

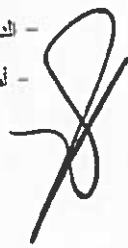
نموذج رقم (4-1) Form No. (1-4)	
Jordan Islamic Bank	البنك الإسلامي الأردني
To: Jordan Securities Commission Amman Stock Exchange Date : - 27/07/2020 Subject: Semi- Annual Report as of 30/06/2020	السادة هيئة الأوراق المالية السادة بورصة عمان التاريخ: - 2020/07/27 الموضوع: التقرير نصف السنوي كما هو في 2020/06/30
Attached the company's Semi- Annual Report of (Jordan Islamic Bank) As of 30/06/2020 English Version	مرفق طيه نسخة من التقرير نصف السنوي لشركة (البنك الإسلامي الأردني) باللغة الانجليزية كما هو بتاريخ 2020/06/30م
Kindly accept our highly appreciation and respect Company's Name: Jordan Islamic Bank General Manager's Signature	وتفضلوا بقبول فائق الاحترام،،، اسم الشركة: البنك الإسلامي الأردني توقيع المدير العام

• المرفقات: قرص مدمج يحتوي على القوائم المالية (باللغة الانجليزية) على هيئة ملف PDF.

• نسخة إلى: -

- الدائرة المالية.

- أمين سر مجلس الإدارة

بورصة عمان الدائرة الإدارية والمالية السيد / ٢٩ تموز ٢٠٢٠ 2754 الرقم التسلسل: 11001 رقم الملف: 11001 الجهة المختصة:	
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JORDAN ISLAMIC BANK

PUBLIC SHAREHOLDING COMPANY

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

30 JUNE 2020

JORDAN ISLAMIC BANK
PUBLIC SHAREHOLDING COMPANY
AMMAN - JORDAN

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**REVIEW REPORT ON THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
TO THE BOARD OF DIRECTORS OF JORDAN ISLAMIC BANK – PUBLIC SHAREHOLDING COMPANY
AMMAN - JORDAN**

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of **JORDAN ISLAMIC BANK** (the "Bank") and its subsidiaries (the "Group") as at 30 June 2020, comprising of interim condensed consolidated statement of financial position as at 30 June 2020 and the related interim condensed consolidated income statement, other comprehensive income, changes in owners' equity, cash flows and sources and uses of funds of Al Qard Al Hasan Fund for the six months period then ended. The Board of Directors is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance to accounting policies mentioned in note (2) of the interim condensed consolidated financial statements. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of 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 Accounting and Auditing Standards for Islamic Financial Institutions 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 interim condensed consolidated financial statements are not prepared, in all material aspects, in accordance with the accounting policies described in Note (2) about the interim condensed consolidated financial statements.

Ernst & Young / Jordan



Amman – Jordan
27 July 2020

JORDAN ISLAMIC BANK - PUBLIC SHAREHOLDING COMPANY
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF 30 JUNE 2020 (UNAUDITED)

STATEMENT (A)

	Notes	30 June 2020 JD (Unaudited)	31 December 2019 JD (Audited)
Assets			
Cash and balances with central bank	4	848,711,428	906,069,815
Balances at banks and financial institutions	5	35,466,434	69,991,662
Investment accounts at banks and financial institutions	6	36,631,736	17,681,535
Deferred sales receivables and other receivables – net	7	2,370,386,379	2,252,319,691
Ijarah Muntahia Bittamleek assets – net	8	657,831,673	629,600,753
Financing – net	9	31,721,152	31,874,382
Financial assets at fair value through owner's equity – self-financed	10	12,071,274	12,042,273
Financial assets at fair value through joint investment accounts holders' equity	11	34,292,533	36,923,829
Financial assets at amortized cost	12	190,702,240	199,360,095
Investments in associates		8,234,951	8,211,186
Investments in real estate	13	111,344,168	111,190,169
Al Qard Al Hasan – net		50,176,495	16,356,549
Property and equipment – net		92,952,381	93,102,868
Intangible assets		2,357,449	2,536,389
Right of use assets		13,377,412	14,279,403
Other assets	14	50,611,210	47,631,549
Total Assets		4,546,868,915	4,449,172,148
Liabilities, Joint Investment Accounts Holders' Equity, Non-controlling interests and Owner's Equity			
Liabilities			
Banks and financial institutions' accounts		39,596,699	4,670,837
Customers' current and on demand accounts	15	1,213,780,372	1,204,999,670
Cash margins		50,433,273	46,510,226
Accounts payable		722,012	462,318
Other provisions		14,841,423	13,549,609
Income tax provision	16 A	22,804,011	29,999,703
Deferred tax liabilities		1,429,684	1,370,697
Lease obligations		12,855,323	13,777,285
Other liabilities		46,184,793	27,984,067
Total Liabilities		1,402,647,590	1,343,324,412

The accompanying notes from (1) to (35) form an integral part of these interim condensed consolidated financial statements

JORDAN ISLAMIC BANK - PUBLIC SHAREHOLDING COMPANY
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF 30 JUNE 2020 (UNAUDITED)

STATEMENT (A)

	Notes	30 June 2020 JD (Unaudited)	31 December 2019 JD (Audited)
Joint Investment Accounts Holders' Equity			
Unrestricted investment accounts	17A	2,652,407,853	2,624,431,578
Investment accounts holders' reserve in subsidiaries and associates	17B	15,529,971	16,765,391
Fair value reserve – net	18A	5,603,200	6,625,649
Provision for contingent liabilities	18E	1,147,659	760,429
Deferred tax liabilities		3,434,220	4,060,883
Total Joint Investment Accounts Holders' Equity		2,678,122,903	2,652,643,930
Non-controlling interests	17B	41,427	132,814
Total joint investment accounts holders' equity and non-controlling interest		2,678,164,330	2,652,776,744
Provision for future expected risks	19A	17,111,863	30,016,131
Provision for income tax on investment risk fund	-	-	1,450,853
Equity			
Owner's equity			
Paid-in capital		200,000,000	200,000,000
Statutory reserve		92,879,300	92,879,300
Voluntary reserve		37,093,762	37,093,762
Fair value reserve	18D	2,332,643	2,236,401
Retained earnings		89,371,229	89,394,545
Profit for the period after tax		27,268,198	-
Total Owner's Equity – Bank's shareholders		448,945,132	421,604,008
Total Liabilities, Joint Investment Accounts Holders' Equity, Non-Controlling Interests and Owner's Equity		4,546,868,915	4,449,172,148
Accounts Managed for Others:			
Restricted investments		43,343,288	43,558,349
Al Wakala Bi Al Istithmar (Investments portfolio)		426,201,782	415,969,375
Al Wakala Bi Al Istithmar		62,382,917	61,431,719


General Manager


Chairman

The accompanying notes from (1) to (35) form an integral part of these condensed consolidated interim financial statements

JORDAN ISLAMIC BANK - PUBLIC SHAREHOLDING COMPANY
INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE THREE AND SIX MONTHS ENDED 30 JUNE 2020 (UNAUDITED)

STATEMENT (B)

	Notes	For the three months Ended 30 June		For the Six Months Ended 30 June	
		2020	2019	2020	2019
		JD (Unaudited)	JD (Unaudited)	JD (Unaudited)	JD (Unaudited)
Deferred sales revenues	20	32,840,300	33,129,682	68,082,455	66,528,798
Financing revenues	21	121,430	113,917	238,621	230,594
Gain from financial assets at fair value through joint investment accounts holders' equity	22	488,507	155,174	488,507	776,629
Gain from financial assets at amortized cost	23	1,772,473	1,213,694	5,072,200	2,952,157
Dividends from subsidiaries and associates		377,120	367,480	1,754,479	1,904,452
Revenues from Investments in real estate	24	84,786	389,333	342,460	692,469
Revenues from leased and Ijarah Muntahia Bittamleek assets		10,555,711	10,749,980	20,664,037	20,926,690
Revenues from other investments		111,882	284,790	819,040	1,851,880
Revenues of Joint Investment Accounts		46,352,209	46,414,050	97,461,800	95,857,669
Net income of subsidiaries		301,419	155,111	427,715	384,719
Share of (loss) profit from investments in associates		(129,945)	(115,975)	394,486	370,151
Total Revenues of Joint Investment Accounts		46,523,683	46,453,186	98,284,001	96,612,539
Share of Deposits guarantee fees Investment accounts holders'		(1,091,282)	(691,173)	(2,182,564)	(691,173)
Share of unrestricted investment accounts holders'	25	(11,619,521)	(11,802,274)	(25,000,953)	(24,804,433)
Share of investment accounts holders' from income of subsidiaries		(301,402)	(155,330)	(427,686)	(384,273)
Share of non-controlling interests' from income of subsidiaries		(17)	219	(29)	(446)
Share of (loss) profit from investments in associates		129,945	115,975	(394,486)	(370,151)
Share of investment risk fund		-	(1,524,161)	-	(6,468,523)
Bank's share of the joint investment accounts revenues as Mudarib and Rab Mai	26	33,641,408	32,396,442	70,278,283	64,093,540
Bank's self-financed revenues	27	9,598	20,159	15,017	20,972
Bank's share of restricted investments revenues as Mudarib		39,168	92,041	97,265	178,761
Bank's share of restricted investments revenues as Wakeel		2,835,645	2,454,515	2,884,377	2,526,750
Banking services revenues		5,442,397	4,625,591	10,254,614	10,052,505
Foreign currency gain		507,377	619,585	972,848	1,050,791
Other Income		418,554	687,842	688,914	968,139
Gross Income		42,894,156	41,096,175	85,192,338	78,894,458
Employees expenses		(9,119,159)	(9,259,233)	(21,868,506)	(22,304,308)
Depreciation and amortization		(1,992,735)	(2,701,297)	(3,995,841)	(4,494,218)
Other expenses		(6,503,512)	(5,552,102)	(14,678,673)	(11,807,499)
Expected credit loss-self		(714,020)	(1,072,576)	(714,020)	(1,072,576)
Total Expenses		(18,329,426)	(18,585,208)	(41,257,140)	(39,768,601)
Profit Before Income Tax		24,564,730	22,510,967	43,935,198	39,125,857
Income tax	16 B	(9,294,000)	(8,411,150)	(16,687,000)	(14,620,644)
Profit After Income Tax for the Period		15,270,730	14,099,817	27,268,198	24,505,213
		JD / FILS	JD / FILS	JD / FILS	JD / FILS
Basic Earnings per Share for the Period	28	0/078	0/070	0/136	0/123

General Manager

Chairman

The accompanying notes from (1) to (35) form an integral part of these interim condensed consolidated financial statements

