



شركة الأراضي المقدسة للتأمين المساهمة العامة المحدودة

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

٢٠١٩/٥/٩

٢٠١٩/٣٩٦/٢٦

السادة/ بورصة عمان المحترمين .

عمان - الاردن

الموضوع: البيانات المالية الموحدة للشركة

كما في ٢٠١٩/٣/٣١

تحية طيبة وبعد،،،،

لاحقا لكتابنا رقم ٢٠١٩/٣٧٧/٢٦ تاريخ ٢٠١٩/٤/٣٠ نرفق لكم البيانات المالية الموحدة للشركة كما في ٢٠١٩/٣/٣١ مترجمة باللغة الانجليزية ، كما نرفق لكم قرص مدمج (CD) يحتوي كافة المرفق بصيغة PDF .

راجين التكرم بالاستلام حسب الاصول .

وتفضلوا بقبول فائق الاحترام،،،،

المدير العام / عضو مجلس الادارة

مهند المظفر



بورصة عمان
الدارة الادارية والمالية
الديوان

٠٩ أيار ٢٠١٩

2843

الرقم المتسلسل:

رقم الملف:

الجهة المختصة:

**The Holy Land Insurance Company
(P.S.C)
Amman - The Hashemite Kingdom Of Jordan**

**Consolidated condensed interim
financial statements**

**As of March 31, 2019
(Reviewed not audited)**

**The Holy Land Insurance Company
(P.S.C)
Amman - The Hashemite Kingdom Of Jordan**

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Report on the review of the condensed interim consolidated financial statements

785 19 02

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 31 March 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 three-month period ended 31 March 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 696,000 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 on June 30, 2019.

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

April 30, 2019

The Holy Land Insurance Company
(P.S.C)
Amman - The Hashemite Kingdom Of Jordan

Statement of consolidated condensed interim financial position
as of March 31, 2019

	Note	Reviewed not audited	
		31-Mar-2019	31-Dec-2018
		JD	JD
Assets		(Reviewed)	(Audited)
Deposits at banks	7	1,084,688	1,434,912
Financial assets at fair value through income statement	8	455,072	514,702
Financial assets at fair value through other comprehensive income	9	10,000	10,000
Realestate investments		176,725	176,725
Total investments		1,726,485	2,136,339
Cash on hand & at banks		59,699	59,050
Notes receivable & cheques under collection - net		83,307	63,173
Accounts receivable - net	10	1,247,461	1,216,411
Due from reinsurers - net	11	527,336	709,083
Deferred tax assets	12	1,674,443	1,674,443
Property , plant & equipments - net		2,044,095	2,065,296
Intangible assets - Net		15,764	15,821
Other assets		442,363	202,441
Total assets		7,820,953	8,142,057

The accompanying notes form from (1) To (23) is an integral part of these statements

**The Holy Land Insurance Company
(P.S.C)**

Amman - The Hashemite Kingdom Of Jordan

**Follow-statement of consolidated condensed interim financial position
as of March 31, 2019**

	Note	Reviewed not audited	
		31-Mar-2019	31-Dec-2018
		JD	JD
		(Reviewed)	(Audited)
<u>Liabilities and owners' equity</u>			
<u>Technical provisions</u>			
Unearned premium provision - net		3,830,216	3,170,211
Outstanding claims provision - net		1,091,005	1,694,084
Total technical provisions		4,921,221	4,864,295
<u>Liabilities</u>			
Income tax provision	12	3,603	3,603
Bank overdrafts		457,975	209,407
Accounts payable	13	258,622	322,649
Due to reinsurers	14	557,641	525,865
Other liabilities		293,011	316,188
Total liabilities		1,570,852	1,377,712
Total technical provisions & liabilities		6,492,073	6,242,007
<u>Owners' equity</u>			
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)		(841,475)	(841,475)
(Loss) for the period		(571,170)	-
Net owners' equity		1,328,880	1,900,050
Total owners' equity & liabilities		7,820,953	8,142,057

The accompanying notes form from (1) To (23) is an integral part of these statements

