



بنك صفوة الإسلامي
Safwa Islamic Bank

<p>To: Jordan Securities Commission Amman Stock Exchange Date: 28/10/2020 Ref. : FIN1/2/2449/2020 <u>Subject: Quarterly Report as of 30/9/2020</u></p>	<p>السادة هيئة الأوراق المالية السادة بورصة عمان التاريخ :- 2020/10/28 الرقم: مالية 2020/2449/2/1 <u>الموضوع: التقرير ربع السنوي باللغة الانجليزية كما هو في 2020/9/30.</u></p>
<p>Attached English Version of Quarterly Financial Statements (Safwa Islamic Bank) As of 30/9/2020.</p>	<p>مرفق طيه نسخة من القوائم المالية ربع السنوية باللغة الانجليزية لبنك صفوة الاسلامي كما هي بتاريخ 2020/9/30 م.</p>
<p>Kindly accept our high appreciation and respect Safwa Islamic Bank Samer Tamimi CEO</p>	<p>وتفضلوا بقبول فائق الاحترام،،، بنك صفوة الاسلامي سامر تميمي الرئيس التنفيذي</p>

بورصة عمان
الدائرة الإدارية والمالية
الديوان

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الرقم المتسلسل:
رقم الملف:
الجهة المختصة:

مبادئ راسخة، حلول مبتكرة Solid Principles, Innovative Solutions

SAFWA ISLAMIC BANK
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN-THE HASHEMITE KINGDOM OF JORDAN

CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2020
TOGETHER WITH THE INDEPENDENT
AUDITOR'S REVIEW REPORT

SAFWA ISLAMIC BANK
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN-THE HASHEMITE KINGDOM OF JORDAN
30 SEPTEMBER 2020

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In the Name of Allah, the Beneficent, the Merciful

Review Report

AM/ 014589

To the chairman and the Board of Directors of
Safwa Islamic Bank
(A Public Shareholding Limited Company)
Amman – The Hashemite Kingdom of Jordan

Introduction

We have reviewed the condensed consolidated interim statement of financial position of Safwa Islamic Bank (a Public Shareholding limited Company) as of September 30, 2020 and the related condensed consolidated interim statements of profit or loss and comprehensive income for the three and nine months ended in September 30, 2020, changes in shareholders' equity and cash flows for the nine months ended in September 30, 2020, and a summary of significant accounting policies and other explanatory information. Management is responsible for the preparation and fair presentation of these condensed consolidated interim financial Information's in accordance with the Financial Accounting Standards issued by Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) as adopted by the Central Bank of Jordan. Our responsibility is to express a conclusion on these condensed consolidated interim financial Information's based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of condensed consolidated 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 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial Information's are not prepared, in all material respects, in accordance with the Financial accounting standards issued by accounting and auditing organisation for Islamic financial institutions (AAOIFI) as adopted by the Central Bank of Jordan.

Other Matters

The accompanying condensed consolidated interim financial Information's are a translation of the statutory condensed consolidated interim financial Information's in the Arabic language to which reference is to be made.

Amman – The Hashemite Kingdom of Jordan
October 26, 2020


Deloitte & Touche (M.E.) - Jordan

Deloitte & Touche (M.E.)
ديلويت آند توش (الشرق الأوسط)
010105

Safwa Islamic Bank
(Public Shareholding Limited Company)
Amman-The Hashemite Kingdom of Jordan
Condensed Consolidated Interim Statement of Financial Position

		30 September 2020 (Reviewed) JD	31 December 2019 (Audited) JD
	Note		
<u>Assets</u>			
Cash and balances with the Central Bank	4	311,242,432	278,816,552
Balances at banks and the financial institutions		10,716,102	6,513,543
International wakala investments-net	5	84,417,775	70,790,378
Financial assets at fair value through statement of profit or loss		1,440,849	3,536,138
Deferred sales receivables and other receivables-net	6	768,070,475	641,388,269
Financial assets at fair value through unrestricted investment accounts' holders equity-net	7	60,576,244	32,856,966
Financial assets at amortized cost -net		92,191,000	92,191,000
Investment in associate		349,507	354,022
Ijara Muntahia Bittamleek assets-net	8	420,114,305	382,860,291
Qard Hasan-net		980,867	509,660
Property and equipment-net		23,295,171	23,886,014
Intangible assets - net		1,863,395	2,043,279
Right to use assets	21/A	9,011,565	9,702,044
Deferred tax assets	10/C	4,448,956	1,661,190
Other assets	9	11,293,744	9,811,237
Total Assets		1,800,012,387	1,556,920,583
<u>Liabilities</u>			
Banks and financial Institutions accounts		17,625,370	1,522,392
Customers' current accounts		227,369,865	181,361,486
Cash margin		25,221,256	35,875,353
Income tax provision	10/A	5,747,482	6,936,284
Other provisions		804,597	421,785
Lease liabilities-long term	21/B	8,576,911	9,368,215
Other liabilities	11	40,425,884	41,133,151
Total Liabilities		325,771,365	276,618,666
<u>Unrestricted Investment Accounts Holders' Equity</u>			
Unrestricted investment accounts	12	1,322,585,114	1,135,016,343
Fair value reserve - jointly financed		(378,472)	48,157
Total Unrestricted Investment Accounts Holders' Equity		1,322,206,642	1,135,064,500
<u>Investment Risk Fund</u>			
Income Tax provision for investment risk fund	13	-	787,149
<u>Shareholders' Equity</u>			
Paid up capital		100,000,000	100,000,000
Statutory reserve		25,902,069	25,902,069
Retained earnings		18,548,199	18,548,199
Profit for the period		7,584,112	-
Total Shareholders' Equity		152,034,380	144,450,268
Total Liabilities, Unrestricted Investment Accounts Holders' and Shareholders' Equity		1,800,012,387	1,556,920,583
Wakala Investments accounts		7,477,954	7,815,807

The accompanying notes are an integral part of this condensed consolidated interim financial information and read with it and with the attached review report.

Safwa Islamic Bank
(Public Shareholding Limited Company)
Amman-The Hashemite Kingdom of Jordan
Condensed Consolidated Interim Statement of Profit or Loss and Comprehensive Income
For the three and nine months period ended in 30 September

	Note	For The Three Month Period Ended 30 September		For The Nine Month Period Ended 30 September	
		2020 (Reviewed)	2019 (Reviewed)	2020 (Reviewed)	2019 (Reviewed)
		JD	JD	JD	JD
Deferred sales revenue	14	12,494,783	10,800,072	35,193,051	28,618,345
Ijara Muntahia Bittamleek assets revenue		7,340,425	7,563,811	23,826,575	22,118,499
Gains from International wakala investments		153,072	512,258	702,991	1,550,233
Gains from financial assets at fair value through unrestricted investment accounts' holders equity	15	445,832	433,838	1,337,639	996,519
Gains from financial assets at fair value through statement of profit or loss	16	45,589	17,325	84,392	101,195
Gains from financial assets at amortized cost		1,045,667	1,040,075	3,097,615	3,086,310
Share of joint funds from profits (losses) of associate company		-	-	5,485	(12,596)
Gains (losses) from foreign currencies evaluation		9,680	(14,288)	20,710	(5,557)
Other (expenses) revenue- jointly financed -net		(165,709)	183,838	224,863	519,594
Total revenue from unrestricted investment		21,369,339	20,536,929	64,493,321	56,972,542
Deposit guarantee fees joint investment accounts		(395,143)	(317,753)	(1,185,428)	(529,588)
Share of unrestricted investment accounts holders'		(8,385,914)	(9,231,822)	(28,547,927)	(25,577,183)
Provision for expected credit losses on joint items		(5,000,000)	(1,683,546)	(8,027,948)	(2,363,340)
Share of Investment risk fund		-	-	-	(2,416,902)
Bank's share of revenue from unrestricted investments as a mudarib and rab mal		7,588,282	9,303,808	26,732,018	26,085,529
Bank's self financed revenue	17	155,632	161,896	504,254	638,167
Banks share from the restricted investments revenue as agent (wakeel)		34,735	73,400	85,801	209,099
Gain from foreign currencies		221,569	336,856	627,797	788,361
Banking services revenue		1,608,681	1,399,781	3,621,245	4,202,310
Other (expenses) revenue		(6,481)	34,270	5,516	140,220
Deposit guarantee fees - Self financed		(245,721)	(244,872)	(737,162)	(408,117)
Gross Income		9,356,697	11,065,139	30,839,469	31,655,569
Employees' expenses		(3,226,829)	(3,313,103)	(9,390,925)	(9,792,512)
Depreciation and amortization		(796,354)	(774,787)	(2,380,333)	(2,234,724)
Depreciation of Ijara muntahia bittamleek assets- self financed		(89,644)	(127,618)	(300,764)	(439,803)
Recovered from (Provision) for expected credit losses on off - balance sheet items-self financed		144,177	(33,381)	(62,965)	(106,980)
(Provision) from expected credit loss on facilities - self financed		-	-	(400,000)	320,000
Amortization of right of use assets	21/A	(377,174)	(331,628)	(1,132,160)	(985,718)
Finance costs / discounted lease liability	21/A	(76,711)	(69,623)	(239,586)	(215,923)
Rent expenses	21/A	(22,472)	(52,188)	(128,828)	(167,200)
Other expenses		(1,500,381)	(1,674,452)	(5,242,322)	(4,988,975)
Total expenses		(5,945,388)	(6,376,780)	(19,277,883)	(18,611,835)
Profit for the period before tax		3,411,309	4,688,359	11,561,586	13,043,734
Income tax expense	10/B	(878,879)	(2,022,456)	(3,977,474)	(5,959,063)
Income tax expense-joint		-	(14,532)	-	(14,532)
Profit for the period		2,532,430	2,651,371	7,584,112	7,070,139
Comprehensive income items					
Add: Other comprehensive Income items after tax that will not be reclassified subsequently to the condensed consolidated interim statement of profit or loss :					
Net change in fair value reserve for financial assets		-	(102,990)	-	24,510
Gains(losses) from sale of financial assets at fair value through shareholders' equity		-	114,557	-	114,557
Total comprehensive Income for the period		2,532,430	2,662,938	7,584,112	7,209,206
		Fils/JD		Fils/JD	
Basic and diluted earnings per share for the period	18	0/025	0/027	0/076	0/071

The accompanying notes are an integral part of this condensed consolidated interim financial information and read with it and with the attached review report.