JORDAN ISLAMIC BANK - PUBLIC SHAREHOLDING COMPANY

INTERIM CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

FOR THE THREE AND SIX MONTHS ENDED 30 JUNE 2020 (UNAUDITED)

STATEMENT (C)

	For the Three Months Ended 30 June		For the Six Months Ended 30 June	
	2020	2019	2020	2019
	JD	JD	JD	JD
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Profit after income tax for the period	15,270,730	14,099,817	27,268,198	24,505,213
Other Comprehensive Income, net after Tax:				
Change in fair value of financial assets – net	(552,119)	366,385	72,926	625,045
Total Comprehensive Income for the Period	14,718,611	14,466,202	27,341,124	25,130,258

The accompanying notes from (1) to (35) form an integral part of these interim condensed consolidated financial statements

JORDAN ISLAMIC BANK - PUBLIC SHAREHOLDING COMPANY
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN OWNER'S EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE 2020 (UNAUDITED)

STATEMENT (D)

	Paid-in Capital	Statutory Reserve	Voluntary Reserve	Fair Value Reserve *	Retained Earnings**	Profit for the Period	Total
For the six months ended 30 June 2020 (Unaudited) -	JD	JD	JD	JD	JD	JD	JD
Balance at 1 January 2020	200,000,000	92,879,300	37,093,762	2,236,401	89,394,545	-	421,604,008
Profit for the period after tax	-	-	-	-	-	27,268,198	27,268,198
losses From sale of Financial assets at fair value through owner's equity-self	-	-	-	23,316	(23,316)	-	-
Change in fair value reserve	-	-	-	72,926	-	-	72,926
Total Comprehensive Income for the period after tax	-	-	-	96,242	(23,316)	27,268,198	27,341,124
Balance at 30 June 2020	200,000,000	92,879,300	37,093,762	2,332,643	89,371,229	27,268,198	448,945,132

* The fair value reserve balance of JD 2,332,643 as at 30 June 2020 is restricted from use.

** The general banking risks reserves amounting to JD 1,000,000 as at 30 June 2020 is restricted from use without prior approval of the Central Bank of Jordan

The accompanying notes from (1) to (35) form an integral part of these condensed consolidated interim financial statements

JORDAN ISLAMIC BANK - PUBLIC SHAREHOLDING COMPANY
 INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN OWNER'S EQUITY
 FOR THE SIX MONTHS ENDED 30 JUNE 2020 (UNAUDITED)

STATEMENT (D)

	Paid-in Capital	Statutory Reserve	Voluntary Reserve	Fair Value Reserve *	Retained Earnings**	Profit for the Period	Total
	JD	JD	JD	JD	JD	JD	JD
For the six months ended 30 June 2019 (Unaudited) -							
Balance at 1 January 2019	180,000,000	84,018,397	38,234,085	1,375,464	89,765,833	-	393,393,779
Profit for the period after tax	-	-	-	-	-	24,505,213	24,505,213
Change in fair value reserve	-	-	-	625,045	-	-	625,045
Total Comprehensive Income for the period after tax	-	-	-	625,045	-	24,505,213	25,130,258
Increase in capital***	20,000,000	-	(10,000,000)	-	(10,000,000)	-	-
Dividends Distributed***	-	-	-	-	(27,000,000)	-	(27,000,000)
Balance at 30 June 2019	200,000,000	84,018,397	28,234,085	2,000,509	52,765,833	24,505,213	391,524,037

* The fair value reserve balance of JD 2,000,509 as at 30 June 2019 is restricted from use.

** An amount of JD 1,000,000 from retained earnings, which was transferred from general banking risk reserve, is restricted from use without prior approval from the Central Bank of Jordan

*** The General Assembly approved on 29 April 2019 the distribution of cash dividends to shareholders at a rate of 15% from the paid in capital of JD 180 million/ share, amounted to JD 27 million and approved the distribution of share dividends with an amount of JD 20 million/ share through the distribution of 10 million from the retained earnings and 10 million from the voluntary reserve.

The accompanying notes from (1) to (35) form an integral part of these interim condensed consolidated financial statements

JORDAN ISLAMIC BANK - PUBLIC SHAREHOLDING COMPANY
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
AS OF 30 JUNE 2020 (UNAUDITED)

STATEMENT (E)

	Notes	For The Six Months Ended on 30 June	
		2020	2019
		JD	JD
		(Unaudited)	(Unaudited)
Cash Flows from Operating Activities			
Profit before Tax		43,935,198	39,125,857
Adjustments for non-monetary items:			
Depreciations and amortizations		3,995,841	4,494,218
Costs of Lease obligations		349,062	349,585
Investment risk fund		-	5,293,936
Investment risk fund tax provision		(1,450,853)	-
Provision for expected credit losses-self		714,020	1,072,576
Gain on sale of property and equipment		(3,890)	(2,589)
Exchange rates effect on cash and cash equivalents		(569,104)	(751,665)
Profit before Change in Assets and Liabilities		46,970,274	49,581,918
Change in Assets and Liabilities:			
Increase in investment accounts at banks and financial institutions for more than 3 Months		(19,143,000)	-
Increase in deferred sales receivables and other receivables		(131,875,269)	(93,647,807)
Increase in financing		(78,878)	(513,433)
Increase in Ijara muntahia bitamleek assets		(28,230,920)	(13,623,138)
Increase in Al Qard Al Hasan		(33,155,807)	(6,170,795)
Increase in other assets		(4,207,013)	(11,211,071)
Increase in current and on demand accounts		8,780,702	67,885,906
Increase in accounts payable		259,694	254,435
Increase in cash margins		3,923,047	724,119
Increase in other liabilities		19,373,484	4,373,602
Net change in Assets and Liabilities		(184,353,960)	(51,928,182)
Net Cash Flows used in Operating Activities before Tax		(137,383,686)	(2,346,264)
Taxes paid	16	(23,862,692)	(20,783,463)
Payment of Lease obligations		(1,167,571)	(1,006,124)
End of service Provision		-	(1,067,731)
Net Cash Flows used in Operating Activities		(162,413,949)	(25,203,582)
Cash flows from Investment Activities			
Proceeds from sale of financial assets at fair value through owner's equity-self		103,781	100,426
Purchase of financial assets at fair value through equity-self		(201)	(62,537)
Proceeds from sale of financial assets at fair value through joint investment accounts holders' equity		1,104,499	-
Purchase of financial assets at fair value through joint investment account holders equity		(144,454)	(759,960)
Purchase of financial assets at amortized cost – net		(14,389,238)	(18,375,337)
Proceeds from sale of financial assets at amortized cost- net		22,262,299	5,620,192
Proceeds from sale of investment in real estates		321,791	20,676
Purchase of investment in real estates		(519,690)	(708,875)
Acquired repossessed assets		(440,895)	(1,030,612)
Proceeds from sale of repossessed assets		1,711,310	-
Proceeds from sale of property and equipment		5,483	97,789
Purchase of property and equipment		(2,571,108)	(3,035,227)
Purchase of intangible assets		(298,361)	(779,444)
Net Cash Flows from (used in) Investment Activities		7,145,216	(18,912,909)
Cash Flow from Financing Activities			
Increase in unrestricted investment accounts holders' equity		27,976,275	12,373,435
Dividends Distributed		-	(27,000,000)
Net Cash Flow from (used in) Financing Activities		27,976,275	(14,626,565)
Net decrease in Cash and Cash Equivalents		(127,292,458)	(58,743,056)
Exchange rates effect on cash and cash equivalents		569,104	751,665
Cash and cash equivalents at the beginning of the period		971,483,065	961,850,558
Cash and Cash Equivalents at End of Period	29	844,759,711	903,859,167

The accompanying notes from (1) to (35) form an integral part of these interim condensed consolidated financial statements

JORDAN ISLAMIC BANK - PUBLIC SHAREHOLDING COMPANY

INTERIM CONDENSED CONSOLIDATED STATEMENT OF SOURCES AND USES OF FUNDS OF AL QARD
AL HASAN FUND AS OF 30 JUNE 2019 (UNAUDITED) STATEMENT (F)

	30 June 2020	31 December 2019
	JD	JD
	(Unaudited)	(Audited)
Beginning balance for the period / year	20,114,216	14,280,494
Sources of the Fund:		
Central bank account/ Al Qard Al Hasan Fund	(36,864,388)	-
Sources the Bank is authorized to use	(16,694,868)	(18,291,786)
Sources outside the Bank	(1,808,295)	(1,822,430)
Total sources of the fund's assets for the period / year	(55,367,551)	(20,114,216)
Uses of the Fund:		
Education	940,140	1,897,157
Medical treatment	458,360	862,210
Marriage	230,360	624,780
Overdraft accounts	7,572,466	14,515,380
Social advances for the Bank's employees	931,573	2,474,311
Central Bank of Jordan Program For Facing Corona Pandemic & Med-term agreement	34,766,860	-
Total uses for the period / year	44,899,759	20,373,838
Settled for the period / year	(11,743,952)	(14,540,116)
Ending balance for the period / year	53,270,023	20,114,216
Less: Provision for expected credit loss – self	(3,093,528)	(3,757,667)
Ending balance for the period / year– net	50,176,495	16,356,549

The accompanying notes from (1) to (35) form an integral part of these condensed consolidated interim financial statements

(1) General Information

Jordan Islamic Bank (the "Bank") was established as a public shareholding company on 28 November 1978 pursuant to the provisions of the Companies Law No. (12) Of 1964, Head Office is located in Amman.

The Bank offers banking, financial and investment services on an interest-free basis in compliance with the rules and principles of the Islamic Sharia through its Head Office, 80 branches and 28 banking offices in the Kingdom as well as its subsidiaries. The Bank's transactions are governed by the applicable Bank's Law.

Jordan Islamic Bank shares are listed in Amman Stock Exchange -Jordan.

The interim condensed consolidated financial statements were authorized for issue by the Bank's Board of Directors in their No.4 meeting held on 27 July 2020.

(2) Significant Accounting Policies

Basis of Preparation of the Interim Condensed Consolidated Financial Statements:

The accompanying interim condensed consolidated financial statements of the Bank and its subsidiaries financed from the Bank's funds and the joint investment funds have been prepared in accordance with the Financial Accounting standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI), and in conformity with the applicable laws and regulations of the Central Bank of Jordan and in the absence of Financial Accounting Standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions relating to financial statements items, the International Financial Reporting Standards and related interpretations are applied in conformity with the Shari'a standards, pending the promulgation of Islamic Standards therefor.

The interim condensed consolidated financial statements are prepared on the historical cost basis except for the financial assets at the fair value through owners' equity and the financial assets at the fair value through the joint investment account holder's equity, financial assets at amortized cost and held for use investment in real estate.