The Holy Land Insurance Company
(P.S.C)
Amman - The Hashemite Kingdom Of Jordan

Statement of consolidated condensed interim of comprehensive income
for the three months ended March 31, 2019

Reviewed not audited

	Note	31-Mar-2019 JD	31-Mar-2018 JD
<u>Revenues</u>		(Reviewed)	(Reviewed)
Total written premiums		2,734,954	2,720,451
Deduct: reinsurance share		(56,039)	(62,173)
Net written premiums		2,678,915	2,658,278
Net change in unearned premium provision		(660,005)	321,943
Net earned premium income		2,018,910	2,980,221
Commissions received		12,471	15,465
Issuance fees		109,255	137,347
Interests revenues		3,623	29,251
(Losses) from financial assets & investments	16	(59,630)	(4,728)
Other revenues due to written accounts		18,290	17,772
Returned from impairment provisions	9 , 10	122,169	-
Other revenues		13,840	19,122
Total revenues		2,238,928	3,194,450
<u>Cost of claims</u>			
Claims paid		2,946,862	2,385,831
Deduct: recoveries		(202,243)	(244,434)
Deduct: reinsurance share		(9,085)	(31,376)
Net claims paid		2,735,534	2,110,021
Net change in outstanding claims provision		(603,079)	57,871
Allocated employees expenses		255,540	214,110
Allocated administrative expenses		150,497	144,724
Excess of loss		31,688	65,000
Acquisition policies cost		70,763	202,805
Other expenses due to written accounts		28,314	11,254
Net claims		2,669,257	2,805,785

The accompanying notes form from (1) To (23) is an integral part of these statements

The Holy Land Insurance Company
(P.S.C)
Amman - The Hashemite Kingdom Of Jordan

Follow-statement of consolidated condensed interim of comprehensive income
for the three months ended March 31, 2019

Reviewed not audited - Exhibit B

	Note	31-Mar-2019 JD (Reviewed)	31-Mar-2018 JD (Reviewed)
Net claims		2,669,257	2,805,785
Employees expenses - not allocated		63,885	53,608
Administrative expenses - not allocated		27,448	26,562
Depreciation & amortization		37,624	36,101
Impairment debts	9	11,884	-
Total expenses		2,810,098	2,922,056
(Loss) profit for the period before tax		(571,170)	272,394
Tax	12	-	-
(Loss) profit for the period		(571,170)	272,394
Total comprehensive (loss) income for the period		(571,170)	272,394
		Fils/Dinar	Fils/Dinar
Basic and diluted (lossing) earning per share	17	(0.114)	0.054

The accompanying notes form from (1) To (23) is an integral part of these statements

The Holy Land Insurance Company
(P.S.C)
Amman - The Hashemite Kingdom Of Jordan

Statement of consolidated condensed interim of change in owners' equity
for the three months ended March 31, 2019

Description	Reviewed not audited					
	Capital	Issuance discount	Statutory reserve	Voluntary reserve	Fair value reserve	(Loss) profit for the period Net
	JD	JD	JD	JD	JD	JD
For the three months ended March 31, 2019						
Balance as of January 1, 2019 - audited	5,000,000	(2,061,779)	3,304	-	(200,000)	- 1,900,050
(Loss) for the period	-	-	-	-	-	(571,170) (571,170)
Total comprehensive (loss) for the period	-	-	-	-	-	(571,170) (571,170)
Balance as of March 31, 2019 - reviewed	5,000,000	(2,061,779)	3,304	-	(200,000)	(571,170) (571,170)
						1,328,880
For the three months ended March 31, 2018						
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	-	-	-	-	-	272,394 272,394
Total comprehensive income for the period	-	-	-	-	-	272,394 272,394
Balance as of March 31, 2018 - reviewed	5,000,000	(2,061,779)	745,254	22,561	(150,000)	272,394 272,394
						(1,347,649) 2,480,781

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 (23) is an integral part of these statements

The Holy Land Insurance Company
(P.S.C)
Amman - The Hashemite Kingdom Of Jordan
Statement of consolidated condensed interim of cash flows
for the three months ended March 31, 2019