Safwa Islamic Bank
(Public Shareholding Limited Company)
Amman-The Hashemite Kingdom of Jordan
Condensed Consolidated Interim Statement of Changes in Shareholders' Equity

	Paid up capital	Statutory reserve	Fair value reserve – self financed	Retained Earnings*	Profit for the period	Total Shareholders' Equity
	JD	JD	JD	JD	JD	JD
<u>For the Nine month period ended 30 September 2020</u>						
Balance as at the beginning of the year (Audited)	100,000,000	25,902,069	-	18,548,199	-	144,450,268
Total comprehensive Income for the period	-	-	-	-	7,584,112	7,584,112
Balance as at the end of the period (Reviewed)	100,000,000	25,902,069	-	18,548,199	7,584,112	152,034,380
<u>For the Nine month period ended 30 September 2019</u>						
Balance as at the beginning of the year (Audited)	100,000,000	24,181,881	(24,510)	17,137,611	-	141,294,982
Total comprehensive Income for the Period	-	-	24,510	114,557	7,070,139	7,209,206
Distributed Dividends	-	-	-	(7,000,000)	-	(7,000,000)
Balance as at the end of the period (Reviewed)	100,000,000	24,181,881	-	10,252,168	7,070,139	141,504,188

- Retained earnings balance as at 30 September 2020 includes an amount of JD 593,387 (JD 436,376 31 December 2019) which represents deferred tax assets -self financed and it is restricted from use in accordance with the Central Bank of Jordan instructions.

*The surplus of general banking risks reserve - self financed transferred to retained earnings amounting to JD 108,397 is restricted from use without prior approval of the Central Bank of Jordan , based on CBJ instructions no.(13/2018) that were issued on 6 June 2018 , the general banking risks reserve was transferred to retained earnings.

The accompanying notes are an integral part of this condensed consolidated interim financial information and read with it and with the attached review report.

Safwa Islamic Bank
(A Public Shareholding Limited Company)
Amman-The Hashemite Kingdom of Jordan
Condensed Consolidated Interim Statement of Cash Flows

		For the Nine Month period 30 September	
	Note	2020 (Reviewed) JD	2019 (Reviewed) JD
Cash Flows from Operating Activities			
Profit for the period before tax		11,561,586	13,043,734
Adjustments for non monetary items:			
Depreciation and amortization		2,380,333	2,234,724
Depreciation of Ijara Muntahia Bittamleek assets(self & jointly financed)		29,653,052	35,560,808
Amortization of right of use assets	21/A	1,132,160	985,718
Finance costs (discounted lease liabilities)	21/A	239,586	215,923
Share of joint funds from (profits) losses of associate company		(5,485)	12,596
Investment risk fund		-	2,416,902
Unrealized (gain) loss for financial assets at fair value through statement of profit or loss	16	(20,650)	535
Expected credit losses provision for jointly items		8,027,948	2,363,340
Expected credit losses provision for facilities - self financed		62,965	14,318
(Recovered from) provision for expected credit loss for off-balance sheet items		-	92,662
Increase (decrease) in other provisions		400,000	(320,000)
Loss (gain) from disposal of property and equipment		8,536	(15,845)
(Gain) from sale of seized assets against debts		(29,821)	(4,974)
Cash Flows from Operating Activities before Changes in working capital		53,410,210	56,600,441
Changes in operating working capital			
(Increase) in deferred sales receivables and other receivables		(134,006,525)	(107,613,516)
(Increase) in Ijara Muntahia Bittamleek assets		(66,907,066)	(71,269,197)
(Increase) in Qard Hasan		(500,000)	-
(Increase) in other assets		(1,767,926)	(1,693,357)
Increase in customers' current accounts		46,008,379	34,129,723
(Decrease) increase in cash margin accounts		(10,654,097)	5,493,106
(Decrease) increase in other liabilities		(1,034,372)	11,784,293
Net cash (used in) operating activities before income tax paid		(115,451,397)	(72,568,507)
Income tax paid	10&13	(8,635,951)	(7,813,005)
Paid from provision for lawsuits		(17,188)	-
Net cash (used in) operating activities		(124,104,536)	(80,381,512)
Cash Flows from Investing Activities			
Net (purchase) maturity and sale of financial assets at fair value through unrestricted investment accounts holders		(28,294,108)	(13,109,541)
Sale of financial assets at fair value through shareholders' equity-self		-	479,567
Net sale (purchase) of financial assets at fair value through statement of profit or loss		2,115,939	326,616
Share of joint funds from the cash dividend of the associate		10,000	10,000
Net liquiation of investment in subsidiary		-	79,717
(Purchase) of intangible assets		(368,730)	(1,066,872)
(Purchase) of property and equipment		(1,249,413)	(928,878)
Net proceeds from sale of property and equipment		-	636
Proceeds from sale of seized assets against debts		210,000	66,598
Net (increase) in International Wakala Investments		(13,889,892)	(52,593,854)
Net cash (used in) investing activities		(41,466,204)	(66,736,011)
Cash Flows from Financing Activities			
Increase in unrestricted investment account holders equity		187,568,771	269,085,513
(Payment) from the lease liability	21/B	(1,472,570)	(1,299,352)
(Dividends) distributed to shareholders		-	(6,820,527)
Net cash flows from financing activities		186,096,201	260,965,634
Net increase in cash and cash equivalents		20,525,461	113,848,111
Cash and cash equivalents at beginning of the year		283,807,703	131,595,998
Cash and cash equivalents at end of the period	19	304,333,164	245,444,109

The accompanying notes are an integral part of this condensed consolidated interim financial information and read with it and with the attached review report.

SAFWA ISLAMIC BANK
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN-THE HASHEMITE KINGDOM OF JORDAN
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

(1) INCORPORATION AND ACTIVITIES

Safwa Islamic Bank ("the Bank or group") is a Jordanian public shareholding limited company, licensed by the Central Bank of Jordan to practice and provide Islamic banking and services according to the law of banks and corporate law.

The Bank's General Assembly at its extraordinary meeting held on 17 May 2017, decided to change the name of the Bank from "Jordan Dubai Islamic Bank" to "Safwa Islamic Bank".

The authorized and paid up capital is 100 million dinars distributed over 100 million shares , at a nominal value of one dinar per share.

The Bank provides all financial banking and structured investment services on a non-interest basis in accordance with Islamic shari'a through the Bank's head office and its thirty eight branches and its subsidiary within the Kingdom, in accordance with the effective Banking Law.

Etihad Islamic Investment Company owns 62.37% of Safwa Islamic Bank.

The condensed consolidated financial information for the nine months ended 30 September 2020 has been approved by the Bank's Board of Directors at its meeting No. (6/2020) on 26 October 2020.

(2) BASIS OF PREPARATION

A-BASIS OF PREPARATION OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

- The accompanying condensed consolidated interim financial information for the Bank has been prepared according to the financial accounting standards issued by The Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) as adopted by the Central Bank of Jordan. The standards issued by the International Accounting Standards Board and the interpretations issued by the International Financial Reporting Interpretations Committee are applied in the absence of standards issued by The Accounting and Auditing Organization for Islamic Financial Institutions and will be replaced later by Standards when the new standards are issued.

The condensed consolidated interim financial information has been presented in Jordanian Dinars (JD) which is the functional currency of the Bank.

The separation between what belongs to the shareholders' equity and what belongs to the unrestricted investment accounts holders has been taken into consideration.

Unrestricted investment accounts means joint investment accounts wherever it is mentioned.

The condensed consolidated interim financial information does not contain all information and disclosures required for annual consolidated financial statements prepared in accordance with the financial accounting standards for Islamic Financial Institutions issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI), and should be read with the Bank's annual report as at 31 December 2019. In addition, the results for the nine month period ended 30 September 2020 do not necessarily indicate the results that may be expected for the financial year ending 31 December 2020. The Bank's profit for the nine month period ended 30 September 2020, has not been appropriated; as such appropriations will be made at the end of the fiscal year.

The main differences between the Islamic Accounting Standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions as it should be applied and what has been adopted by the Central Bank of Jordan are the following:

First: Provisions for expected credit losses are made in accordance with the International Financial Reporting Standard (9) and according to the instructions of the Central Bank of Jordan, whichever is stricter, and the essential differences are as follows:

1. Sukuk issued or guaranteed by the Jordanian government are excluded so that credit exposures on the Jordanian government are addressed and guaranteed without credit losses.
2. When calculating credit losses against credit exposures, the calculation results are compared in accordance with the International Financial Reporting Standard No. (9) with the instructions of the Central Bank of Jordan No. (47/2009) issued on 10 December 2009 for each stage separately and the stricter results are taken.
3. Profits and commissions are suspended on non-performing credit financing granted to clients in accordance with the instructions of the Central Bank of Jordan.