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

The interim condensed consolidated financial statements do not contain all information and disclosures for annual consolidated financial statements prepared in accordance with Sharia' rules and principles determined by the Bank's Sharia Supervisory Board and in accordance with Financial Accounting Standards issued by Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) and it shall be read in conjunction with the Bank's annual report as of 31 December 2019. In addition, the results for the six months period ended 30 June 2020 do not necessarily indicate the expected results for the year ended 31 December 2020 and no appropriation was made on the profit for the six months ended 30 June 2020 since it is made at year-end.

Basis of Consolidation of the interim condensed consolidated financial statements:

The interim condensed consolidated financial statements include the financial statements of the Bank and its subsidiaries financed from the Bank's funds and the joint investment funds and subject to the Bank's control. Control exists when the Bank has power to govern the financial and operating policies of subsidiaries in order to obtain benefit from their activities. The transactions, balances, revenues and expenses between the Bank and its subsidiaries are eliminated.

The financial statements of subsidiaries are prepared for the same reporting period as the Bank, using consistent accounting policies.

The results of subsidiaries operations are consolidated in the interim condensed consolidated Income Statement from the acquisition date, being the date the Bank obtains control over subsidiaries. The results of operations for disposed subsidiaries shall be consolidated in the interim condensed consolidated statements of income until the date of disposal, which is the same date on which the Bank's loses control over subsidiaries.

The non-controlling interests represent the portion not owned by the Bank or by the unrestricted Investment accounts of the subsidiaries owners' equity.

Investments in subsidiaries are accounted for at cost when the Bank issues separate financial statements.

JORDAN ISLAMIC BANK - PUBLIC SHAREHOLDING COMPANY
 NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
 AS OF 30 JUNE 2020 (UNAUDITED)

The Bank owns the following subsidiaries as of 30 June 2020

Company Name	Paid in capital JD	Bank's ownership	Nature of Business	Country of Incorporation	Acquisition Date
Omariah Schools Company Ltd.	16,000,000	99.6%	Education	Amman	1987
Al Samaha Financing and Investment Company Ltd.	12,000,000	100%	Financing	Amman	1998
Future Applied Computer Technology Company Ltd	5,000,000	100%	Services	Amman	1998
Sanabel Al-Khair for Financial Investments Company Ltd.	5,000,000	100%	Brokerage	Amman	2005

Changes in Accounting Policies:

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Bank's annual consolidated financial statements for the year ended 31 December 2019, except for the adoption of the following new standards effective as of 1 January 2020:

(FAS) 30 "Impairment and Credit Losses"

The objective of this standard is to establish the principles of accounting and financial reporting for the impairment and credit losses on various Islamic financing, investment and certain other assets of Islamic financial institutions, and related provisions to be in line with ever-changing global best practices.

FAS 31 Investment Agency (Al-Wakala Bi Al-Istithmar)

This standard defines the accounting principles and reporting requirements for investment agency (Al-Wakala Bi Al-Istithmar) transactions and instruments, in the hands of both the investor and the agent. This standard shall be effective beginning on or after 1 January 2020, with early adoption permitted.

The standard requires the investor to evaluate the nature of the investment as either a) a pass-through investment or b) wakala venture.

Pass-through Investment

A pass-through investment is an investment in which the involvement of the Wakeel, as well as, the options for transferability of the instrument are limited and the investor principally takes a direct exposure on the underlying assets. An investor shall apply the pass-through investment approach for its investments in an investment agency instruments; unless it opts to apply the wakala venture approach.

Under this approach, the investor shall initially recognize the assets underlying the wakala arrangement in its books of account applying the initial recognition principles as applicable in line with respective FAS.

Wakala Venture Approach

The investor may opt to apply the wakala venture approach if, and only if, the investment agency contract meets any of the conditions required under certain conditions.

Under this approach, an investment shall be accounted for in the books of the investor applying the "equity method of accounting"; where the investment shall be recognized initially at cost and subsequently shall be measured at the end of the financial period at carrying amount and shall be adjusted to include the investor's share of profit or loss of the wakala venture.

From the Wakeel perspective, the standard requires that at inception of the transaction the wakeel shall recognize an agency arrangement under off-balance sheet approach since the wakeel does not control the related assets / business. However, there are exceptions to off-balance sheet approach where by virtue of additional considerations attached to the instrument based on investment agency may mandate the same to be accounted for as on-balance sheet.

FAS 34 Financial Reporting for Sukuk -holders

This standard prescribes the accounting principles and reporting requirements for underlying assets of a sukuk instrument. It requires the originator to prepare or cause to prepare financing reports as needed under this standard. This standard shall be effective from the financial periods beginning on or after 1 January 2020, with early adoption permitted.

(3) Use of Estimates

The preparation of interim condensed consolidated financial statements requires Bank's management to make estimates and assumptions that affect the reported amounts of financial assets and liabilities and disclosure of contingent liabilities. These estimates and assumptions also affect the revenues, expenses, and the resultant provisions and the fair value changes reported in owner's equity and unrestricted investments accounts holder's equity. In particular, considerable judgment by management is required in the estimation of the amount and timing of future cash flows. Such estimates are necessarily based on assumptions about several factors involving varying degrees of judgment and uncertainty and actual results may differ as a result of changes in conditions and circumstances of those estimates in the future.

We believe that our estimates in the interim condensed consolidated financial statements are reasonable and detailed as follows:

- Expected Credit Loss for deferred sales receivables and financing: in determining impairment of financial assets, judgment is required in the estimation of the amount and timing of future cash flows as well as an assessment of whether the credit risk on the financial assets has increased significantly since initial recognition and incorporation of forward looking information in the measurement of Expected Credit Loss.

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- Due to the recent developments of the COVID-19 pandemic, the bank has updated the macroeconomics factors (Gross Domestic Products (GDP) and share prices) that are used the calculation of expected credit loss (ECL) for the period ended 30 June 2020.
- Income tax provision: the fiscal period is charged with its related income tax according to the laws and accounting standards. Also, the deferred tax assets and liabilities as well as the required tax provision are estimated and recorded.
- Management periodically reevaluates the financial assets carried at cost in order to assess any Expected Credit Loss. The Expected Credit Loss is allocated in accordance to the financing party.
- A provision is set for the lawsuits raised against the Bank. This provision is based to an adequate legal study prepared by the Bank's legal advisor. Moreover, the study highlights potential risks that the Bank may encounter in the future. Such legal assessments are reviewed periodically.

(4) Cash and Balances with Central Bank

This item consists of the following:

	30 June 2020	31 December 2019
	JD (Unaudited)	JD (Audited)
Cash in vaults	168,822,731	163,859,470
Balances at the Central Bank of Jordan:		
Current accounts	496,006,016	483,605,361
Statutory cash reserve	183,882,681	258,604,984
Total balances at the Central Bank of Jordan	679,888,697	742,210,345
Total	848,711,428	906,069,815

In compliance with Islamic Shari'a rules and the Bank's Articles of Association and bylaws, the Bank does not earn any interest on balances and current accounts held with the Central Bank of Jordan.

Amounts of JD 52,726,534 and JD 40,613,181 were deducted as at 30 June 2020 and as at 31 December 2019 respectively, which represent cash balances for accounts managed on behalf of others.

There are no balances maturing within more than three months period as of 30 June 2020 and 31 December 2019.

There are no restricted balances except for the statutory cash reserve as of 30 June 2020 and 31 December 2019.

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(5) Balances at Banks and Financial Institutions

This item consists of the following

	Local banks and financial institutions		Foreign banks and financial institutions		Total	
	30 June 2020	31 December 2019	30 June 2020	31 December 2019	30 June 2020	31 December 2019
	JD (Unaudited)	JD (Audited)	JD (Unaudited)	JD (Audited)	JD (Unaudited)	JD (Audited)
Current and on demand accounts	1,065,050	1,419,560	26,117,158	31,158,107	27,182,208	32,577,667
Less: provision for expected credit loss	(2,968)	(2,137)	(109,841)	(25,506)	(112,809)	(27,643)
Net Current and on demand accounts	1,062,082	1,417,423	26,007,317	31,132,601	27,069,399	32,550,024
Unrestricted accounts maturing within 3 months or less	-	-	8,462,774	37,506,420	8,462,774	37,506,420
Less: provision for expected credit loss	-	-	(65,739)	(64,782)	(65,739)	(64,782)
Net unrestricted accounts maturing within 3 months or less	-	-	8,397,035	37,441,638	8,397,035	37,441,638
Total	1,062,082	1,417,423	34,404,352	68,574,239	35,466,434	69,991,662

- In compliance with Islamic Shari'a rules and the Bank's Articles of Association and bylaws, the Bank does not earn any interest on current and on demand accounts at local and foreign banks and financial institutions.
- There are no restricted balances at the local and foreign banks and financial institutions as of 30 June 2020 and 31 December 2019

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(6) Investment Accounts at Banks and Financial Institutions

This item consists of the following:

	Foreign banks and financial institutions	
	30 June 2020	31 December 2019
	JD (Unaudited)	JD (Audited)
Within (3-6) months	17,725,000	-
Within (6-9) months	1,418,000	-
Maturing within more than one year	17,725,000	17,725,000
Less: Expected credit losses	(236,264)	(43,465)
Total	36,631,736	17,681,535

There are no restricted balances at the foreign banks and financial institutions as of 30 June 2020 and 31 December 2019.