	Reviewed not audited		
	Note	31-Mar-2019	31-Mar-2018
		JD	JD
<u>Cash flows from operating activities</u>		(Reviewed)	(Reviewed)
(Loss) profit for the period before tax		(571,170)	272,394
Capital (gains)		-	(604)
Depreciation & amortization		27,448	26,562
Net change in unearned premium provision		660,005	(321,943)
Net change in outstanding claims provision		(603,079)	57,871
Returned from impairment provisions		(122,169)	-
Impairment debts		11,884	-
Unrealized losses of financial assets at fair value through income statement		59,630	4,728
Operating (loss) income before changes in working capital		(537,451)	39,008
<u>Changes in assets & liabilities</u>			
Notes receivable & cheques under collection		(20,134)	(20,155)
Accounts receivable		52,701	(3,939)
Due from reinsurers		208,281	(143,754)
Other assets		(239,922)	(18,613)
Accounts payable		(64,027)	(921)
Due to reinsurers		31,776	38,911
Other liabilities		(23,177)	(131,626)
Net cash flows from operating activities		(591,953)	(241,089)

The accompanying notes form from (1) To (23) is an integral part of these statements

**The Holy Land Insurance Company
(P.S.C)
Amman - The Hashemite Kingdom Of Jordan**

**Follow-statement of consolidated condensed interim of cash flows
for the three months ended March 31, 2019**

	Reviewed not audited	
	<u>31-Mar-2019</u>	<u>31-Mar-2018</u>
	JD	JD
<u>Cash flows from investing activities</u>	(Reviewed)	(Reviewed)
Deposits at banks due over 3 months	350,224	(14,834)
Acquisitions of property , plant & equipments	(3,748)	(14,064)
Proceeds from sales of property , plant & equipments	-	5,500
Acquisitions of intangible assets	(2,442)	(600)
Net cash flows from investing activities	344,034	(23,998)
<u>Cash flows from financing activities</u>		
Bank Overdrafts	248,568	252,151
Net cash flows from financing activities	248,568	252,151
Net increase (dcrease) in cash	649	(12,936)
Cash on hand and at banks at beginning of period	59,050	132,182
Cash on hand and at banks at end of period	59,699	119,246

The accompanying notes form from (1) To (23) is an integral part of these statements

Amman - The Hashemite Kingdom Of Jordan

**Statement of consolidated condensed interim of general insurance underwriting revenue
for the three months ended March 31, 2019**

	Fire & other damage to						Reviewed not audited	
	Motor		Marine & transport		property		Liability	
	31-Mar-2019	31-Mar-2018	31-Mar-2019	31-Mar-2018	31-Mar-2019	31-Mar-2018	31-Mar-2019	31-Mar-2018
	JD	JD	JD	JD	JD	JD	JD	JD
Written premiums								
Direct insurance	2,624,702	2,613,665	1,343	2,091	58,107	65,360	7,394	2,688,510
Reinsurance inward business	38,946	30,292	-	-	5,240	1,649	-	31,941
Total premiums	2,663,648	2,643,957	1,343	2,091	63,347	67,009	7,394	2,720,451
Less:								
Local reinsurer share	(6,306)	(8,117)	-	-	-	-	-	(8,117)
Foreign reinsurer share	-	-	(924)	(1,456)	(48,809)	(52,600)	-	(54,056)
Net written premiums	2,657,342	2,635,840	419	635	14,538	14,409	7,394	2,658,278
Add : balance at beginning of the year								
Unearned premiums reserve	3,156,806	4,209,072	1,800	3,538	95,929	149,407	14,011	4,382,968
Un expired risks reserve	-	-	-	-	-	-	-	-
Less: Reinsurer share	(18,931)	(15,896)	(1,374)	(2,660)	(78,030)	(126,582)	-	(145,138)
Net unearned premium reserve	3,137,875	4,193,176	426	878	17,899	22,825	14,011	4,237,830
Less : balance at ending of the year								
Unearned premiums reserve	3,811,534	3,893,472	1,343	2,091	103,740	90,623	13,889	4,005,546
Un expired risks reserve	-	-	-	-	-	-	-	-
Less: Reinsurer share	(15,897)	(16,300)	(924)	(1,456)	(83,469)	(71,903)	-	(89,659)
Net unearned premium reserve	3,795,637	3,877,172	419	635	20,271	18,720	13,889	3,915,887
Net earned revenue from written premiums	1,999,580	2,951,844	426	878	12,166	18,514	6,738	2,980,221