Second: Assets seized by the bank against debts are shown in the condensed consolidated interim statement of financial position within other assets by the value of the transfer ownership to the bank or the fair value, whichever is less, and they are reevaluated on the date of the consolidated financial information individually, and any impairment in their value is recorded as a loss in the condensed consolidated interim statement of profit or loss and comprehensive income and the increase in value is not recorded as revenue. Subsequent increase in value is taken to the condensed consolidated interim statement of profit or loss and comprehensive income to the extent that it does not exceed the previously recorded impairment value. A progressive provision to be booked for the assets seized by the bank based on Central Bank of Jordan circulations No. 10/1/16239 dated 21 November 2019 by (5%) of total book values of these assets as of the year 2021 to reach the required percentage of (50%) of these assets by the end of the year 2029.

B- Significant Accounting Judgments , Key Sources of Uncertainty Estimation and Risks Management:

The Preparation of the condensed consolidated interim financial information and application of the accounting policies requires from the bank management to make judgments, estimates, and assumptions that affect the amounts of financial assets and

financial liabilities and to disclose potential liabilities. Moreover, these estimates and judgments affect revenues, expenses, provisions in general, and expected credit losses as well as in the changes in fair value that appear in the condensed consolidated interim statement of profit or loss and within the shareholders' equity. In particular, the Bank's management requires important judgments to be made to estimate the amounts and timing of future cash flows. These estimates are necessarily based on multiple hypotheses and factors with varying degrees of estimation and uncertainty. Meanwhile, the actual results may differ from estimates due to the changes arising from the conditions and circumstances of those estimates in the future.

The estimates used in the preparation of this condensed consolidated interim financial information are reasonable and consistent with those used in the preparation of the Bank's annual consolidated financial statements for the year ended 31 December 2019, except for the changes highlighted below:

The outbreak incident of Coronavirus (Covid-19) in early 2020 and its spread in many geographical regions around the world has caused widespread disruptions to business, with a consequential negative impact on economic and business activity. Also, this event is witnessing continuous and rapid developments, which required the Bank's management to conduct an evaluation of the expected effects on the Bank's business, and to conduct a study to review and evaluate potential risks in addition to providing additional disclosures in the condensed consolidated interim financial information as at 30 September 2020, based on the above the Bank has taken the following measures to contain the crisis, as follows:

First - The Bank's Plan to Address the Outbreak of the New Corona Virus (COVID19)

Before announcing any case of infection in Jordan, the management has taken all necessary measures to ensure business continuity and customer service in the event of any emergency, and that is through the formation of a plan to manage the crisis and in accordance with the coordination with various sector heads and executives to ensure implementing a set of procedures, the most important of which are:

- Providing alternative locations for staff distribution to ensure continuity of work and to maintain social separation among employees.
- Activate the remote work feature for sensitive jobs in order to ensure the continuity of providing service to customers through electronic channels and ATM.
- Maintaining the safety of both employees and clients by taking all procedures related to sterilizing branches and workplace.

Second - The impact of the outbreak of the new coronavirus (COVID-19) on the results of the Bank's business.

In order to reach the expected impact of the crisis on the results of calculating the expected credit losses, a set of assumptions was used that were used to assess the impact, which were based on the following:

-Global practices for calculating credit losses based on the International Financial Reporting Standard No. (9) to taking into account the impact of (COVID-19) event, and reaching reasonable expectations for the expected outputs of the impact.

-In addition to, reflecting the Management Overlay in assessing the impact on specific sectors or specific clients based on the study of each sector or customer separately.

-The implementation of Recalibration project for updating the variables related to International Financial Reporting Standard 9 , whereby the country's macroeconomic forecasts for the coming years have been updated based on the expectations of Oxford Economic Outlooks and then changing the weights of expected economic perceptions.

The affected sectors were divided into three main levels:

- Unaffected (low risk) sectors
- Medium affected sectors (medium risk)
- Highly affected sectors (high risk)

The risk level for the economic sectors has been determined based on a set of local reports issued by research centers affiliated with accredited associations such as the Association of Banks in Jordan, in addition to the reports issued by international economic institutions such as Moody's corporation , the World Bank(IMF) , and the economic forecasts of Oxford Economic Outlooks, accordingly the following were put in place:

Impact On The Weights Of Future Scenarios

According to the instructions of the Central Bank of Jordan and aspect of applying the International Accounting Standard for Financial Reports No. (9), banks must conduct several scenarios when calculating the expected credit losses so that the final outcome of the results represents the "expected weighted credit losses for the scenarios", where the Bank adopts in this respect three scenarios. The Base Scenario, Upturn Scenario and Downturn Scenario.

Noting that the three scenarios have been updated and are consistent with the current and expected economic situation for the next five years, where the Downturn Scenario increased , Upturn Scenario decreased significantly with corona virus outcomes.

Probability of Default Ratios (PD)

The Bank has set suitable scenarios according to the risk levels for each economic sectors furthermore, the Bank has developed scenarios for clients in high level risk sectors and calculated the impact on the expected credit losses. Moreover the Bank implemented the Corona virus pandemic on macroeconomic adjusted PD and depending on it as a base for expected credit losses calculated with the aim of hedging.

Loss given default (LGD)

The Bank from the beginning of the year has developed the methodology of calculating the Loss given default (LGD) according to the following :

- 1- The loss given default (LGD) percentage for stage 1 and 2 customers is measured based on the updated historical data for the amounts that has been recovered from customers.
- 2- The loss given default (LGD) percentage for stage 3 is measured in a direct correlation between loss on default and the timing of the default.
- 3- The loss given default (LGD) percentage has been adjusted for a number of customers based on their expected cashflows.
- 4- The bank has updated the data related to the loss given default (LGD) and increased it based on studies of previous financial crises.

Management Overlay

The Bank's management has reached logical expectations for the outputs of this event, in addition to reflecting the Bank's direction in assessing the impact on specific sectors or specific clients based on the study of each sector or customer separately

Third - The Impact of the Outbreak of the New Coronavirus (COVID-19) on the Bank's liquidity levels

The Bank has prepared all scenarios related to stressful situations, knowing that the Bank has comfortable levels that enable it to respond to market conditions, and that the procedures followed by the Central Bank of Jordan have had a significant impact in enhancing the liquidity of the Jordanian banking system.

C-BASIS OF CONSOLIDATION OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

The Condensed interim financial information comprises of the condensed consolidated interim financial information of the Bank and its subsidiary which are financed by the self funds of the Bank where the Bank has the control to govern the operational and financial policies of the entities to obtain benefits from their activities. All intra-company balances, transactions, revenues, expenses and off-balance sheet items between the Bank and its subsidiary are eliminated.

The condensed consolidated interim financial information of the subsidiary is prepared for the same reporting period as the Bank, using same accounting policies used by the Bank.

The subsidiary of the Bank as at 30 September 2020 is as follows:

Subsidiary name	Paid in Capital	Source of Funding	Ownership %	Company Main Activity	Operation location	Acquisition Date
	(JD)					
Misc for brokerage company	2,000,000	Self	100%	Brokerage	Amman	2011

Subsidiary operations results are consolidated in the condensed consolidated interim statement of profit or loss and comprehensive income from the acquisition date which is the date the Bank actually obtains control on the subsidiary. The subsidiary ceased operations result are consolidated in the condensed consolidated interim statement of profit or loss and comprehensive income, and continue to be consolidated until the date that such control ceases.

Non-controlling interests represent the portion of owners' equity not owned by the Bank in the subsidiary.

3-ACCOUNTING POLICIES

The accounting policies used in preparing the interim condensed consolidated financial information for the period ended on 30 September 2020 are consistent with those followed in preparing the consolidated financial statements for the year ended 31 December 2019, knowing that there are new accounting and auditing standards for Islamic financial institutions mentioned in Note (28), and it has no impact on the condensed interim financial information as of 30 September 2020.

(4) CASH AND BALANCES AT THE CENTRAL BANK

The details of this item are as follows:

	30 September 2020 (Reviewed)	31 December 2019 (Audited)
	JD	JD
Cash in vaults and ATMs	20,851,663	17,944,949
Balances at the Central Bank of Jordan:		
Current accounts	229,099,593	175,027,268
Statutory cash reserve*	61,291,176	85,844,335
Total	311,242,432	278,816,552

- Except for the statutory cash reserve, there are no other restricted cash accounts as at 30 September 2020 and 31 December 2019 .
- All balances at the Central Bank are classified as stage(1) in accordance with IFRS (9). There are no transfers between the (first, second and third) stages or written-off balances during the nine month period ended 30 September 2020. There is no need to record a provision for the expected credit losses for balances at the Central Bank of Jordan.