A. Movement on balances and accounts at banks and financial institutions (note (5), note (6)):

As of 30 June 2020 (Unaudited):

	Stage 1 Individual JD	Stage 2 Individual JD	Stage 3 JD	Total JD
Beginning balance	87,809,087	-	-	87,809,087
New balances and accounts during the period	53,072,299	-	-	53,072,299
Balances and accounts settled	(68,368,404)	-	-	(68,368,404)
Transferred to stage 2	(474,677)	474,677	-	-
Ending balance	72,038,305	474,677	-	72,512,982

As of 31 December 2019 (Audited):

	Stage 1 Individual JD	Stage 2 Individual JD	Stage 3 JD	Total JD
Beginning balance	111,730,596	-	-	111,730,596
New balances and accounts during the year	104,960,470	-	-	104,960,470
Balances and accounts settled	(128,881,979)	-	-	(128,881,979)
Ending balance	87,809,087	-	-	87,809,087

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B. Cumulative movement on the Expected credit losses

As of 30 June 2020 (Unaudited):

	Stage 1 Individual JD	Stage 2 Individual JD	Stage 3 JD	Total JD
Beginning balance	135,890	-	-	135,890
Expected credit loss on new balances and accounts during the period	285,736	-	-	285,736
Expected credit loss recovered from balances and accounts paid	(79,069)	-	-	(79,069)
Transferred to stage 2	(10,508)	10,508	-	-
Changes due to adjustments	72,255	-	-	72,255
Ending balance	404,304	10,508	-	414,812

as of 31 December 2019 (Audited):

	Stage 1 Individual JD	Stage 2 Individual JD	Stage 3 JD	Total JD
Beginning balance	172,808	-	-	172,808
Expected credit loss on new balances and accounts during the year	103,621	-	-	103,621
Expected credit loss recovered from balances and accounts paid	(140,539)	-	-	(140,539)
Ending balance	135,890	-	-	135,890

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(7) Deferred Sales Receivables and Other Receivables – Net

This item consists of the following:

	Joint		Self		Total	
	30 June 2020	31 December 2019	30 June 2020	31 December 2019	30 June 2020	31 December 2019
	JD (Unaudited)	JD (Audited)	JD (Unaudited)	JD (Audited)	JD (Unaudited)	JD (Audited)
Individuals (Retail):						
Murabaha to the purchase orderer	682,812,270	663,840,916	-	-	682,812,270	663,840,916
Deferred sales	10,342,544	9,012,319	-	-	10,342,544	9,012,319
Ijarah Mawsoofa Bil Thimma	6,396,940	5,675,826	-	-	6,396,940	5,675,826
Ijarah Muntahia Bittamleek receivables	6,121,209	6,603,421	-	-	6,121,209	6,603,421
Istisna'a	260,612	280,004	-	-	260,612	280,004
Customers' receivables	5,681,747	5,007,706	5,271,633	5,006,529	10,953,380	10,014,235
Real estate financing	465,919,284	455,538,029	50,000	100,000	465,969,284	455,638,029
Corporate:						
International Murabaha	16,001,193	26,298,815	-	-	16,001,193	26,298,815
Murabaha to the purchase orderer	450,369,857	420,430,463	-	-	450,369,857	420,430,463
Deferred sales	5,199	6,354	-	-	5,198	6,354
Ijarah Muntahia Bittamleek receivables	276,041	324,604	-	-	276,041	324,604
Istisna'a	26,017,760	16,306,663	-	-	26,017,760	16,306,663
Musharaka receivables	504,125	504,125	-	-	504,125	504,125
Small and Medium Enterprises (SME's):						
Murabaha to the purchase orderer	169,941,240	165,484,425	-	-	169,941,240	165,484,425
Deferred sales	30,466	36,800	-	-	30,466	36,800
Ijarah Mawsoofa bil Thimma	138,139	190,270	-	-	138,139	190,270
Ijarah Muntahia Bittamleek receivables	257,527	174,249	-	-	257,527	174,249
Istisna'a	957,630	193,000	-	-	957,630	193,000
Customers' receivables	127,727	18,840	1,934,792	2,046,313	2,062,519	2,065,153
Government and public sector	935,888,654	879,184,944	100,865	176,972	935,989,519	879,361,916
Total	2,778,050,163	2,655,111,773	7,357,290	7,329,814	2,785,407,453	2,662,441,587
Less: deferred revenues*	(281,612,615)	(291,681,762)	(2,000)	(6,000)	(281,614,615)	(291,687,762)
Less: suspended revenues**	(11,206,894)	(11,035,839)	-	-	(11,206,894)	(11,035,839)
Less: deferred mutual insurance***	(11,602,103)	(10,609,414)	-	-	(11,602,103)	(10,609,414)
Less: expected credit loss	(109,874,373)	(96,065,775)	(723,089)	(723,106)	(110,597,462)	(96,788,881)
Net deferred sales and other receivables	2,363,754,178	2,245,718,983	6,632,201	6,600,708	2,370,366,379	2,252,319,691

* Deferred revenues include the deferred revenues of Murabaha to the purchase orderer, deferred sales, Ijarah Mawsoofa Bil Thimma and Istisna'a.

** Suspended revenues include the suspended revenues of Murabaha to the purchase orderer, deferred sales, Ijarah Mawsoofa Bil Thimma and Istisna'a.

*** Deferred mutual insurance includes insurance installments of Murabaha to the purchase orderer, deferred sales and deferred Ijarah Mawsoofa Bil Thimma.

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Movements on deferred sales receivables, other receivables and financing - self financed expected credit loss were as follows:

	Retail	Real estate financing	Large corporates	Small and Medium Enterprises	Government and public sector	Total
	JD	JD	JD	JD	JD	JD
As at 30 June 2020 (Unaudited)						
Balance at beginning of the period	725,764	-	-	-	-	725,764
Transfer to during the period	1,180	-	-	-	-	1,180
Used during the period (write-offs)	-	-	-	-	-	-
Balance at the end of the period	726,944	-	-	-	-	726,944

	Retail	Real estate financing	Large corporates	Small and Medium Enterprises	Government and public sector	Total
	JD	JD	JD	JD	JD	JD
As at 30 June 2020 (Unaudited)						
Expected credit loss of non-performing receivables on individual customer basis	618,636	-	-	-	-	618,636
Expected credit loss of watch list receivables based on individual customer basis	4,505	-	-	-	-	4,505
Expected credit loss of watch list receivables on portfolio basis	103,803	-	-	-	-	103,803
Total	726,944	-	-	-	-	726,944

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	Retail	Real estate financing	Large corporates	Small and Medium Enterprises	Government and public sector	Total
	JD	JD	JD	JD	JD	JD
As at 31 December 2019 (Audited)						
Balance at beginning of the year	643,323	-	-	-	-	643,323
Transfer to during the year	105,487	-	-	-	-	105,487
Used during the year (write-offs)	(23,046)	-	-	-	-	(23,046)
Balance at the end of the year	725,764	-	-	-	-	725,764

	Retail	Real estate financing	Large corporates	Small and Medium Enterprises	Government and public sector	Total
	JD	JD	JD	JD	JD	JD
As at 31 December 2019 (Audited)						
Expected credit loss of non-performing receivables on individual customer basis	259,206	-	-	-	-	259,206
Expected credit loss of watch list receivables based on individual customer basis	277,546	-	-	-	-	277,546
Expected credit loss of watch list receivables on portfolio basis	189,012	-	-	-	-	189,012
Total	725,764	-	-	-	-	725,764

There are no longer provisions that are no longer required as a result of settlement or repayment transferred to other receivables, financing, and Ijarah as at 30 June 2020 and 31 December 2019.

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Movements on the deferred sales receivables were as follow:

	30 June 2020 (Unaudited)	
	Deferred sales receivables	Deferred revenues
	JD	JD
Balance at the beginning of the period	9,055,473	749,351
Additions	2,619,402	340,073
Disposals	(1,296,667)	(323,952)
Balance at the end of the period	10,378,208	765,472

Movements on the suspended revenues were as follows:

	Joint				
	For the period ended 30 June 2020 (Unaudited)				
	Retail	Real estate financing	Large corporates	Small and Medium Enterprises	Total
	JD	JD	JD	JD	JD
Balance at the beginning of the period	5,585,554	1,977,433	2,185,547	1,287,305	11,035,839
Add: suspended revenues during the period	1,249,728	442,437	489,001	288,025	2,469,191
Less: revenue in suspense transferred to revenue	(716,001)	(313,258)	(956,581)	(312,296)	(2,298,136)
Balance at the end of the period	6,119,281	2,106,612	1,717,967	1,263,034	11,206,894

	Joint				
	For the year ended 31 December 2019 (Audited)				
	Retail	Real estate financing	Large corporates	Small and Medium Enterprises	Total
	JD	JD	JD	JD	JD
Balance at the beginning of the year	5,072,691	2,434,091	2,295,464	1,577,850	11,380,096
Add: suspended revenues during the year	2,847,028	1,366,124	1,288,320	885,562	6,387,034
Less: revenue in suspense transferred to revenue	(1,972,172)	(1,822,782)	(1,036,262)	(959,133)	(5,790,349)
Less: suspended revenues written off	(361,993)	-	(361,975)	(216,974)	(940,942)
Balance at the end of the year	5,585,554	1,977,433	2,185,547	1,287,305	11,035,839

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(8) Ijarah Muntahia Bittamleek Assets - Net

This item consists of the following:

	Joint		
	30 June 2020 (Unaudited)		
	Cost	Accumulated Depreciation	Net Book Value
	JD	JD	JD
Ijarah Muntahia Bittamleek assets - real estate	844,105,064	(186,273,391)	657,831,673

	Joint		
	31 December 2019 (Audited)		
	Cost	Accumulated Depreciation	Net Book Value
	JD	JD	JD
Ijarah Muntahia Bittamleek assets - real estate	815,312,778	(185,712,025)	629,600,753

The accrued Ijarah installments amounted to JD 6,654,777 as at 30 June 2020 (31 December 2019: JD 7,102,274) were included in deferred sales receivables and other receivables (Note 7).

(9) Financing – Net

This item consists of the following

	Joint		Self		Total	
	31 December		31 December		31 December	
	30 June 2020	2019	30 June 2020	2019	30 June 2020	2019
	JD	JD	JD	JD	JD	JD
	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Individuals (Retail):						
Diminishing Musharaka	32,506,968	32,417,488	223,581	234,183	32,730,549	32,651,671
Total	32,506,968	32,417,488	223,581	234,183	32,730,549	32,651,671
Less: Expected credit loss	(1,005,542)	(774,631)	(3,855)	(2,658)	(1,009,397)	(777,289)
Net Financing	31,501,426	31,642,857	219,726	231,525	31,721,152	31,874,382

Non-performing deferred sales receivables, Ijarah Muntahia Bittamleek receivables, other receivables, financing and Al Qard Al Hasan amounted to JD 128,231,162 as at 30 June 2020, representing 4.47 % of deferred sales receivable, Ijarah Muntahia Bittamleek receivables, other receivables, financing and Al Qard Al Hasan balance compared to JD 117,038,239 as at 31 December 2019, representing 4.31 % of the utilized balance at the end of the previous year.

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Non-performing deferred sales receivables, Ijarah Muntahia Bittamleek receivables, other receivables, financing and Al Qard Al Hasan after deducting suspended revenues amounted to JD 117,726,477 as at 30 June 2020, representing 4.12 % of deferred sales, Ijarah Muntahia Bittamleek receivables, other receivables, financing and Al Qard Al Hasan balance after deductions suspended revenues, compared to JD 107,313,727 as at 31 December 2019, representing 3.97 % of the utilized balance at the end of the previous year.