The accompanying notes form (1) To (23) is an integral part of these statements

Amman - The Hashemite Kingdom Of Jordan

**Statement of consolidated condensed interim of general insurance cost of claims
for the three months ended March 31, 2019**

	Fire & other damage						Reviewed not audited		
	Motor		Marine & transport		to property		Liability		Total
	31-Mar-2019	31-Mar-2018	31-Mar-2019	31-Mar-2018	31-Mar-2019	31-Mar-2018	31-Mar-2019	31-Mar-2018	31-Mar-2018
	JD	JD	JD	JD	JD	JD	JD	JD	JD
Paid claims	2,933,610	2,362,647	-	-	13,252	23,184	-	-	2,946,862
Less::									
Recoveries	(202,243)	(244,434)	-	-	-	-	-	-	(202,243)
Local reinsurer share	-	-	-	-	-	-	-	-	-
Foreign reinsurer share	-	(12,560)	-	-	(9,085)	(18,816)	-	-	(9,085)
Net paid claims	2,731,367	2,105,653	-	-	4,167	4,368	-	-	2,735,534
Add: outstanding claims reserve at end of the year									
RCR	2,021,664	2,154,306	-	-	1,934,956	1,532,784	22,430	21,130	3,979,050
IBNER	1,451,447	1,032,239	-	-	-	-	-	-	1,451,447
IBNYR	753,042	1,433,424	-	100	1,364	5,000	396	100	754,802
Less::									
Reinsurer share	(879,718)	(815,866)	-	-	(1,755,461)	(1,417,779)	-	-	(2,635,179)
Recoveries	(2,459,115)	(2,353,595)	-	-	-	-	-	-	(2,459,115)
Net reported outstanding claims	423,320	266,930	-	-	179,495	115,005	22,430	21,130	625,245
Net unreported outstanding claims reserve at end of the year	464,000	1,183,578	-	100	1,364	5,000	396	100	465,760
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
IBNER	1,451,447	1,032,239	-	-	-	-	-	-	1,451,447
IBNYR	1,449,042	1,433,424	-	100	1,364	5,000	396	100	1,450,802
Less:									
Reinsurer share	(779,563)	(791,703)	-	-	(1,544,385)	(1,356,075)	-	-	(2,323,948)
Recoveries	(2,468,503)	(2,340,216)	-	-	-	-	-	-	(2,468,503)
Net reported outstanding claims reserve at beginning of the year	411,485	245,702	-	-	98,409	75,262	22,430	24,230	532,324
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
Net claims cost	2,047,202	2,126,881	-	-	85,253	44,111	-	(3,100)	2,132,455
The accompanying notes form from (1) To (23) is an integral part of these statements									

The accompanying notes form (1) To (23) is an integral part of these statements

Statement of consolidated condensed interim of general insurance underwriting profit

for the three months ended March 31, 2019

Reviewed not audited											
		Fire & other damage to									
Motor		Marine & transport		property		Liability		Total			
31-Mar-2019	31-Mar-2018	31-Mar-2019	31-Mar-2018	31-Mar-2019	31-Mar-2018	31-Mar-2019	31-Mar-2018	31-Mar-2019	31-Mar-2018	31-Mar-2019	31-Mar-2018
JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Net earned revenue from written premiums											
1,999,580	2,951,844	426	878	12,166	18,514	6,738	8,985	2,018,910	2,980,221		
Net claims cost											
2,047,202	2,126,881	-	-	85,253	44,111	-	(3,100)	2,132,455	2,167,892		
Add:											
40	-	243	520	12,188	14,945	-	-	12,471	15,465		
105,648	133,497	91	128	3,171	3,299	345	423	109,255	137,347		
11,772	17,264	-	-	-	508	-	-	11,772	17,772		
117,460	150,761	334	648	15,359	18,752	345	423	133,498	170,584		
Less:											
(70,528)	(201,458)	-	-	(937)	(1,347)	-	-	(71,465)	(202,805)		
(31,688)	(65,000)	-	-	-	-	-	-	(31,688)	(65,000)		
(395,451)	(348,744)	(200)	(276)	(9,404)	(8,839)	(982)	(975)	(406,037)	(358,834)		
(27,708)	(7,137)	(9)	(5)	(597)	(4,112)	-	-	(28,314)	(11,254)		
(525,375)	(622,339)	(209)	(281)	(10,938)	(14,298)	(982)	(975)	(537,504)	(637,893)		
(455,537)	353,385	551	1,807	(68,666)	(21,143)	6,101	11,533	(517,551)	345,020		

