveying & Paint extraordinary genaral assembly meeting held on **July 9, 2019**, it took vulontary 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 tarde 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 . The liquidation procedures are performing by independent liquidator .

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Notes to consolidated condensed interim financial statements - reviewed not audited

11- Accounts receivable - net

A. This item consists of :

	<u>30-Sep-2019</u>	<u>31-Dec-2018</u>
	JD	JD
	(Reviewed)	(Audited)
Policies compaign receivable	1,244,468	1,338,493
Agents receivable	686,928	535,279
Returned cheques	81,626	81,626
Issues and under settelmet receivable	121,561	123,825
Garages receivable	18,230	13,692
Employees receivable	28,945	38,871
Total	2,181,758	2,131,786
Deduct : Provision for receivable debts impairment (Note 11 B)	(952,281)	(1,037,754)
Net	1,229,477	1,094,032

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

	<u>30-Sep-2019</u>	<u>31-Dec-2018</u>
	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
Adjusted openning balances	1,037,754	1,064,681
Addition for the period / year	13,415	2,655
Disposals for the period/year (returned to income statement)	(98,888)	(29,582)
Balance ending of the period/year	952,281	1,037,754

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Notes to consolidated condensed interim financial statements - reviewed not audited

12- Due from reinsurers - net

A. This item consists of :

	30-Sep-2019	31-Dec-2018
	JD	JD
	(Reviewed)	(Audited)
Local insurance co. receivable	537,629	756,023
foreign reinsurers co. receivable	402,884	414,448
Total	940,513	1,170,471
Deduct : Provision for reinsurers debts impairment (Note 12 B)	(469,152)	(461,388)
Net	471,361	709,083

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

	30-Sep-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
Adjusted openning balances	461,388	526,198
Addition for the period / year	17,128	4,190
Disposals for the period/year (returned to income statement)	(9,364)	(69,000)
Balance ending of the period/year	469,152	461,388

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Notes to consolidated condensed interim financial statements - reviewed not audited

13- Income tax

A. Income tax provision

* 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 **2018**, the income tax return for the year **2017** has 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 return for subsidiary (**Reyaza reale-state Investments Co.**) was settled up to the year **2018** according to sampling system.

B. Deferred tax assets

This item consists of :

	30-Sep-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	(Reviewed)	(Audited)
Provision for impairmentnet debts	2,593,174	-	-	2,593,174	648,294	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
Total	5,512,105	-	-	5,512,105	1,674,443	1,674,443

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

	30-Sep-2019	31-Dec-2018
	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

14- Accounts payable

This item consists of :

	<u>30-Sep-2019</u>	<u>31-Dec-2018</u>
	JD	JD
	(Reviewed)	(Audited)
Accidents payable	65,725	68,051
Agents payable	32,009	32,143
Policies compaign payable	202,175	175,519
Garages payable	52,427	46,936
Total	352,336	322,649

15- Due to reinsurers

A. This item consists of :

	<u>30-Sep-2019</u>	<u>31-Dec-2018</u>
	JD	JD
	(Reviewed)	(Audited)
Local insurance co. payable	492,204	381,793
Foreign reinsurers co. payable	169,799	144,072
Total	662,003	525,865

16- Fair value reserve

This item consists of :

	<u>30-Sep-2019</u>	<u>31-Dec-2018</u>
	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
Balance ending of the period/year	200,000	200,000

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Notes to consolidated condensed interim financial statements - reviewed not audited

17- Accumulated (loss)

This item consists of :

	<u>30-Sep-2019</u>	<u>31-Dec-2018</u>
	JD	JD
	(Reviewed)	(Audited)
Balance beginning of the period / year	(758,502)	(1,254,186)
Effect of initial application of IFRS 9	-	(29,091)
Prior years income tax	-	(110,142)
Adjusted opening balances	(758,502)	(1,393,419)
(Loss) for the year	-	(131,395)
Amortization reserves to accumulated loss *	-	766,312
Balance ending of the period / year	(758,502)	(758,502)

* 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**.

18- (Losses) gains from financial assets & investments

This item consists of :

	<u>30-Sep-2019</u>	<u>30-Sep-2018</u>
	JD	JD
Realized gains (losses) gains from financial assets at fair value through income statement	(67,401)	490
Unrealized gains (losses) from selling financial assets at fair value through income statement	(89,324)	3,478
Total	(156,725)	3,968
Amount transfer to income statement	(156,725)	3,968

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19- Basic and diluted earning per share

This item consists of :

	<u>30-Sep-2019</u>	<u>30-Sep-2018</u>
	JD	JD
Profit (loss) for the period after tax (JD)	108,711	(430,840)
Weighted average shares (share)	5,000,000	5,000,000
Basic and diluted earning per share	0.022	(0.086)

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.

A. Details of due from related parties appear on financial position

	<u>Type of</u>	<u>30-Sep-2019</u>	<u>31-Dec-2018</u>
	transaction	JD	JD
		(Reviewed)	(Audited)
<u>Subcidiary</u>			
The Dead Sea Co. For Vehicle Surveying & Paint	Finance	220,922	154,045
The Dead Sea Co. For Vehicles' Parts Trading	Finance	6,270	5,205
Total		227,192	159,250

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20- Follow - related parties transactions

B. Details related parties balances appear on statement of income

	Type of transaction	30-Sep-2019 JD	30-Sep-2018 JD
<u>Subsidiary</u>			
	Car repair fees transferred from the parent company - compensation		
The Dead Sea Co. For Vehicle Surveying & Paint	paid	18,215	101,455

C. Wages, allowances and other benefits for senior executive managements :

	30-Sep-2019 JD	30-Sep-2018 JD
Wages & other benefits	269,585	226,138

21- Legal situation

There are issues facing company from others subject of accidents amounted of JD **937,376** , 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 **844,412** 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 .

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Notes to consolidated condensed interim financial statements - reviewed not audited

23- Subsequent events

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

24- Future plan

- Diversify the insurance company portfolio by obtaining new insurance licenses.
- Collecting the bulk of the outstanding recoveries in all legal ways.
- Take all necessary measures to improve the collection of receivables.
- Continuing the reservation policy in accepting various insurance risks.
- Expanding the production circle of the company by providing it with highly qualified and experienced staff.
- Research in attracting new insurance agents and brokers with wide experience and integrity.

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 2018.