Deferred sales, other receivables, and financing granted to and guaranteed by the Government of Jordan amounted to JD 938,984,603 as at 30 June 2020, representing 32.70 % of deferred sales, other receivables and financing balance, compared to JD 882,357,000 as at 31 December 2019, representing 32.50 % of the utilized balance at the end of the previous year

A- Cumulative movement on direct facilities:
As of 30 June 2020 (Unaudited):

	Stage 1		Stage 2		Stage 3	Total
	Individual	Collective	Individual	Collective		
	JD	JD	JD	JD	JD	JD
Balance at the beginning of the period	1,156,786,575	789,819,072	272,160,723	23,773,484	159,334,604	2,401,874,459
New facilities during the period	288,269,942	150,947,135	136,425,162	8,369,759	16,727,792	600,739,790
Settled facilities	(228,497,484)	(106,665,771)	(78,081,806)	(6,278,679)	(16,106,296)	(435,629,836)
Transferred to stage 1	51,946,936	10,943,022	(50,861,056)	(9,311,955)	(2,716,947)	-
Transferred to stage 2	(83,073,252)	(12,077,165)	103,268,853	15,048,022	(23,166,458)	-
Transferred to stage 3	(96,821)	(4,983,796)	(5,995,975)	(5,190,823)	16,267,415	-
Balance at the end of the period	<u>1,185,335,897</u>	<u>827,982,497</u>	<u>376,916,101</u>	<u>26,409,808</u>	<u>150,340,110</u>	<u>2,566,984,413</u>

As of 31 December 2019 (Audited):

	Stage 1		Stage 2		Stage 3	Total
	Individual	Collective	Individual	Collective		
	JD	JD	JD	JD	JD	JD
Balance at the beginning of the year	786,899,683	889,259,974	355,273,752	29,342,304	133,349,784	2,194,125,497
New facilities during the year	651,768,495	347,412,449	118,646,928	6,582,536	6,012,008	1,130,422,416
Settled facilities	(329,683,023)	(432,945,410)	(110,296,556)	(12,977,453)	(29,096,240)	(914,998,682)
Transferred to stage 1	122,931,905	15,011,153	(119,108,198)	(10,109,559)	(6,725,301)	-
Transferred to stage 2	(61,873,141)	(14,216,429)	68,306,886	17,674,243	(9,891,559)	-
Transferred to stage 3	(13,257,343)	(14,702,665)	(40,662,089)	(6,738,587)	75,360,684	-
Written of facilities	-	-	-	-	(7,674,772)	(7,674,772)
Balance at the end of the year	<u>1,156,786,575</u>	<u>789,819,072</u>	<u>272,160,723</u>	<u>23,773,484</u>	<u>159,334,604</u>	<u>2,401,874,459</u>

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B- Cumulative movement on the expected credit loss for direct facilities:

As of 30 June 2020 (Unaudited):

	Large corporates	SMEs	Individuals	Real estate financing	Total
	JD	JD	JD	JD	JD
Balance at the beginning of the period	38,258,397	13,323,461	27,725,506	9,403,460	88,710,824
Expected credit loss on the new facilities during the period	4,630,552	2,492,580	3,924,147	2,114,087	13,161,366
Expected credit loss recovered from settled facilities	(9,510,346)	(3,623,222)	(5,650,180)	(1,140,129)	(19,923,877)
Transferred to stage 1	279,038	9,999	41,532	49,809	380,378
Transferred to stage 2	1,029,972	199,007	337,388	244,041	1,810,408
Transferred to stage 3	793,928	1,236,763	2,532,856	1,219,163	5,782,710
Balance at the end of the period	35,481,541	13,638,588	28,911,249	11,890,431	89,921,809
Reallocated:					
Individual level provision	35,481,541	10,427,757	7,642,656	2,801,764	56,353,718
Collective level provision	-	3,210,831	21,268,593	9,088,667	33,568,091

As of 31 December 2019 (Audited):

	Large corporates	SMEs	Individuals	Real estate financing	Total
	JD	JD	JD	JD	JD
Balance at the beginning of the year	20,825,179	12,888,275	26,639,617	11,187,497	71,540,568
Expected credit loss on the new facilities during the year	21,165,022	3,690,721	6,768,910	2,439,641	34,064,294
Expected credit loss recovered from settled facilities	(22,415,785)	(6,361,479)	(12,977,359)	(6,784,601)	(48,539,224)
Transferred to stage 1	382,188	55,185	52,553	83,866	573,792
Transferred to stage 2	499,635	234,322	216,919	129,267	1,080,143
Transferred to stage 3	21,648,823	4,150,523	8,347,708	2,347,790	36,494,844
Written off facilities	(3,846,665)	(1,334,086)	(1,322,842)	-	(6,503,593)
Balance at the end of the year	38,258,397	13,323,461	27,725,506	9,403,460	88,710,824
Reallocated:					
Individual level provision	38,258,397	10,243,806	8,330,094	2,616,952	59,449,249
Collective level provision	-	3,079,655	19,395,412	6,786,508	29,261,575

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(10) Financial Assets at Fair Value Through Owner's Equity – Self Financed

This item consists of the following.

	30 June 2020	31 December 2019
	JD (Unaudited)	JD (Audited)
Quoted financial assets		
Companies shares	4,324,036	4,210,885
Total financial assets – quoted	4,324,036	4,210,885
Unquoted financial assets		
Companies shares	1,937,540	1,891,480
Al Wakala Bi Al Istithmar (investment portfolio)	5,809,698	5,939,908
Total financial assets - unquoted	7,747,238	7,831,388
Total financial assets at fair value through owner's equity – self financed	12,071,274	12,042,273

(11) Financial Assets at Fair Value Through Investment Account Holder's Equity

This item consists of the following:

	30 June 2020	31 December 2019
	JD (Unaudited)	JD (Audited)
Quoted financial assets:		
Companies shares	15,869,875	17,834,665
Total quoted financial assets	15,869,875	17,834,665
Unquoted financial assets:		
Companies shares	6,784,017	6,399,800
Islamic banks portfolio	820,584	709,000
Al Wakala Bi Al Istithmar (investment portfolio)	10,818,057	11,980,364
Total unquoted financial assets	18,422,658	19,089,164
Total financial assets at fair value through the investment accounts holders' equity - joint	34,292,533	36,923,829

(12) Financial Assets at Amortized Cost

This item consists of the following:

	30 June 2020 JD (Unaudited)	31 December 2019 JD (Audited)
Quoted financial assets		
Islamic Sukuk	12,762,000	12,762,000
Expected credit losses	(1,193,528)	(441,028)
Net quoted financial assets	11,568,472	12,320,972
Unquoted financial assets		
Islamic Sukuk	175,761,690	182,792,530
Islamic banks portfolio	5,264,463	6,106,684
Total unquoted financial assets	181,026,153	188,899,214
Expected credit losses	(1,892,385)	(1,860,091)
Net unquoted financial assets	179,133,768	187,039,123
Total Financial Assets at amortized cost	190,702,240	199,360,095

- Islamic Sukuk in Jordanian Dinars rate of return ranges between (2.8% - 5.47%) payable on a semi-annual basis, with a maturity of 4 years.

- Islamic Sukuk in US Dollars rate of return ranges between (6.5% - 10.5%) payable on an annual basis, with a maturity of 5.5 years

- Rate of return on short term Islamic Sukuk in US Dollars ranges between (1.85% - 2.4%) with a maturity of 3-6 months .

1. Cumulative movement on investments:

As of 30 June 2020 (Unaudited):

	Stage 1 Individual JD	Stage 2 Individual JD	Stage 3 JD	Total JD
Balance at the beginning of the period	192,752,841	7,090,000	1,818,373	201,661,214
New investments during the period	23,196,902	-	-	23,196,902
Matured investments	(31,069,963)	-	-	(31,069,963)
Balance at the end of the period	184,879,780	7,090,000	1,818,373	193,788,153

As of 31 December 2019 (Audited):

	Stage 1 Individual JD	Stage 2 Individual JD	Stage 3 JD	Total JD
Balance at the beginning of the year	186,116,202	7,090,000	1,818,191	195,024,393
New investments during the year	27,674,027	-	-	27,674,027
Matured investments	(21,037,388)	-	-	(21,037,388)
Adjustments	-	-	182	182
Balance at the end of the year	192,752,841	7,090,000	1,818,373	201,661,214

2. Cumulative movement on the expected credit loss:

As of 30 June 2020 (Unaudited):

	Stage 1	Stage 2		
	Individual	Individual	Stage 3	Total
	JD	JD	JD	JD
Balance at the beginning of the period	68,120	414,626	1,818,373	2,301,119
Expected credit loss on new investments during the period	179,471	-	-	179,471
Expected credit loss recovered from matured investments	(117,779)	-	-	(117,779)
Adjustments	-	723,102	-	723,102
Balance at the end of the period	<u>129,812</u>	<u>1,137,728</u>	<u>1,818,373</u>	<u>3,085,913</u>

As of 31 December 2019 (Audited):

	Stage 1	Stage 2		
	Individual	Individual	Stage 3	Total
	JD	JD	JD	JD
Balance at the beginning of the year	101,584	1,431,239	1,818,191	3,351,014
Expected credit loss on new investments during the year	67,299	-	-	67,299
Expected credit loss recovered from matured investments	(100,763)	-	-	(100,763)
Adjustments	-	(1,016,613)	182	(1,016,431)
Balance at the end of the year	<u>68,120</u>	<u>414,626</u>	<u>1,818,373</u>	<u>2,301,119</u>

(13) Investments in Real Estate

This item consists of the following:

	Joint	
	30 June 2020	31 December 2019
	JD	JD
	(Unaudited)	(Audited)
Investments in real estate *	111,344,168	111,190,169
Total	<u>111,344,168</u>	<u>111,190,169</u>

* Investment in real estate are presented at fair value, with a book value (cost) of JD 95,454,384 as at 30 June 2020 compared to JD 95,256,486 as at 31 December 2019.

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(14) Other Assets

This item consists of the following:

	30 June 2020	31 December 2019
	JD (Unaudited)	JD (Audited)
Accrued revenues	44,252	214,450
Prepaid expenses	2,038,611	338,862
Temporary debit accounts	9,476,871	5,966,519
Stationery and publications	749,316	610,689
Stamps	5,726	634,042
Credit card accounts	4,501,186	4,891,020
Settlement guarantee fund deposits	25,000	25,000
Refundable deposits	331,031	318,988
Acceptable notes	75,042	39,714
Reposessed assets - Net *	33,059,098	34,286,450
Others	305,077	305,815
Total	50,611,210	47,631,549

* Movement on the reposessed assets to meet outstanding debts was as follow:

	30 June 2020	31 December 2019
	JD (Unaudited)	JD (Audited)
Beginning balance for the period / year	36,076,921	20,466,440
Additions	440,895	15,840,367
Disposals	(1,711,310)	(229,886)
Ending balance for the period / year	34,806,506	36,076,921
Provision for acquired assets *	(12,363)	(12,363)
provision for impairment in acquired assets	(1,735,045)	(1,778,108)
Total	33,059,098	34,286,450

* Impairment for reposessed assets was provided by Central Bank of Jordan letter No. (10/1/2510) dated 14 February 2017 and its amendments.