* The Central Bank of Jordan changed the procedure of statutory cash reserve calculation under a circular no.8772/5/10 on 20 July 2020 starting from August 2020 financial information

(5) INTERNATIONAL WAKALA INVESTMENTS - NET

The details of this item are as follows:

	Jointly financed	
	30 September 2020 (Reviewed)	31 December 2019 (Audited)
	JD	JD
Matures:		
Within a month	69,623,800	67,355,000
From a month to three months	11,695,420	3,533,829
From three to six months	3,459,501	-
Total International Wakala Investments	84,778,721	70,888,829
Less: Expected credit losses	(360,946)	(98,451)
Net International Wakala Investments	84,417,775	70,790,378

(6) DEFERRED SALES RECEIVABLES AND OTHER RECEIVABLES- NET

The details of this item are as follows:

	Jointly financed		Self financed		Total	
	30 September 2020 (Reviewed)	31 December 2019 (Audited)	30 September 2020 (Reviewed)	31 December 2019 (Audited)	30 September 2020 (Reviewed)	31 December 2019 (Audited)
	JD	JD	JD	JD	JD	JD
Individuals (retail)						
Murabaha to the purchase orderer	262,522,174	213,917,125	1,554,759	1,646,011	264,076,933	215,563,136
Ijara Muntahia Bittamleek - receivables	1,210,747	1,210,619	-	-	1,210,747	1,210,619
Other receivables	2,933,085	1,812,928	233,832	552,010	3,166,917	2,364,938
Real estate facilities	23,823,071	25,086,645	-	-	23,823,071	25,086,645
Ijara Muntahia Bittamleek - receivables	573,871	-	-	-	573,871	-
Corporate						
International Murabaha	7,094,439	57,398,162	-	-	7,094,439	57,398,162
Murabaha to the purchase orderer	386,056,079	355,026,771	-	-	386,056,079	355,026,771
Ijara Muntahia Bittamleek - receivables	2,029,188	2,172,973	-	-	2,029,188	2,172,973
Other receivables	-	-	1,320,710	213,687	1,320,710	213,687
Small and medium enterprises						
Murabaha to the purchase orderer	36,494,479	23,325,983	-	-	36,494,479	23,325,983
Ijara Muntahia Bittamleek - receivables	19,699	25,149	-	-	19,699	25,149
Other receivables	-	-	2,476,792	99,088	2,476,792	99,088
Government and the public sector	161,495,863	61,966,203	-	-	161,495,863	61,966,203
Total	884,252,695	741,942,558	5,586,093	2,510,796	889,838,788	744,453,354
Less: Deferred revenue	86,241,010	75,153,663	211,600	243,610	86,452,610	75,397,273
Suspended revenue	1,692,606	1,369,034	7,112	7,112	1,699,718	1,376,146
Provision for expected credit losses	33,307,584	26,018,123	308,401	273,543	33,615,985	26,291,666
Net deferred sales receivable and other receivables	763,011,495	639,401,738	5,058,980	1,986,531	768,070,475	641,388,269

- The non- performing deferred sales receivables , other receivables , facilities and Ijara Muntahia bittamleek receivables amounted to JD 21,410,138 as of 30 September 2020, representing 2.40% of deferred sales receivables, other receivables, facilities and Ijara Muntahia Bittamleek receivables (JD 21,310,579 as of 31 December 2019, representing 2.68% of deferred sales receivables, other receivables, facilities and Ijara Muntahia Bittamleek receivables).
- The non- performing deferred sales receivables , other receivables ,facilities and Ijara Muntahia Bittamleek receivables after deducting the suspended revenue amounted to JD 19,710,420 as of 30 September 2020, representing 2.22% of deferred sales receivable , other receivables ,facilities and Ijara Muntahia Bittamleek (JD 19,934,433 as of 31 December 2019, representing 2.51% of deferred sales receivable , other receivables ,facilities and Ijara Muntahia bittamleek).
- The impairment provision for the jointly financed facilities , which is calculated based on the Central Bank of Jordan's Instructions No.(47/2009) in the (watch list) portfolio amounted to JD 511,785 . Moreover, the provision calculated based on the "individual customer"(non-performing) amounted to JD 18,385,412 as of 30 September 2020 (JD 565,302 and JD 17,280,505 respectively as of 31 December 2019).
- The deferred sales receivables and other receivables and facilities granted to and guaranteed by the Government of the Hashemite Kingdom of Jordan amounted to JD 161,495,863 as of 30 September 2020 representing 18.15% of the balance of deferred sales receivables , other receivables and facilities (JD 61,966,203 as of 31 December 2019, representing 8.32% of the balance of deferred sales receivables , other receivables and facilities).

A- Self financed (deferred sales receivables, other receivables, and Qard Hasan)

- The movement on credit financing (after deducting suspended and deferred revenue):

Item	For the period ended 30 September 2020					
	Stage 1		Stage 2		Stage 3	Total
	Individual	Collective	Individual	Collective		
	JD	JD	JD	JD	JD	JD
Total balance at the beginning of the period	509,669	1,846,387	110,205	16,609	286,864	2,769,734
New facilities during the period	1,407,909	1,599,714	71,293	1,073,494	407,876	4,560,286
Settled facilities	(9)	(741,236)	(108,626)	(11,288)	(91,820)	(952,979)
Transfer to Stage 1	-	73	-	(73)	-	-
Transfer to Stage 2	-	(149)	-	184	(35)	-
Transfer to Stage 3	-	(6,546)	(1,580)	(4,862)	12,988	-
Changes resulting from modifications	-	-	-	-	-	-
Written off	-	-	-	-	-	-
Adjustments due to change in exchange rates	-	-	-	-	-	-
Total balance at the end of the period	1,917,569	2,698,243	71,292	1,074,064	615,873	6,377,041

- The movement on provision for expected credit losses on credit facilities - self financed is as follows :

Item	For the period ended 30 September 2020					
	Corporate	Small and medium enterprises	Individual (Retail)	Real estate loans	Government and the public sector	Total
	JD	JD	JD	JD	JD	JD
Balance at the beginning of the period	92,826	9,469	171,248	-	-	273,543
Impairment loss on new financing during the period	35,455	53,435	11,899	-	-	100,789
Recovered from impairment loss on settled facilities	(82,194)	(3,655)	(8,045)	-	-	(93,894)
Transfer to Stage 1	-	(3)	(133)	-	-	(136)
Transfer to Stage 2	(35)	2	(13)	-	-	(46)
Transfer to Stage 3	35	1	146	-	-	182
Effect on the provision - as at the end of the period - as a result of the change in classification between the three stages during the period	-	-	-	-	-	-
Changes resulting from modifications	4,003	17,405	35,348	-	-	56,756
Written off	-	-	-	-	-	-
Adjustments due to change in exchange rates	-	-	-	-	-	-
Total balance at the end of the period	50,090	76,654	210,450	-	-	337,194
Redistribution:						
Provisions on individual basis	50,090	76,622	204,813	-	-	331,525
Provisions on collective basis	-	32	5,637	-	-	5,669

B- Jointly financed

- The movement on credit financing (after deducting suspended and deferred revenue) :

For the period ended 30 September 2020

Item	Stage 1		Stage 2		Stage 3	Total
	Individual	Collective	Individual	Collective		
	JD	JD	JD	JD	JD	JD
Total balance at the beginning of the period	425,309,148	184,310,010	24,524,984	12,904,529	18,371,190	665,419,861
New facilities during the period	205,487,369	85,489,260	20,948,708	5,046,497	681,635	317,653,469
Settled facilities	(147,538,056)	(30,568,195)	(5,920,365)	(2,073,301)	(654,334)	(186,754,251)
Transfer to Stage 1	6,874,783	4,081,667	(6,874,783)	(4,045,069)	(36,598)	-
Transfer to Stage 2	(23,759,716)	(5,208,701)	24,138,636	5,853,818	(1,024,037)	-
Transfer to Stage 3	-	(764,270)	(886,702)	(666,209)	2,317,181	-
Changes resulting from modifications	-	-	-	-	-	-
Written off	-	-	-	-	-	-
Adjustments due to change in exchange rates	-	-	-	-	-	-
Total balance at the end of the period	466,373,528	237,339,771	55,930,478	17,020,265	19,655,037	796,319,079

- The movement on provision for expected credit losses on credit facilities / jointly financed is as follows :

For the period ended 30 September 2020

Item	Corporate	Small and medium enterprises	Individual	Real estate loans	Government and the public sector	Total
	JD	JD	JD	JD	JD	JD
Balance at the beginning of the period	18,687,778	360,866	3,886,482	3,082,997	-	26,018,123
Loss on new financing during the period	1,612,847	32,170	254,898	32,179	-	1,932,094
Recovered from impairment loss on settled facilities	(1,970,611)	(5,110)	(41,368)	(836,987)	-	(2,854,076)
Transfer to Stage 1	(45,785)	(303)	89,601	3,212	-	46,725
Transfer to Stage 2	(624,490)	21,829	216,100	(3,212)	-	(389,773)
Transfer to Stage 3	670,275	(21,526)	(305,701)	-	-	343,048
Effect on the provision - as at the end of the period - as a result of the change in classification between the three stages during the period	-	-	-	-	-	-
Changes resulting from modifications	4,734,041	150,581	1,056,076	2,270,745	-	8,211,443
Written off	-	-	-	-	-	-
Adjustments due to change in exchange rates	-	-	-	-	-	-
Total balance at the end of the period	23,064,055	538,507	5,156,088	4,548,934	-	33,307,584

Redistribution:

Provisions on individual basis	23,064,055	464,266	4,704,234	4,548,910	-	32,781,465
Provisions on collective basis	-	74,241	451,854	24	-	526,119

Suspended revenue :

The movement on suspended revenue is as follows:

	Jointly financed							
	For the period ended 30 September 2020 (Reviewed)				For the year ended 31 December 2019 (Audited)			
	Individual (Retail)	Corporate	Small and medium enterprises	Total	Individual (Retail)	Corporate	Small and medium enterprises	Total
	JD	JD	JD	JD	JD	JD	JD	JD
Balance at the beginning of the period / year	455,873	896,626	16,535	1,369,034	229,935	828,440	3,545	1,061,920
Add: suspended revenue during the period / year	353,125	72,107	17,167	442,399	329,077	181,324	16,581	526,982
Less: suspended revenue transferred to revenue	59,362	54,911	4,554	118,827	103,139	113,138	3,591	219,868
Balance at the end of the period / year	749,636	913,822	29,148	1,692,606	455,873	896,626	16,535	1,369,034

	Self financed	
	For the period ended 30 September 2020 (Reviewed)	For the Year ended 31 December 2019 (Audited)
	Corporate	
	JD	JD
Balance at the beginning of the period / year	7,112	7,112
Add: suspended revenue during the period / year	-	-
Less: suspended revenue transferred to revenue	-	-
Less: Written off suspended revenue	-	-
Balance at the end of the year	7,112	7,112

(7) FINANCIAL ASSETS AT FAIR VALUE THROUGH UNRESTRICTED INVESTMENT ACCOUNTS HOLDERS' EQUITY - NET

The details of this item are as follows:

	Jointly financed	
	30 September (Reviewed) 2020	31 December (Audited) 2019
	JD	JD
Quoted Financial Assets :		
Corporate Shares	273,603	276,524
Islamic Sukuk	55,442,045	27,022,906
Total Quoted Financial Assets	55,715,648	27,299,430
Unquoted Financial Assets		
Corporate Shares	2,155,201	1,671,840
Islamic Sukuk	3,096,300	4,128,400
Total Unquoted Financial Assets	5,251,501	5,800,240
Total Financial Assets At Fair Value through Unrestricted Investment Accounts		
Holders' Equity	60,967,149	33,099,670
<u>Less:</u> Expected Credit Losses provision of financial assets	(390,905)	(242,704)
Net Financial Assets At Fair Value through Unrestricted Investment Accounts		
Holders' Equity	60,576,244	32,856,966

(8) IJARA MUNTAHIA BITTAMLEEK ASSETS - NET

The details of this item are as follows:

	Jointly financed			Self financed			Total		
	Cost	Accumulated Depreciation	Net Value	Cost	Accumulated Depreciation	Net Value	Cost	Accumulated Depreciation	Net Value
	JD	JD	JD	JD	JD	JD	JD	JD	JD
30 September 2020(Reviewed)									
Ijara Muntahia Bittamleek assets-Real Estate	453,069,851	(82,081,320)	370,988,531	5,794,910	(1,155,888)	4,639,022	458,864,761	(83,237,208)	375,627,553
Ijara Muntahia Bittamleek assets-Machines	61,832,190	(17,345,438)	44,486,752	-	-	-	61,832,190	(17,345,438)	44,486,752
Total	514,902,041	(99,426,758)	415,475,283	5,794,910	(1,155,888)	4,639,022	520,696,951	(100,582,646)	420,114,305

	Jointly financed			Self financed			Total		
	Cost	Accumulated Depreciation	Net Value	Cost	Accumulated Depreciation	Net Value	Cost	Accumulated Depreciation	Net Value
	JD	JD	JD	JD	JD	JD	JD	JD	JD
31 December 2019 (Audited)									
Ijara Muntahia Bittamleek assets-Real Estate	403,436,655	(75,113,613)	328,323,042	5,812,053	(1,618,307)	4,193,746	409,248,708	(76,731,920)	332,516,788
Ijara Muntahia Bittamleek assets-Machines	60,449,756	(10,106,253)	50,343,503	-	-	-	60,449,756	(10,106,253)	50,343,503
Total	463,886,411	(85,219,866)	378,666,545	5,812,053	(1,618,307)	4,193,746	469,698,464	(86,838,173)	382,860,291

-The accrued Ijara installments amounted to JD 3.833.505 as of 30 September 2020 (JD 3,408,741 as of 31 December 2019). Moreover, the accrued Ijara installments were presented under deferred sales receivables and other receivables-Net (Note6).

-The non-performing Ijara Muntahia Bittamleek amounted to JD 5.819.239 as of 30 September 2020, representing 1.39% of the balance of Ijara Muntahia Bittamleek assets (JD 6,532,498 as at 31 December 2019, representing 1.71% of the balance of Ijara Muntahia Bittamleek assets).

(9) OTHER ASSETS

The details of this item are as follows:

	30 September	31 December
	2020 (Reviewed)	2019 (Audited)
	JD	JD
Checks under collection	324,310	45,689
Assets seized by the Bank against debts-Net*	6,272,705	5,997,165
Prepaid expenses	929,503	820,054
Deposit Insurance Corporation fees/Prepaid	640,864	-
Accrued revenue	1,444,209	1,463,656
Stationery and printing inventory	201,900	242,765
Withholding income tax	23,503	123,643
Petty cash and advances	79,113	68,716
Other accounts receivable	602,498	653,405
Others	775,139	396,144
Total	11,293,744	9,811,237

* The movement of the assets seized by the Bank against debts was as follows:

	For the Period ended 30 September 2020 (Reviewed)		For the year ended 31 December 2019 (Audited)	
	Seized real estates -self financed	Seized real estates- jointly financed	Total	Total
	JD	JD	JD	JD
Balance at the beginning of the period / year	644,199	5,798,098	6,442,297	5,325,605
Additions	-	454,373	454,373	1,719,192
Deductions	(14,358)	(164,475)	(178,833)	(602,500)
Total	629,841	6,087,996	6,717,837	6,442,297
Provision of assets seized (CBJ Instructions) /impairment of real estate	(343,441)	(101,691)	(445,132)	(445,132)
Net balance at the end of the period / year	286,400	5,986,305	6,272,705	5,997,165

- The Central Bank of Jordan's regulations require disposal of assets seized during a maximum period of 2 years from the date of repossession, and in some exceptional cases the Central Bank of Jordan can extend the period for additional 2 years.
- The provision for seized assets was recorded against debts that violate Article (48) of the Banks Law No.(28) for the year 2000 and its amendments. Moreover, the provision for assets seized against debts amounts to JD 213,424 as of 30 September 2020 (JD 213,424 as 31 December 2019)

(10) INCOME TAX

A- Income tax provision

	For the period ended 30 September 2020 (Reviewed)	For the year ended 31 December 2019 (Audited)
	JD	JD
Beginning balance for the period/year	6,936,284	4,031,024
Accrued income tax	7,167,785	8,123,241
<u>Add:</u> Previous years reconciliations	(105,240)	(288,834)
<u>Less:</u> Income tax paid for previous years	(6,790,523)	(3,602,326)
<u>Less:</u> Income tax paid for the period/year	(1,460,824)	(1,326,821)
Ending balance for the period/year	5,747,482	6,936,284

B- The income tax expense presented in the Condensed Consolidated Interim Statement of Profit or Loss and Comprehensive Income consists of the following:

	For the period ended 30 September	
	2020 (Reviewed)	2019 (Reviewed)
	JD	JD
Income tax expense for the period	(7,167,785)	(5,389,063)
Add: release deferred tax assets- self financed	(6,531)	-
Less: Deferred tax assets- self financed	163,542	(570,000)
Less: deferred tax assets- jointly financed	2,630,755	-
Settlement of prior years tax provision (note 13)	402,545	-
Total	(3,977,474)	(5,959,063)

*Percentage of 35% was used to calculate the income tax provision for the year 2019, according to the Income and Sales Tax Law No. 38 of 2018 in addition to the percentage of 3% as national contribution.

Tax status:

The Bank :

Final clearances were obtained from the Income and Sales Tax Department until the end of 2017

The tax returns for the years 2018 and 2019 were submitted within the legal time limit and were not reviewed by the Income and Sales Tax Department until the date of the condensed consolidated interim financial information.

The Subsidiary :

Misk Financial Brokerage Company: Tax clearance was obtained from the Income and Sales Tax Department until the end of the year 2018, and

the company also submitted tax returns for the year 2019 and they have not yet been audited by the Income and Sales Tax Department.

In the opinion of the bank's management and the tax advisor, the provisions taken in the condensed consolidated interim financial information are sufficient for the purposes of tax obligations.

C- Deferred tax assets

The details of this item are as follows:

	For the period ended 30 September 2020 (Reviewed)				31 December 2019 (Audited)	
	Beginning Balance for the period	Released Amounts	Additional Amounts	Ending Balance for the period	Deferred tax	Deferred tax
	JD	JD	JD	JD	JD	JD
Deferred tax assets - self financed						
Provision for lawsuits against the bank	60,785	17,188	-	43,597	16,567	23,098
Provision for impairment of assets seized assets against debts (CBJ instructions/Real estate impairment)	343,441	-	-	343,441	130,508	130,508
Provision for credit losses for the first and second stages - self	130,486	-	30,374	160,860	61,127	49,585
Difference in the application of IFRS 16 - Leases	252,645	-	-	252,645	96,005	96,005
Provision for contingent liabilities	361,000	-	400,000	761,000	289,180	137,180
Total self deferred tax assets	1,148,357	17,188	430,374	1,561,543	593,387	436,376
Deferred tax assets - jointly financed						
Provision for credit losses for the first and second stages - jointly financed	3,223,195	-	6,923,040	10,146,235	3,855,569	1,224,814
Total jointly deferred tax assets	3,223,195	-	6,923,040	10,146,235	3,855,569	1,224,814
Total	4,371,552	-	7,353,414	11,707,778	4,448,956	1,661,190

Percentage of 38% was used to calculate deferred taxes for the year, according to the Income Tax Law 38 of 2018, whereby deferred taxes are calculated according to the rates approved or expected for future periods.

-The movement on self-financed deferred tax assets is as follows:

	For the period ended 30 September 2020 (Reviewed)	For the year ended 31 December 2019 (Audited)
	JD	JD
Balance at the beginning of the period/year	436,376	723,606
Additions during the period/year	163,542	282,770
Amortized during the period/year	(6,531)	(570,000)
Balance at the End of the period/year	593,387	436,376

The movement on Jointly-financed deferred tax assets is as follows:

	For the period ended 30 September 2020 (Reviewed)	For the year ended 31 December 2019 (Audited)
	JD	JD
Balance at the beginning of the period/year	1,224,814	-
Additions during the period/year	2,630,755	1,224,814
Balance at the End of the period/year	3,855,569	1,224,814

(11) OTHER LIABILITIES

	30 September 2020	December 31 2020
	(Reviewed)	(Audited)
	JD	JD
Accrued expenses	1,382,261	338,578
Certified cheques	7,059,702	2,608,186
Expected credit losses on off - balance sheet items-self financed*	193,609	194,295
Expected credit losses on off balance sheet items - Jointly financed**	674,866	347,075
Shareholders and customers deposits	6,091,835	6,404,845
Customers' share of profits from unrestricted investment	11,694,745	14,733,505
Temporary deposits	11,558,404	15,189,860
Transactions in transit	267,316	-
Visa Claims	1,433,205	998,183
Others	69,941	318,624
Total	40,425,884	41,133,151

* Expected credit loss on off-balance sheet items-Self financed.