The accompanying notes form from (1) To (23) is an integral part of these statements

The Holy Land Insurance Company
(P.S.C)
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 **April 30, 2019**, these financial statements aren't subject to the approval of the general assembly of shareholders .

The Holy Land Insurance Company
(P.S.C)
Amman - The Hashemite Kingdom Of Jordan

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

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 3 subsidiaries as follows :

Company's name	Date of control	Legal form	Activity	Capital	Ownership rate	Company's share of	
						subidiaries' profit (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	(21,468)	120,000
.Reyaza Realestate Investments Co.	30-Nov-2014	L.L.C	Real-estates	10,000	100	(470)	5,000
The Dead Sea Co. For Vehicles' Parts Trading	8-Nov-2018	L.L.C	Trading	30,000	100	(306)	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	197,079	172,971	14,133	(21,468)
.Reyaza Realestate Investments Co.	158,255	170,360	-	(470)
The Dead Sea Co. For Vehicles' Parts Trading	14,954	5,505	-	(306)

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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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.

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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7- Deposits at banks

This item consists of :

	<u>31-Mar-2019</u>	<u>31-Dec-2018</u>
	JD	JD
	(Reviewed)	(Audited)
Jordan Trade Bank - JD	7,017	7,017
Cairo Amman Bank - JD	63,740	414,023
Union Bank for Saving & Investment - JD	202,500	202,500
Arab Bank - JD & \$	719,481	719,425
Arab Jordanian Inestment Bank - \$	5,302	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	9,003	9,001
Total	<u>1,084,688</u>	<u>1,434,912</u>

Interest rate on JD deposit at banks ranging between **3.25%** to **5.25%** and of USD deposits between **0.5%** to **2.6%** , 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 :

	<u>31-Mar-2019</u>	<u>31-Dec-2018</u>
	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	<u>225,000</u>	<u>225,000</u>

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8- Financial assets at fair value through income statement

A. This item consists of :

	<u>31-Mar-2019</u>	<u>31-Dec-2018</u>
	JD	JD
<u>National</u>	(Reviewed)	(Audited)
Stocks in Amman stock Exchange (listed) (8 B)	299,724	359,396
Stocks in Amman stock Exchange (unlisted) (8C)	663	621
<u>International</u>		
Stocks in international stock Exchange (unlisted) (8C)	154,685	154,685
Total	<u>455,072</u>	<u>514,702</u>

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 **12,250**.

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 :

	<u>31-Mar-2019</u>	<u>31-Dec-2018</u>
	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	<u>10,000</u>	<u>10,000</u>

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 :

	<u>31-Mar-2019</u>	<u>31-Dec-2018</u>
	JD	JD
	(Reviewed)	(Audited)
Policies compaign receivable	1,274,030	1,338,493
Agents receivable	545,516	535,279
Returned cheques	81,625	81,626
Issues and under settelmet receivable	120,861	123,825
Garages receivable	145,438	136,071
Employees receivable	33,994	38,871
Total	<u>2,201,464</u>	<u>2,254,165</u>
Deduct : Provision for receivable debts impairment (Note 10 B)	(954,003)	(1,037,754)
Net	<u>1,247,461</u>	<u>1,216,411</u>

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10- Follow - Accounts receivable - net