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(15) Customers' Current and on Demand Accounts

This item consists of the following:

	30 June 2020 (Unaudited)				
	Retail	Large corporates	Small and Medium Enterprises	Government and public sector	Total
	JD	JD	JD	JD	JD
Current accounts	713,398,402	21,583,380	216,604,424	33,994,751	985,580,957
On demand accounts	227,485,621	207,177	506,617	-	228,199,415
Total	940,884,023	21,790,557	217,111,041	33,994,751	1,213,780,372
	31 December 2019 (Audited)				
	Retail	Large corporates	Small and Medium Enterprises	Government and public sector	Total
	JD	JD	JD	JD	JD
Current accounts	706,247,317	21,015,941	204,038,550	48,674,042	979,975,850
On demand accounts	224,328,421	95,038	600,361	-	225,023,820
Total	930,575,738	21,110,979	204,638,911	48,674,042	1,204,999,670

Government and public sector deposits inside the Kingdom amounted to JD 33,994,751 representing 2,80% of the total customers' current and on demand accounts as at 30 June 2020 compared to JD 48,674,042 representing 4,04% as at 31 December 2019.

Dormant accounts amounted to JD 41,619,937 as of 30 June 2020 compared to JD 37,063,637 as of 31 December 2019.

The restricted accounts amounted to JD 6,527,362 representing 0,54% of the total customers' current and on demand accounts as of 30 June 2020 compared to JD 7,232,462, representing 0,60 % as of 31 December 2019 of the total customers' current and on demand accounts.

(16) Income Tax Provision

A- Bank's Income Tax Provision:

Movements on the Bank's income tax provision were as follows

	30 June 2020 JD (Unaudited)	31 December 2019 JD (Audited)
Beginning balance for the period / year	29,999,703	22,459,373
Income tax paid	(23,862,692)	(20,818,433)
Income tax expense	16,667,000	34,204,739
Income tax paid for the year 2019	-	(5,845,976)
Ending balance for the period / year	22,804,011	29,999,703

B- The income tax expense shown in the interim condensed consolidated Income Statement represents the following:

	30 June	
	2020	2019
	JD	JD
	(Unaudited)	(Unaudited)
Income tax for the period	16,667,000	14,620,644
Total	16,667,000	14,620,644

Income tax provision was adjusted starting from 1 January 2019 to reach 35% in addition to a national contribution of 3% for a total of 38% in accordance with the income tax law No. (34) of 2014 amended by law No. (38) of the year 2018.

The bank obtained final income tax clearance up to the year 2018 and submitted the income tax declaration for the year 2019 .

Al Samaha Financing and Investment Company Ltd:

The Company reached a final settlement with the income tax department up to 2018, the Company submitted the income tax declaration for the year 2019, the income tax department has not reviewed the records up to the date of the interim condensed consolidated financial statements .

Sanabel Al-Khair for financial investment Company Ltd:

The Company reached a final settlement with the income tax department up to 2018 except for the year 2015, the Company submitted the income tax declaration for the years 2015 and 2019, the income tax department has not reviewed the records up to the date of the interim condensed consolidated financial statements.

Omaryeh school company Ltd:

The Company reached a final settlement with the income tax department up to 2018, the Company submitted the income tax declaration for the year 2019, the income tax department has not reviewed the records up to the date of the interim condensed consolidated financial statements.

Future Applied Computer Technology Company Ltd:

The Company reached a final settlement with the income tax department up to 2018, the Company submitted the income tax declaration for the year 2019, the income tax department has not reviewed the records up to the date of the interim condensed consolidated financial statements .

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(17) Unrestricted Investment Accounts

A- This item consists of the following.

	30 June 2020 (Unaudited)					Total JD
	Retail	Large corporates	Small and Medium Enterprises	Government and public sector	Banks	
	JD	JD	JD	JD	JD	
Saving accounts	558,851,338	2,251,678	7,041,110	264	18,411,267	586,555,657
Notice accounts	8,692,533	-	3,728,682	615,223	11,638,740	24,675,178
Term accounts	1,902,042,298	8,003,862	55,619,902	39,486,177	11,023,826	2,016,176,065
Total	2,469,586,169	10,255,540	66,389,694	40,101,664	41,073,833	2,627,406,900
Depositors' share from Investment returns	24,289,918	53,050	298,106	177,914	181,965	25,000,953
Total unrestricted investment accounts	2,493,876,087	10,308,590	66,687,800	40,279,578	41,255,798	2,652,407,853

	31 December 2019 (Audited)					Total JD
	Retail	Large corporates	Small and Medium Enterprises	Government and public sector	Banks	
	JD	JD	JD	JD	JD	
Saving accounts	558,350,672	351,217	11,100,439	262	16,792,915	586,595,505
Notice accounts	9,006,295	-	3,386,919	602,495	8,840,091	21,835,800
Term accounts	1,885,202,168	4,979,237	44,164,490	29,145,040	23,250	1,963,514,185
Total	2,452,559,135	5,330,454	58,651,848	29,747,797	25,656,256	2,571,945,490
Depositors' share from Investment returns	50,266,993	109,252	1,217,183	609,703	282,957	52,486,088
Total unrestricted investment accounts	2,502,826,128	5,439,706	59,869,031	30,357,500	25,939,213	2,624,431,578

Unrestricted investment accounts share of profits is calculated as follows:

- 40% of the annual average balance of saving accounts.
- 70% of the annual average balance of notice accounts.
- 90% of the minimum balance of term accounts.

Unrestricted investment accounts (Government of Jordan and Public Sector) inside the Kingdom amounted to JD 40,279,578 representing 1.52 % of the total unrestricted investment accounts as at 30 June 2020 compared to JD 30,357,500 representing 1.16 % as at 31 December 2019.

The withdrawal restricted investment accounts amounted to JD 3,441,331 representing 0.13 % of the total unrestricted investment accounts as at 30 June 2020 compared to JD 3,117,003, representing 0.12% as at 31 December 2019.

B- Investment accounts holders' reserve and non- controlling interest – in subsidiaries and associates

	Joint	
	30 June 2020	31 December 2019
	JD (Unaudited)	JD (Audited)
Investment accounts holders' reserve – Subsidiaries	12,991,435	14,250,620
Investment accounts holders' reserve – Associates	2,538,536	2,514,771
Total	15,529,971	16,765,391
Non-Controlling Interests	41,427	132,814

(18) Fair Value Reserve

This item consists of the following:

A- Joint

	Joint	
	30 June 2020	31 December 2019
	JD (Unaudited)	JD (Audited)
Financial assets at fair value through joint investment accounts holders' equity reserve	(4,248,466)	(3,253,234)
Investments in real estate reserve	9,851,666	9,878,883
Total	5,603,200	6,625,649

B- Self

	Self	
	30 June 2020	31 December 2019
	JD (Unaudited)	JD (Audited)
Financial assets at fair value through owner's equity – self	2,332,643	2,236,401
Total	2,332,643	2,236,401

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(C) Movements on the fair value reserve for the unrestricted investment accounts holders' equity were as follows:

	30 June 2020 (Unaudited)		
	Financial assets at fair value	Investments in real estate	Total
	JD	JD	JD
Balance at the beginning of the period *	(5,247,151)	15,933,683	10,686,532
Unrealized losses	(1,605,213)	(35,690)	(1,640,903)
Deferred tax (liabilities) assets	2,603,898	(6,038,118)	(3,434,220)
Profits transferred to the consolidated income statement	-	(8,209)	(8,209)
Balance at the end of the period	(4,248,466)	9,851,666	5,603,200
	31 December 2019 (Audited)		
	Financial assets at fair value	Investments in real estate	Total
	JD	JD	JD
Balance at the beginning of the year	(1,344,483)	12,814,862	11,470,379
Unrealized (losses) profits	(3,902,668)	3,408,270	(494,398)
Deferred tax (liabilities) assets	1,993,917	(6,054,800)	(4,060,883)
Profits transferred to the consolidated income statement	-	(289,449)	(289,449)
Balance at the end of the year	(3,253,234)	9,878,883	6,625,649

* The fair value reserve beginning balance includes the prior year deferred tax liabilities of JD 4,060,883

(D) Movements on the fair value reserve / owner's equity were as follows:

	Financial assets at fair value	
	30 June 2020	31 December 2019
	JD (Unaudited)	JD (Audited)
Beginning Balance for the period / year *	3,607,098	2,218,490
Unrealized profits	131,913	1,388,608
Deferred tax liabilities	(1,429,684)	(1,370,697)
Losses transferred to the comprehensive consolidated income statement after tax	23,316	-
Ending Balance for the period / year	2,332,643	2,236,401

* The fair value reserve beginning balance includes the prior year deferred tax liabilities of JD 1,370,697.

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(E) Provision for probable contingencies:

Movements on probable contingencies provision were as follows:

	30 June 2020	31 December 2019
	JD (Unaudited)	JD (Audited)
Beginning balance for the period / year	760,429	1,042,517
Movement during the period / year	387,230	(282,088)
Ending Balance for the period / year	1,147,659	760,429

(19) Provision for future expected risks

A. Movements on a provision for future expected risks were as follows:

	30 June 2020	31 December 2019
	JD (Unaudited)	JD (Audited)
Transfer from investment risk fund	30,016,131	31,963,981
Transfers to provision for expected credit loss	(12,904,268)	(1,947,850)
Ending Balance for the period / year	17,111,863	30,016,131

B. Mutual Insurance Fund

Movements on the Mutual Insurance Fund were as follows:

	30 June 2020	31 December 2019
	JD (Unaudited)	JD (Audited)
Beginning balance for the period / year	75,065,605	75,372,392
Add: profits for the years 2018 and 2019	1,987,034	2,336,439
Add: insurance premiums collected during the period / year	2,209,490	2,603,011
Add: amounts recovered from prior years losses	35,351	94,599
Less: insurance premiums paid during the period / year	(4,636,390)	(4,527,471)
Less: fund's committee members remunerations	(16,000)	(16,000)
Less: consulting fees	(1,740)	(1,740)
Less: Insurance paid for the dissolution of contracts before 2018	(3,937)	(69,458)
Less: losses written off during the period / year	-	(726,167)
Ending balance for the period / year	74,639,413	75,065,605

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The mutual insurance fund was established based on Article (54) - paragraph (D/3) of the Banks Law No. (28) for the year 2000.

Prior approval of the Central Bank of Jordan must be obtained in case of any changes to the mutual insurance fund policies.

In case of discontinuing the mutual insurance fund for any reason, the Board of Directors shall determine the way of spending the fund's sources for charity.