- Movement on the provision for expected credit losses (indirect facilities /self financed) for the period ended 30 September 2020 is as follows :

Item	Stage 1		Stage 2		Stage 3	Total
	Individual	Collective	Individual	Collective		
	JD	JD	JD	JD	JD	JD
Total balance at the beginning of the period	76,140,579	-	4,406,672	-	50,000	80,597,251
New exposures during the period	17,552,413	-	216,184	-	-	17,768,597
Accrued exposures	(37,300,042)	-	(2,645,748)	-	(1,394,987)	(41,340,777)
Transfer to Stage 1	80,500	-	(80,500)	-	-	-
Transfer to Stage 2	(2,243,181)	-	2,243,181	-	-	-
Transfer to Stage 3	(5,000)	-	(1,659,796)	-	1,664,796	-
Written off	-	-	-	-	-	-
Adjustments due to change in exchange rates	-	-	-	-	-	-
Total balance at the end of the period	54,225,269	-	2,479,993	-	319,809	57,025,071

- Movement on the provision for expected credit losses (indirect facilities /self financed) for the period ended 30 September 2020 is as follows :

Item	Stage 1		Stage 2		Stage 3	Total
	Individual	Collective	Individual	Collective		
	JD	JD	JD	JD	JD	JD
Balance at the beginning of the period	141,664	-	52,631	-	-	194,295
Impairment loss on new exposures during the period	44,886	-	1,450	-	-	46,336
Recovered from impairment loss on accrued exposure	(60,566)	-	(3,580)	-	-	(64,146)
Transfer to Stage 1	420	-	(420)	-	-	-
Transfer to Stage 2	(3,021)	-	3,021	-	-	-
Transfer to Stage 3	(7)	-	(36,105)	-	36,112	-
Changes due to modifications	48,334	-	4,902	-	(36,112)	17,124
Written off	-	-	-	-	-	-
Adjustments due to change in exchange rates	-	-	-	-	-	-
Total balance at the end of the period	171,717	-	21,899	-	-	193,609

**** Expected credit losses on off balance sheet items - jointly financed**

- Movement on indirect facilities for the period ended 30 September 2020 :

Item	Stage 1		Stage 2		Stage 3	Total
	Individual	Collective	Individual	Collective		
	JD	JD	JD	JD	JD	JD
Balance at the beginning of the period	91,779,315	-	2,264,561	-	-	94,043,876
New exposures during the period	65,620,359	-	622,142	-	-	66,242,501
Accrued exposures	(31,242,188)	-	(5,424,317)	-	-	(36,666,505)
Transfer to Stage 1	39,301	-	(39,301)	-	-	-
Transfer to Stage 2	(4,404,366)	-	4,404,366	-	-	-
Transfer to Stage 3	-	-	-	-	-	-
Changes resulting from modifications	-	-	-	-	-	-
Written off	-	-	-	-	-	-
Adjustments due to change in exchange rates	-	-	-	-	-	-
Total balance at the end of the period	121,792,421	-	1,827,451	-	-	123,619,872

- Movement on the provision for expected credit losses (indirect facilities /jointly financed) for the period ended 30 September 2020:

Item	Stage 1		Stage 2		Stage 3	Total
	Individual	Collective	Individual	Collective		
	JD	JD	JD	JD	JD	JD
Balance at the beginning of the period	293,610	-	53,465	-	-	347,075
Impairment loss on new exposures during the period	120,613	-	8,785	-	-	129,398
Recovered from impairment loss on accrued exposure	(41,125)	-	(52,076)	-	-	(93,201)
Transfer to Stage 1	936	-	(936)	-	-	-
Transfer to Stage 2	(19,267)	-	19,267	-	-	-
Transfer to Stage 3	-	-	-	-	-	-
Effect on the provision - as at the end of the period - as a result of the change in classification	-	-	-	-	-	-
Changes resulting from modifications	276,742	-	14,852	-	-	291,594
Written off	-	-	-	-	-	-
Adjustments due to change in exchange rates	-	-	-	-	-	-
Total balance at the end of the period	631,509	-	43,357	-	-	674,866

(12) UNRESTRICTED INVESTMENT ACCOUNTS

The details of this item are as follows:

30 September 2020 (Reviewed)						
	Individual	Corporate	Small and medium enterprises	Governmental and Public sector	Banks and Financial Institutions	Total
	JD	JD	JD	JD	JD	JD
Saving accounts	110,005,717	25,257,264	7,975,177	1,625,039	17,566,515	162,429,712
Term accounts/ Investing deposits	692,326,521	142,992,838	86,189,887	80,324,034	5,707,709	1,007,540,989
Certificates of investing deposit	79,001,129	5,509,455	9,287,171	15,537,260	14,731,471	124,066,486
Total	881,333,367	173,759,557	103,452,235	97,486,333	38,005,695	1,294,037,187
Depositors' share from investments' revenue	19,226,977	3,595,806	2,344,064	2,390,777	990,303	28,547,927
Total unrestricted investment accounts	900,560,344	177,355,363	105,796,299	99,877,110	38,995,998	1,322,585,114

31 December 2019 (Audited)						
	Individual	Corporate	Small and medium enterprises	Governmental and Public sector	Banks and Financial Institutions	Total
	JD	JD	JD	JD	JD	JD
Saving accounts	90,241,581	12,514,914	6,868,544	2,024,827	11,865,679	123,515,545
Term accounts/ Investing deposits	584,246,881	133,560,457	72,142,964	49,897,079	21,767,298	861,614,679
Certificates of investing deposit	66,269,266	7,031,340	6,869,161	13,547,675	19,745,256	113,462,698
Total	740,757,728	153,106,711	85,880,669	65,469,581	53,378,233	1,098,592,922
Depositors' share from investments' revenue	24,671,221	5,241,956	2,961,115	2,381,700	1,167,429	36,423,421
Total unrestricted investment accounts	765,428,949	158,348,667	88,841,784	67,851,281	54,545,662	1,135,016,343

Unrestricted investment accounts share of profit is calculated as follows:

- 20% to 34% of the minimum balance of saving accounts in Jordanian Dinar.
- 14% to 33% of the minimum balance of saving accounts in foreign currencies.
- 56% to 90% of the average term accounts in Jordanian Dinar.
- 18% to 47% of the average term accounts in foreign currencies.
- 90% of the average balances of investing certificates of deposit in Jordanian Dinar.
- 80% to 85% of average balances of certificates of investing deposit in foreign currencies .
- The percentage of the profit on the Jordanian Dinar for the period ended 30 September 2020 is 3.36% (for the same period prior year a percentage of 3.79%).
- The percentage of the profit on USD for the period ended 30 September 2020 is 1.53% (for the same period prior year a percentage of 2.35%).
- The unrestricted investment accounts for the Government and Public sector amounted to JD101,877,110 as of 30 September 2020 , which represents 7.70% of the total unrestricted investment accounts (As of 31 December 2019 amounted to JD 67,851,281 which represents 5.98% of the total unrestricted investment accounts).
- The restricted accounts amounted to JD 117,753 as of 30 September 2020, which represents 0.013% of the total unrestricted investment (As of 31 December 2019 amounted to JD 632,148 which represent 0.06% of the total unrestricted investment).
- The dormant accounts as of 30 September 2020 amounted to JD 15,088,214 (As of 31 December 2019 amounted to JD 11,028,352)

(13) Income tax provision for investment risk fund :

	For the period ended 30 September 2020 (Reviewed)	For the year ended 31 December 2019 (Audited)
	JD	JD
Balance at the beginning of the period/year	787,149	2,052,566
Income tax on transferred revenue from investment accounts	-	641,007
Less: Income tax paid	(384,604)	(1,906,424)
Accrued income tax on revenue transferred from investment	(402,545)	-
Balance at the end of the period/ year	-	787,149

(14) DEFERRED SALES REVENUE

The details of this item are as follows:

	For the nine month period ended 30 September			
	2020 (Reviewed)		2019 (Audited)	
	Jointly financed	Self financed	Jointly financed	Self financed
	JD	JD	JD	JD
Individuals(Retail)				
Murabaha to the purchase orderer	14,040,570	76,958	10,801,845	70,853
Real estate facilities	1,139,740	-	1,473,732	-
Corporate				
International Murabaha	283,176	-	454,353	-
Murabaha to the purchase orderer	18,521,181	-	14,731,301	-
Small and medium enterprises				
Murabaha to the purchase orderer	1,208,384	-	1,157,114	-
Total	35,193,051	76,958	28,618,345	70,853

(15) GAINS FROM FINANCIAL ASSETS AT FAIR VALUE THROUGH UNRESTRICTED INVESTMENT ACCOUNTS' HOLDERS EQUITY

The details of this item are as follows:

	Jointly financed	
	For the nine month period ended	
	September 30	
	2020 (Reviewed)	2019 (Reviewed)
	JD	JD
Shares dividends	19,969	3,967
(Loss) on sale of financial assets	(64,107)	(8,066)
Islamic Sukuk profits	1,381,777	1,000,618
Total	1,337,639	996,519

(16) GAINS FROM FINANCIAL ASSETS AT FAIR VALUE THROUGH STATEMENT OF PROFIT OR LOSS

The details of this item are as follows:

	Jointly financed					
	For the nine month period ended 30 September					
	2020 (Reviewed)			2019 (Reviewed)		
	Realized gains	Unrealized gains	Total	Realized gains	Unrealized gains	Total
	JD	JD	JD	JD	JD	JD
Islamic Sukuk	63,742	20,650	84,392	101,730	(535)	101,195
Total	63,742	20,650	84,392	101,730	(535)	101,195

(17) BANK'S SELF FINANCED REVENUE

The details of this item are as follows:

For the nine month period ended 30 September			
	Note	2020 (Reviewed)	2019 (Reviewed)
		JD	JD
Ijara Muntahia Bittamleek revenue		427,296	529,814
Deferred sales revenue	14	76,958	70,853
Cash dividends - financial assets at fair value through shareholders' equity-self financed		-	37,500
Total		504,254	638,167

(18) EARNINGS PER SHARE

The details of this item are as follows:

For the nine month period ended 30 September			
		2020 (Reviewed)	2019 (Reviewed)
		JD	JD
Profit for the period		7,584,112	7,070,139
Weighted average number of shares (Share)		100,000,000	100,000,000
		JD/Fils	JD/Fils
Basic and diluted earnings per share for the period		0/076	0/071

(19) CASH AND CASH EQUIVALENTS

The details of this item are as follows:

For the nine month period ended 30 September			
		2020 (Reviewed)	2019 (Reviewed)
		JD	JD
Cash balances with CBJ maturing within three months		311,242,432	239,060,033
<u>Add:</u> cash at banks and banking institutions maturing within three months		10,716,102	7,429,447
<u>Less:</u> banks and financial banking accounts maturing within three months		(17,625,370)	(1,045,371)
Total		304,333,164	245,444,109

(20) RELATED PARTY TRANSACTIONS

The Bank entered into transactions with shareholders, board members, and senior management within its normal operations using normal rates of Murabaha and trade commissions. All deferred sales receivables and facilities granted to related parties are performing, and no provisions were taken for these balances. The related parties' transactions are as follows :

	Main shareholders	Senior management	Board of Directors members	Al-Etihad Islamic company for investment*	Shari'a Supervisory Board members	30 September 2020 (Reviewed)	31 December 2019 (Audited)
	JD	JD	JD	JD	JD	JD	JD
<u>Condensed Consolidated interim statements of financial position items</u>							
Balances at banks and banking institutions	-	-	-	202,964	-	202,964	239,076
Unrestricted investments accounts and current accounts	16,751	218,738	15,627,553	20,420,155	33,704	36,316,901	39,342,046
Deferred sales receivables and facilities	-	385,026	4,452	-	-	389,478	513,461
Ijara Muntahia Bittamleek assets	-	1,637,453	493,254	-	-	2,130,707	1,854,090

Condensed Consolidated interim statement of profit or loss

	For The Nine Month Period Ended 30						
	September						
	2020 (Reviewed)		2019 (Audited)				
Dividends	74	3,197	510,436	364,611	102	878,420	815,702
Salaries and bonuses	-	1,326,322	41,251	-	37,161	1,404,734	1,325,482
Transportation	-	-	332,900	-	16,500	349,400	362,400

*Al Etihad Islamic For Investment Company owns 62.37% of Safwa Islamic Bank .

-The lowest and highest received Murabaha rate were 3.93% and 6.39% respectively.

.The lowest and highest rate of Ijara Muntahia Bittamleek received by the Bank were 3.66% and 8% respectively-

.The lowest and highest distributed profit rate were . 70% and 3.90% respectively.

.Executive management salaries and benefits for the nine month period ended 30 September 2020 amounted to JD 1,326,322 (JD 1,244,932 for the nine month period ended 30 September 2019).

(21) Right of use assets / lease liabilities

The details of this item are as follows:

A- Right of use assets

The Bank rents real estate and stores for periods ranging from one to 15 years, the average lease term is 7 years, the following is the movement on the right of use assets during the year:

	For the period ended 30 September 2020 (Reviewed)	For the year ended 31 December 2019 (Audited)
	JD	JD
Balance at the beginning of the period/year	9,702,044	8,728,457
Add : additions during the period/ year	452,271	2,306,931
Less : disposals for the period/year	(10,590)	-
Less : depreciation for the period/year	(1,132,160)	(1,333,344)
Ending balance of the period/year	9,011,565	9,702,044

The amounts recorded in the consolidated statement of profit or loss and comprehensive income are as follows :

	For the nine month period ended 30 September 2020 (Reviewed)	2019 (Reviewed)
	JD	JD
Depreciation of the right of use assets for the period	(1,132,160)	(985,718)
Finance costs (deduction of rent obligations) during the period	(239,586)	(215,923)

B- Lease obligations

	For the period ended 30 September 2020 (Reviewed)	For the year ended 31 December 2019 (Audited)
	JD	JD
Balance at the beginning of the period/year	9,368,215	8,356,071
Add : Additions during the period/year	452,271	2,306,931
Less : Disposals for the period/year	(10,590)	-
Finance costs (deduction of rent obligations) during the period/year	239,586	295,305
Less : paid during the period/year	(1,472,571)	(1,590,092)
Ending balance of the period/year	8,576,911	9,368,215

(22) SEGMENT INFORMATION

A. Information on the Bank's Activities

The Bank is structured for administrative purposes whereby sectors are measured according to the reports used by the executive director and main decision maker at the Bank through three major business sectors

Individuals Accounts:

This sector follows up on the unrestricted investment accounts, deferred sales receivables, facilities, and other services related to individuals.

Corporate Accounts:

This sector includes unrestricted investment accounts, deferred sales receivables, facilities, and other banking services

Treasury:

This sector includes the services of brokerage, treasury and management of the Bank's funds.

Information on the Bank's segments according to activities is shown as follows:

	Individuals	Corporate	Treasury	Other	For the nine month period ended 30	
					September	
					2020 (Reviewed)	2019 (Reviewed)
	JD	JD	JD	JD	JD	JD
Total revenue (joint and self financed)	17,374,906	16,567,929	4,768,551	156,031	38,867,417	36,843,928
Investment risks fund share of unrestricted investment accounts' holders	-	-	-	-	-	(2,416,902)
Expected credit losses (joint and self financed)	(2,774,745)	(4,736,979)	(579,189)	-	(8,090,913)	(2,470,320)
Results of segment's operations	14,600,161	11,830,950	4,189,362	156,031	30,776,504	31,956,706
Distributed expenses	(1,786,624)	(883,441)	(423,773)	-	(3,093,838)	(3,068,625)
Undistributed expenses	-	-	-	(16,121,080)	(16,121,080)	(15,844,347)
Profit for the year before tax	12,813,537	10,947,509	3,765,589	(15,965,049)	11,561,586	13,043,734
Income tax expense for the period	-	-	-	(3,977,474)	(3,977,474)	(5,973,595)
Profit for the period	12,813,537	10,947,509	3,765,589	(19,942,523)	7,584,112	7,070,139

	Individuals	Corporate	Treasury	Other	30 September	31 December 2019
					2020 (Reviewed)	(Audited)
					JD	JD
Segments' assets	531,442,519	648,300,112	249,848,139	-	1,429,590,770	1,223,210,158
Undistributed assets	-	-	-	370,421,617	370,421,617	333,710,425
Total assets	531,442,519	648,300,112	249,848,139	370,421,617	1,800,012,387	1,556,920,583
Segments' liabilities and total equity of unrestricted investment accounts holders	1,183,812,211	211,353,650	200,691,479	-	1,595,857,340	1,355,115,788
Undistributed liabilities	-	-	-	52,120,667	52,120,667	57,354,527
Total liabilities and equity of unrestricted investment accounts holders	1,183,812,211	211,353,650	200,691,479	52,120,667	1,647,978,007	1,412,470,315

	For the nine month period ended 30	
	September	
	2020 (Reviewed)	2019 (Reviewed)
	JD	JD
Capital expenditure	1,618,143	1,995,750
Depreciation and amortization	2,380,333	2,234,724

Geographical Distribution Information

The following disclosure represents the geographical distribution. The Bank performs its operations mainly inside the Kingdom.

Distribution of the Bank's revenue, assets and capital expenditure according to geographical area is as follows:

	30 September 2020 (Reviewed)			31 December 2019 (Audited)		
	Inside Jordan	Outside Jordan	Total	Inside Jordan	Outside Jordan	Total
	JD	JD	JD	JD	JD	JD
Total assets	1,641,380,039	158,632,348	1,800,012,387	1,396,956,121	159,964,462	1,556,920,583

	For the nine month period ended 30 September 2020 (Reviewed)			For the nine month period ended 30 September 2019 (Reviewed)		
	Inside Jordan	Outside Jordan	Total	Inside Jordan	Outside Jordan	Total
	JD	JD	JD	JD	JD	JD
Capital expenditure	1,618,143	-	1,618,143	1,995,750	-	1,995,750
Total revenue	36,555,746	2,311,671	38,867,417	33,867,699	2,976,229	36,843,928

(23) CAPITAL MANAGEMENT

The Bank's management takes into consideration the Central Bank of Jordan's requirements which require the Bank to have sufficient self-financed resources to cover a certain percentage of its risk-weighted assets based on the nature of the finance granted and direct investment made. Accordingly, the capital considered as per the Central Bank of Jordan's requirements is the regulatory capital (both basic and additional capital).

Capital management aims to invest the Bank's fund in various risk-weighted investments (low and high risk) to ensure that the Bank obtains a better rate of return and to maintain a capital adequacy of 12% as required by the Central Bank of Jordan.

The capital adequacy ratio is calculated as of 30 September 2020 according to the instructions of the regulatory capital No. (2018/72) issued by the Central Bank of Jordan in accordance with the revised standard No. (15) issued by the Islamic Financial Services Council (IFSB) in support of the provisions of Article (99) / B from the Banking Law.