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

	<u>31-Mar-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 opening balances	1,037,754	1,064,681
Addition for the period / year	11,884	2,655
Disposals for the period/year (returned to income statement)	(95,635)	(29,582)
Balance ending of the period/year	954,003	1,037,754

11- Due from reinsurers - net

A. This item consists of :

	<u>31-Mar-2019</u>	<u>31-Dec-2018</u>
	JD	JD
	(Reviewed)	(Audited)
Local insurance co. receivable	575,665	756,023
foreign reinsurers co. receivable	386,525	414,448
Total	962,190	1,170,471
Deduct : Provision for reinsurers debts impairment (Note 11 B)	(434,854)	(461,388)
Net	527,336	709,083

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

	<u>31-Mar-2019</u>	<u>31-Dec-2018</u>
	JD	JD
	(Reviewed)	(Audited)
Balance beginning of the period/year	461,388	506,538
Effect of initial application of IFRS 9	-	19,660
Adjusted opening balances	461,388	526,198
Addition for the period / year	-	4,190
Disposals for the period/year (returned to income statement)	(26,534)	(69,000)
Balance ending of the period/year	434,854	461,388

12- Income tax

A. Income tax provision

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

	31-Mar-2019	31-Dec-2018
	JD	JD
Balance beginning of the period/year		
Income tax for the period / year *	3,603	-
Paid tax during the period / year	-	3,603
Balance ending of the period/year	-	-
	<u>3,603</u>	<u>3,603</u>

* 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 setteled 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 setteled 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.**) were setteled 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 The income tax return for subsidiary (**The Dead Sea Co. For Vehicles' Parts Trading**) for the year **2016** according to sampling system, The income tax return for the years **2017 & 2018** have been filed with the Income Tax Department but the Department has not reviewed yet.

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12- Follow - Income tax

B. Deferred tax assets

This item consists of :

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

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

Balance beginning of the period/year
Additions for the period / year
Disposals during the period / year
Balance ending of the period/year

	31-Mar-2019	31-Dec-2018
	JD	JD
(Reviewed)	1,674,443	(Audited) 1,674,443
	-	-
	-	-
	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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13- Accounts payable

This item consists of :

	<u>31-Mar-2019</u>	<u>31-Dec-2018</u>
	JD	JD
	(Reviewed)	(Audited)
Accidents payable	55,794	68,051
Agents payable	34,583	32,143
Policies compaign payable	142,511	175,519
Garages payable	25,734	46,936
Total	<u>258,622</u>	<u>322,649</u>

14- Due to reinsurers

A. This item consists of :

	<u>31-Mar-2019</u>	<u>31-Dec-2018</u>
	JD	JD
	(Reviewed)	(Audited)
Local insurance co. payable	453,666	381,793
Foreign reinsurers co. payable	103,975	144,072
Total	<u>557,641</u>	<u>525,865</u>

15- Fair value reserve

This item consists of :

	<u>31-Mar-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	<u>200,000</u>	<u>200,000</u>

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16- (Losses) from financial assets & investments

This item consists of :

	<u>31-Mar-2019</u>	<u>31-Mar-2018</u>
	JD	JD
Unrealized (losses) from financial assets at fair value through income statement	(59,630)	(4,728)
Total	<u>(59,630)</u>	<u>(4,728)</u>
Amount transfer to income statement	<u>(59,630)</u>	<u>(4,728)</u>

17- Basic and diluted (lossing) earning per share

This item consists of :

	<u>31-Mar-2019</u>	<u>31-Mar-2018</u>
	JD	JD
(Loss) profit for the period after tax (JD)	(571,170)	272,394
Weighted average shares (share)	5,000,000	5,000,000
Basic and diluted earning per share	<u>(0.114)</u>	<u>0.054</u>

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

18- 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 :

	<u>31-Mar-2019</u>	<u>31-Mar-2018</u>
	JD	JD
Wages & other benefits	<u>88,740</u>	<u>82,599</u>

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19- Issues

There are issues facing company from others subject of accidents amounted of JD 1,031,121 , 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.

20- Contingent liabilities

There are no contingent liabilities as of financial position date .

21- Subsequent events

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

22- 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.

23- 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.