The Central Bank of Jordan approved considering the Mutual Insurance Fund as mitigating risk exposure according to its letter No. (10/1/12160) dated 9 October 2014.

Compensation payment for the subscriber is made from the Fund as determined by the Bank from the subscriber's outstanding debt insured in Murabaha or in any other form of deferred sales or as determined by the Bank from the debt and/or the remaining amount from the Ijarah asset in the following cases:

- Death of subscriber.
- The subscriber's physical disability, fully or partially
- The subscriber's insolvency due to lack of income sources for at least one year, without having an asset or possessing the leased estate to settle his debt and has no opportunity to obtain income source in the upcoming year that enable the debtor to settle his debt or to continue in the finance lease and based on the bank's decision about it.

The Mutual Insurance Fund balance is distributed as follows:

	30 June 2020	31 December 2019
	JD	JD
	(Unaudited)	(Audited)
Ending balance for the period / year	74,639,413	75,065,605
Expected credit loss for deferred sales receivables - (Note 7)	(20,784,351)	(18,334,955)
Expected credit loss for Ijarah Muntahia Bittamleek receivables - (Note 7)	(594,211)	(665,045)
Expected credit loss for deferred sales receivables and Ijarah Muntahia Bittamleek receivables - Al Wakala Bi Al Istithmar (Investments portfolio)	(3,000,000)	(3,000,000)
Balance of Mutual Insurance Fund after provisions	50,260,851	53,065,605

The expected credit loss of deferred sales receivables and Ijarah Muntahia Bittamleek receivables included in the mutual insurance fund was computed starting from 31 December 2014 in accordance to the approval of the Central Bank of Jordan.

As of the beginning of 2018, the group has applied the accrual basis instead of cash basis with regards to insurance premiums received from subscribers, additionally, it was approved to increase the ceiling of coverage to become JD 150 thousand instead of JD 100 thousand.

Mutual insurance fund covers financing granted by the Bank (financing granted from joint investment accounts and Al Wakala Bi Al Istithmar accounts (Investments Portfolio)).

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C. Subsidiaries expected credit loss

	30 June 2020	31 December 2019
	JD	JD
	(Unaudited)	(Audited)
Al Samaha Funding and Investment Company Ltd. - (Note 7)	500,783	485,783
Al Omariah Schools Company Ltd. - (Note 7)	663,170	595,236
Total	1,163,953	1,081,019

(20) Deferred Sales Revenues

This item consists of the following:

	Joint		self		Total	
	For the six months ended 30 June		For the six months end 30 June		For the six months end 30 June	
	2020	2019	2020	2019	2020	2019
	JD	JD	JD	JD	JD	JD
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Individuals (Retail):						
Murabaha to the purchase orderer	21,921,199	26,069,879	-	-	21,921,199	26,069,879
Deferred sales	357,140	328,096	-	-	357,140	328,096
Ijarah Mawsoofa Bil Thimma	219,595	195,501	-	-	219,595	195,501
Istisna'a	12,076	-	-	-	12,076	-
Real Estate Financing	14,214,486	15,136,819	4,000	6,000	14,218,486	15,142,819
Corporate:						
International Murabaha	303,026	687,381	-	-	303,026	687,381
Murabaha to the purchase orderer	8,088,437	7,853,644	-	-	8,088,437	7,853,644
Deferred sales	258	-	-	-	258	-
Istisna'a	2,463,435	469,510	-	-	2,463,435	469,510
Small and Medium Enterprises:						
Murabaha to the purchase orderer	4,187,047	3,865,569	-	-	4,187,047	3,865,569
Deferred sales	1756	-	-	-	1756	-
Government and public sector	16,314,001	11,922,399	-	-	16,314,001	11,922,399
Total	68,082,456	66,528,798	4,000	6,000	68,086,456	66,534,798

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(21) Financing Revenues

This item consists of the following:

	Joint		Self		Total	
	For the Six Months Ended on 30 June		For the Six Months Ended on 30 June		For the Six Months Ended on 30 June	
	2020	2019	2020	2019	2020	2019
	JD	JD	JD	JD	JD	JD
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Individuals (Retail):						
Diminishing Musharaka	238,621	230,594	1,871	2,005	240,492	232,599
Total	238,621	230,594	1,871	2,005	240,492	232,599

(22) Gain from Financial Assets at Fair Value Through Joint Investment Accounts Holders' Equity

This item consists of the following:

	Joint	
	For the Six Months Ended on 30 June	
	2020	2019
	JD	JD
	(Unaudited)	(Unaudited)
Dividends income	488,507	776,629

(23) Gain from Financial Assets at Amortized Cost

This item consists of the following:

	Joint	
	For the Six Months Ended on 30 June	
	2020	2019
	JD	JD
	(Unaudited)	(Unaudited)
Islamic Sukuk	4,866,123	2,834,883
Islamic banks portfolio revenues	206,077	117,274
Total	5,072,200	2,952,157

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(24) Revenue from Investments in Real Estate

This item consists of the following:

	Joint	
	For the Six Months Ended on 30 June	
	2020	2019
	JD	JD
	(Unaudited)	(Unaudited)
Realized gain from investments in Real Estate	342,460	692,469

(25) Share of Unrestricted Investment Accounts Holders

This item consists of the following:

	For the Six Months Ended on 30 June	
	2020	2019
	JD	JD
	(Unaudited)	(Unaudited)
Banks and Financial Institutions	181,965	117,591
Customers:		
Saving Accounts	2,724,653	2,689,014
Notice Accounts	106,059	115,320
Term Accounts	21,988,276	21,682,508
Total	25,000,953	24,604,433

(26) Bank's Share of the Joint Investment Accounts Revenues as Mudarib and Rab-Mal

This item consists of the following:

	For the Six Months Ended on 30 June	
	2020	2019
	JD	JD
	(Unaudited)	(Unaudited)
Bank's share as Mudarib	48,939,442	44,869,940
Bank's share as Rab Mal	21,338,841	19,223,600
Total	70,278,283	64,093,540

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(27) Bank's Self-financed Revenue

This item consists of the following:

	For the Six Months Ended on 30 June	
	2020	2019
	JD	JD
	(Unaudited)	(Unaudited)
Sales receivables revenues- Note (20)	4,000	6,000
Financing revenues – Note (21)	1,871	2,005
Gain from financial assets at the fair value through equity	9,146	12,967
Total	15,017	20,972

(28) Basic Earnings Per Share (EPS)

This item consists of the following:

	For the Six Months Ended on 30 June	
	2020	2019
	(Unaudited)	(Unaudited)
Profit for the period after income tax (JD)	27,268,198	24,505,213
Weighted average number of shares (share)	200,000,000	200,000,000
Basic earnings per share (JD/Fils)	0.136	0.123

(29) Cash and Cash Equivalents

This item consists of the following:

	For the Six Months Ended on 30 June	
	2020	2019
	JD	JD
	(Unaudited)	(Unaudited)
Cash and balances with The Central Bank maturing within 3 months	848,711,428	826,832,901
Add: Balances at banks and financial institutions maturing within 3 months	35,844,982	85,073,935
Less: Balances at banks and financial institutions maturing within 3 months	(39,596,699)	(8,047,669)
Total	844,759,711	903,859,167

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(30) Related Parties Transactions

A. The interim condensed consolidated financial statements include the financial statements of the Bank and the following subsidiaries:

Company Name	Ownership	Paid-in Capital	
		30 June 2020	31 December 2019
		JD (Unaudited)	JD (Audited)
Al Omariah Schools Company Ltd.	99.8%	16,000,000	16,000,000
Al Samaha Financing and Investment Company Ltd.	100%	12,000,000	12,000,000
Future Applied Computer Technology Company Ltd.	100%	5,000,000	5,000,000
Sanabel Al-Khair for Financial Investments Company Ltd.	100%	5,000,000	5,000,000

The Bank entered into transactions with the shareholders, subsidiaries, associates, major shareholders, board members and senior executive management within the Bank's ordinary course of business using normal Murabaha rates and commercial commissions. All deferred sales receivables, financing and Ijarah Muntahia Bittamleek granted to related parties are considered performing and within the first stage.

B. Below is a summary of transactions with related parties:

	Related parties				Total	
	Parent Company	Associates	Subsidiaries	Board members and Senior Executive management	30 June 2020	31 December 2019
	JD	JD	JD	JD	JD (Unaudited)	JD (Audited)
Interim condensed consolidated statement of financial position items:						
Deferred sales receivables	-	623,118	2,210,002	7,971,474	10,804,594	12,344,167
Financing of employees housing/ Musharaka	-	-	-	1,041,168	1,041,168	1,245,098
Deposits	69,898	10,522,011	2,292,886	2,361,578	15,246,373	11,514,123
Off consolidated statement of financial position items:						
Guarantees and Letters of credit	-	34,750	682,833	2,942,927	3,660,510	3,938,573
					For the Six Months Ended on 30 June	
					2020	2019
					JD	JD
					(Unaudited)	(Unaudited)
Interim condensed Consolidated income statement items:						
Paid expenses	-	3,059,062	811,651	1,427,926	5,298,639	7,827,204
Received revenues	-	3,049	823	39,949	43,821	252,270
Paid Profits	-	172,488	74,263	190,161	436,912	154,621

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- Murabaha rate on granted financing ranged between (4%-5.5%) annually as at 30 June 2020 (2019: 4% - 5.5%).
- Musharaka profit rate of financing granted to the employees ranged between (2%-4.8%) annually as at 30 June 2020 (2019: 2% - 4.8%).
- Guarantees commission rate ranged between (1%-4%) annually as at 30 June 2020 (2019: 1% - 4%). Letters of credit commission rate ranged between (1/4% - 3/8%) quarterly as 30 June 2020 (2019: 1/4% - 3/8% quarterly).
- Individual and corporate deposits revenue is equals to the percentage of revenue for related parties deposits.

C. Compensation of the Bank's Executive Management Benefits (Salaries, Remuneration and other Benefits) were as follows:

	For the Six Months Ended on 30 June	
	2020	2019
	JD	JD
	(Unaudited)	(Unaudited)
Salaries, remuneration and transportation	1,146,740	2,259,497
End of service benefits	-	1,462,917
Total	1,146,740	3,722,414

(31) Segment Information

A. Information about Bank's Activities

The Bank is organized for administrative purposes based on the reports submitted to the General Manager and the chief decision maker into four main business sectors:

Retail

These encompass following up on the unrestricted investment accounts, deferred sales receivables and other financing and banking services related to individuals.

Corporate Accounts

These encompass following up on the unrestricted investment accounts, deferred sales receivables and other financing and banking services related to the institutions.

Investment in Assets

This includes investing in real estate, and leasing.

Treasury

This includes trading services and managing the Bank's funds.