The following is the capital adequacy ratio in thousands of dinars:

	30 September 2020 (Reviewed)	31 December 2019 (Audited)
	JD	JD
Basic capital items	146,458	139,687
Authorized and Paid in capital	100,000	100,000
Authorized and Paid in capital	18,548	18,548
Retained earnings	-	-
Statutory reserve	25,902	25,902
Banks share from full fair value reserve in mixed funds	(164)	22
Interim profits after deducting expected dividends amount and tax	7,584	-
Intangible assets	(1,863)	(2,043)
Deferred tax assets	(593)	(436)
Bank's share from deferred tax assets in mixed funds	(1,674)	(564)
Investments in capital accounts of financial companies, banks, takaful companies below 10%	(1,282)	(1,742)
Additional capital	2,153	1,281
Self financed general banking risks reserve and the bank's share from the General banking risks reserve (joint) (not to exceed 1.25%) of financial assets weighted by credit risks	2,176	1,318
Total regulatory capital	148,611	140,968
Total risk weighted assets	756,001	701,418
Capital adequacy ratio	%19.66	%20.10
Basic capital ratio (%)	%19.37	%19.91
First slide ratio Tier 1 (/)	%19.37	%19.91
Second slide ratio Tier 2	%0.28	%0.18
Leverage ratio	%17.19	%17.79

(24) CONTINGENT LIABILITIES (OFF BALANCE SHEET)**A- Contingent credit and commitments/self financed***

	30 September 2020 (Reviewed)	31 December 2019 (Audited)
	JD	JD
Letters of credit	10,252,329	37,195,214
Acceptances	8,195,172	7,873,755
Letters of guarantees:		
Payment	7,445,486	7,763,186
Performance	11,632,304	10,847,499
Others	19,499,780	16,917,597
Total	57,025,071	80,597,251

B- Contingent credit and commitments/jointly financed

Direct unutilized credit limits	123,619,872	94,043,876
Total	180,644,943	174,641,127

*Indirect unutilized credit limits / self financed amounted to JD (14,477,771) as of 30 September 2020 .

- The expected credit losses calculated on contingencies and liabilities / according to the instructions for applying the International Financial Reporting Standard (9) amounted to 193,609 as of 30 September 2020 and appeared under other liabilities (Note 11).
- The expected credit losses recorded against contingent credit commitments/self financed amounted under the implementation instructions of IFRS9 amounted to JD 674,866 as of 30 September 2020 and recorded in the other liabilities (Note 11).

(25) LAWSUITS AGAINST THE BANK

The Bank is a defendant in a number of lawsuits, which amounted to JD 414.453 as of 30 September 2020 (JD 410,635 as at 31 December 2019) and that is within the bank's normal activity. In the opinion of the Bank's Management and its legal advisor, the related provision of JD 43.597 is sufficient to meet the obligations that the Bank may incur as a result of cases.

(26) COMPARATIVE FIGURES

Some of the comparative figures for the year 2019 balances in the consolidated financial statements were reclassified to correspond with the condensed consolidated interim financial information for the period ended 30 September 2020 . The reclassification did not result in any impact on profit and shareholders' equity s for the year 2019 as follows:

Items within the Statement of Profit or Loss

	After reclassification 30 September 2019 (Reviewed)	Before reclassification 30 September 2019 (Reviewed)
	JD	JD
Joint investment account guarantee fees	(529,588)	-
Share of joint investment account holders	(16,345,361)	(16,557,196)
Deposit guarantee fees - self	(408,117)	-
Other expenses	(4,988,975)	(5,397,092)

Capital Management*

	After reclassification 31 December 2019 (Audited)	Before reclassification 31 December 2019 (Audited)
	JD"000	JD"000
Total regulatory capital	140,968	135,737
Capital adequacy ratio %	%20.10	%19.36
Leverage ratio(%)	%18.48	%17.79

*According to the Central Bank of Jordan Circular No. 4693/1/1 dated 9 April 2020 to banks operating in Jordan, to hedge against the negative effects of the Corona virus , it has been decided to postpone the distribution by authorized banks of dividends relating to year 2019 to shareholders , and accordingly, the recorded amount has been released.

(27) FAIR VALUE HIERARCHY

The standard requires the identification and disclosure of a level in the fair value hierarchy in which fair value measurements are categorized in full, and the fair value measurements are classified according to the levels specified in IFRS. The difference between level (2) and level (3) for fair value measurements means assessing whether information or inputs are observable and the importance of information that is not observable. This requires careful judgment and analysis of the inputs used to measure fair value including consideration of all factors affecting the asset or liability.

A. Fair value of financial assets and financial liabilities that are measured at fair value on a recurring basis:

Some of the financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table provides information about how the fair value of these financial assets and financial liabilities is determined (valuation techniques and key inputs).

Financial Assets/Financial Liabilities	Fair value as of		Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable	Relationship of unobservable inputs to fair value
	30 September 2020 (Reviewed)	31 December 2019 (Audited)				
	JD	JD				
Financial assets at fair value through statement of profit or loss						
Assets valued at added value through equity of joint investment accounts	1,440,849	3,536,138	Level 1	Quoted rates in financial markets	Not applicable	Not applicable
Financial assets at fair value through 'unrestricted investment accounts holders equity						
Quoted shares	273,603	276,524	Level 1	Quoted rates in financial markets	Not applicable	Not applicable
Quoted sukuk	55,442,045	27,022,906	Level 1	Quoted rates in financial markets	Not applicable	Not applicable
Unquoted shares	2,155,201	1,671,840	Level 2	A similar financial instrument	Not applicable	Not applicable
Unquoted sukuk	3,096,300	4,128,400	Level 2	A similar financial instrument	Not applicable	Not applicable
Total financial assets at fair value through joint investment account holders' equity	60,967,149	33,099,670				
TOTAL	62,407,998	36,635,808				

There were no transfer between level 1 and 2 during the nine month period ended 30 September 2020 and the year 2019.

B. Fair value of financial assets and financial liabilities that are not measured at fair value on a recurring basis:

Except for what is detailed in the following table, we believe that the carrying amounts of financial assets and financial liabilities recognized in the Bank's financial statements approximate their fair values .

	30 September 2020 (Reviewed)		31 December 2019 (Audited)		Fair value hierarchy
	Book value	Fair value	Book value	Fair value	
	JD	JD	JD	JD	
Financial assets not calculated at fair value					
Cash and balances at Banks	321,958,534	321,958,534	285,330,095	285,330,095	Level 2
Qard Haasan	980,867	980,867	509,660	509,660	Level 2
Deferred sales receivables and other receivable	768,070,475	854,523,085	641,388,269	716,785,542	Level 2
Financial assets at amortized cost	92,191,000	92,759,706	92,191,000	93,315,652	Level 2
Ijara Muntahia Bittamleek assets-net	420,114,305	420,114,305	382,860,291	382,860,291	Level 2
Total financial assets not calculated at fair	1,603,315,181	1,690,336,497	1,402,279,315	1,478,801,240	
Financial liabilities not calculated at fair value					
Customers' current accounts and unrestricted investment accounts	1,549,954,979	1,561,531,812	1,316,377,829	1,330,821,130	Level 2
Cash margin accounts	25,221,256	25,339,168	35,875,353	36,165,557	Level 2
Total financial liabilities not calculated at fair value	1,575,176,235	1,586,870,980	1,352,253,182	1,366,986,687	

(28) Analysis of the impact of the standards recently issued by the Accounting and Auditing Organization

The Accounting and Auditing Organization for Financial Institutions (AAOIFI) has issued the following Islamic accounting standards:

A-Islamic Accounting standard that issued and have effect on the Bank's financial statements :

IAS 30 "Impairment in value and credit losses and liabilities expected to result in losses". This Standard sets out the accounting treatment of expected impairment and credit losses for financing, investments and high risk commitments in Islamic financial institutions. The requirements of this Standard with respect to expected credit losses is substantially similar to the requirements of IFRS 9 Financial Instruments (IFRS 9). The Bank has implemented the Central Bank's instructions in this regard and has been reversed On the consolidated financial statements, as the mandatory application of the Islamic Financial Accounting Standard No. Date (30) is the first in January 2020 with earlier application permitted.

The Bank's management has carried out a preliminary study of the impact of applying this standard compared to Standard (9) currently applied, and no material effects have been found. The full implementation of the standard will be completed and the impact will be reflect the effect on the Bank's financial statements as of 31 December 2020.

B) Islamic Accounting standard that issued and haven't effect on the Bank's financial statements :

- IAS No. 31, "Investment Agency". The Standard aims at determining the requirements for the preparation of reports related to the Investment Agency and the transactions that are in line with best practices of both the agent and the client. The mandatory implementation date of the Standard is January 1, 2020. Noting that the bank does not deal with this product at the present time and therefore does not affect the financial statements of the bank.

- IAS No. (34) The new standard aims to ensure transparent and fair reporting to all stakeholders, particularly sukuk holders. The mandatory date of application of Islamic Financial Reporting Standard No. 34 is January 1, 2020 with early application allowed. This standard has no effect on the bank's financial statements, as the effect relates to the Sukuk issuers.

- Islamic Accounting Standard No. (33) "Investments in Sukuk, Shares and Similar Instruments" which will replace the Islamic Accounting Standard No. (25). The new standard aims to improve the principles of classification, measurement, presentation and disclosure of investments in Sukuk, stocks and similar financial instruments, noting that the date of application The mandatory Islamic Financial Accounting Standard No. 33 is 1 January 2020, with early application permitted.

- IAS 35 "Risk reserve" . This accounting standard and financial reporting on risk reserves have been developed to mitigate the various risks faced by stakeholders, particularly investors. The mandatory date for applying IFRS 35 is January 1, 2021, with early application allowed.