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B. Below is the Bank's business sectors distributed according to its activities:

						Total	
						For the Six Months	
						Ended on 30 June	
	Investment in					2020	2019
	Retail	Corporate	Assets	Treasury	Others		
	JD	JD	JD	JD	JD	JD	JD
						(Unaudited)	(Unaudited)
Total revenues (Joint and self financed)	60,607,199	37,153,231	6,156,610	8,199,540	259,275	112,375,855	110,658,567
Net income of subsidiaries and share of profit from investments in associates	-	-	822,201	-	-	822,201	754,870
Investment risk fund share from the revenues of joint investment accounts holders'	-	-	-	-	-	-	(6,468,523)
Share of Deposits guarantee fees investment accounts holders'	(1,179,348)	(721,317)	(103,796)	(173,059)	(5,044)	(2,182,564)	(691,173)
Share of the unrestricted investment accounts and non-controlling interests from the net income of associates	(13,567,049)	(9,451,542)	(822,201)	(1,982,362)	-	(25,823,154)	(25,359,303)
Segment Results	45,860,802	26,980,372	6,052,814	6,044,119	254,231	85,192,338	78,894,458
Allocated expenses	(23,038,907)	(12,828,492)	(2,020,671)	(3,369,070)	-	(41,257,140)	(39,768,601)
Profit before tax	22,821,895	14,151,880	4,032,143	2,675,049	254,231	43,935,198	39,125,857
Income tax	(8,195,500)	(6,178,676)	(767,855)	(1,446,700)	(76,269)	(16,667,000)	(14,620,644)
Profit after tax	14,626,395	7,973,204	3,264,288	1,228,349	177,962	27,268,198	24,505,213

						30 June	31 December
						2020	2019
						JD	JD
						(Unaudited)	(Audited)
Segment assets	1,385,610,155	1,066,673,871	1,006,241,888	920,809,598	-	4,379,335,512	4,283,410,753
Investment in associates	-	-	8,234,951	-	-	8,234,951	8,211,186
Unallocated assets	-	-	-	-	159,298,452	159,298,452	157,550,209
Total Assets	1,385,610,155	1,066,673,871	1,014,476,839	920,809,598	159,298,452	4,546,868,915	4,449,172,148
Segment liabilities	3,434,760,110	431,428,115	-	39,596,699	-	3,905,784,924	3,834,102,085
Unallocated liabilities	-	-	-	-	192,138,859	192,138,859	193,466,055
Total Liabilities	3,434,760,110	431,428,115	-	39,596,699	192,138,859	4,097,923,783	4,027,568,140

						For the Six Months	
						Ended on 30 June	
						2020	2019
						JD	JD
						(Unaudited)	(Unaudited)
Capital expenditures	-	-	-	-	2,889,469	2,889,469	3,814,871
Depreciation and amortization	-	-	-	-	3,995,841	3,995,841	4,494,218

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(32) Capital Management

The Bank's capital consists of the paid-in capital, statutory reserve, voluntary reserve, other reserves and retained earnings.

The Bank achieves its capital objectives throughout the following.

- Achieving a satisfactory return on capital without affecting the financial stability of the Bank and achieving acceptable return on owner's equity.
- Achieving the required level of capital according to Basel Committee requirements and the supervisory bodies instructions.
- Providing an adequate capital to expand the granting of financing and large investments in consistency with the Central Bank of Jordan regulations as well as facing any future risks.

Capital adequacy ratio was calculated as at 30 June 2020 in accordance with standard number (15) issued by Islamic Financial Services Board, based on Central Bank of Jordan instruction number (72/2018) dated 4 February 2018.

	30 June 2020 Thousands JD (Unaudited)	31 December 2019 Thousands JD (Audited)
Common Equity Tier I	417,047	414,887
Paid-in capital	200,000	200,000
Statutory reserve	92,879	92,879
Voluntary reserve	37,094	37,094
Retained earnings	89,371	89,395
Accumulated change in full fair value	395	714
Profits for the period after tax less expected dividends distribution	2,268	-
Intangible assets	(2,357)	(2,536)
Investments in Banks, financial institutions and Takaful companies capital that are less than 10%.	(494)	(494)
Investments in Banks, financial institutions and Takaful companies capital, beyond unified regulatory scope that are less than 10%	(2,109)	(2,165)
Additional Tier I	-	-
Additional Tier II	5,213	5,747
Bank's share from the the investment risks fund surplus		-
General banking risks reserve (self) and bank share of general banking risk reserve- joint (not to exceed 1.25%) of risky assets	5,213	5,747
Total regulatory capital	422,260	420,634
Risk Weighted Assets (RWA)	1,755,126	1,728,627
Common Equity Tier I Ratio	23.76%	24.00%
Additional Tier I Ratio	0.00%	0.00%
Tier I Ratio	23.76%	24.00%
Tier II Ratio	0.30%	0.33%
Capital Adequacy Ratio	24.06%	24.33%

- Financial leverage percentage has reached 18.69% as of 30 June 2020 (2019: 17.34%).

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(33) Commitments and Contingent Liabilities (Off the Interim Condensed Consolidated Statement of Financial Position)

Contingent Credit Commitments

	30 June 2020	31 December 2019
	JD	JD
	(Unaudited)	(Audited)
Letters of credit	24,536,924	25,077,121
Acceptances	1,999,038	2,179,369
Guarantees:	123,018,930	119,719,170
Payment	37,288,335	35,484,631
Performance	51,508,037	55,571,232
Others	34,222,558	28,663,307
Unutilized Limits/ Direct	102,231,057	114,205,450
Unutilized Limits/ Indirect	43,428,866	59,743,127
Total	295,214,815	320,924,237

Cumulative movement on indirect facilities:

As of 30 June 2020 (Unaudited):

	Stage 1		Stage 2		Stage 3	Total
	Collective	Individual	Collective	Individual		
	JD	JD	JD	JD	JD	JD
Balance at the beginning of the period	78,235,787	163,674,566	2,427,067	69,035,450	7,551,367	320,924,237
New exposures during the period	39,379,344	48,283,899	1,459,753	22,050,042	5,979,948	117,152,986
Matured exposures	(46,025,470)	(61,275,123)	(1,069,396)	(28,574,010)	(5,918,409)	(142,862,408)
Transferred to stage 1	1,429,266	3,809,510	(1,243,574)	(3,632,510)	(362,692)	-
Transferred to stage 2	(995,036)	(20,918,860)	1,045,286	21,494,162	(625,552)	-
Transferred to stage 3	(274,282)	(75,000)	(25,050)	(403,893)	778,225	-
Balance at the end of the period	71,749,609	133,498,992	2,594,086	79,969,241	7,402,887	295,214,815

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As of 31 December 2019 (Audited):

	Stage 1		Stage 2		Stage 3	Total
	Collective	Individual	Collective	Individual		
	JD	JD	JD	JD	JD	JD
Balance at the beginning of the year	83,160,423	151,460,014	1,762,522	81,521,230	4,042,709	321,946,898
New exposures during the year	65,252,758	77,882,879	1,644,240	28,871,665	6,814,282	180,465,824
Matured exposures	(68,863,245)	(59,990,348)	(1,337,704)	(45,377,298)	(5,919,890)	(181,488,485)
Transferred to stage 1	1,476,783	28,075,758	(1,205,125)	(27,949,005)	(398,411)	-
Transferred to stage 2	(1,790,242)	(33,105,504)	1,845,864	33,049,882	-	-
Transferred to stage 3	(1,000,690)	(648,233)	(282,730)	(1,081,024)	3,012,677	-
Balance at the end of the year	<u>78,235,787</u>	<u>163,674,566</u>	<u>2,427,067</u>	<u>69,035,450</u>	<u>7,551,367</u>	<u>320,924,237</u>

2. Cumulative movement on the expected credit loss for indirect facilities

As of 30 June 2020 (Unaudited):

	Stage 1		Stage 2		Stage 3	Total
	Collective	Individual	Collective	Individual		
	JD	JD	JD	JD	JD	JD
Balance at the beginning of the period	982,764	732,384	33,800	779,940	4,919,807	7,448,695
Expected credit loss on new exposures during the period	1,312,088	265,573	46,808	198,577	4,503,684	6,326,730
Expected credit loss from matured exposures	(233,339)	(122,409)	(14,505)	(295,654)	(4,565,289)	(5,231,196)
Transferred to stage 1	41,199	40,587	(35,593)	(40,349)	(5,844)	-
Transferred to stage 2	(27,278)	(128,214)	27,466	134,679	(6,653)	-
Transferred to stage 3	(134,410)	(3,664)	(16,809)	(289,330)	444,213	-
Impact on ending balance provision due to change in staging classification through the period	<u>415,989</u>	<u>-</u>	<u>36,855</u>	<u>366,122</u>	<u>-</u>	<u>818,966</u>
Balance at the end of the period	<u>2,357,013</u>	<u>784,257</u>	<u>78,022</u>	<u>853,985</u>	<u>5,289,918</u>	<u>9,363,195</u>

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As of 31 December 2019 (Audited):

	Stage 1		Stage 2		Stage 3	Total
	Collective	Individual	Collective	Individual		
	JD	JD	JD	JD	JD	JD
Balance at the beginning of the year	905,039	541,164	13,424	1,331,129	5,127,127	7,917,883
Expected credit loss on new exposures during the year	965,793	1,334,473	113,473	503,702	6,720,886	9,638,327
Expected credit loss from matured exposures	(297,799)	(626,094)	(19,675)	(527,429)	(8,636,518)	(10,107,515)
Transferred to stage 1	20,357	133,267	(16,990)	(132,705)	(3,929)	-
Transferred to stage 2	(21,806)	(315,943)	22,220	318,283	(2,754)	-
Transferred to stage 3	(588,820)	(334,483)	(78,652)	(713,040)	1,714,995	-
Balance at the end of the year	<u>982,764</u>	<u>732,384</u>	<u>33,800</u>	<u>779,940</u>	<u>4,919,807</u>	<u>7,448,695</u>

(34) Lawsuits Filed Against the Bank

The lawsuits filed against the Bank (self) amounted to JD 10,322,908 as of 30 June 2020 with a provision of JD 31,069 (provision booked amounted to JD 75,000 instead of JD 31,069) compared to JD 10,341,217 as of 31 December 2019 with a provision of JD 37,568. The lawsuits filed against the Bank (joint) as of 30 June 2020 amounted to JD 10,120,839 with a provision of JD 39,495 compared to JD 10,084,339 as of 31 December 2019 with a provision of JD 39,495. The Bank's management and its legal advisor believe that any obligations that may arise from the lawsuits against joint investments will be recognized within the investment risk fund, while the lawsuits against the Bank (self) will be covered by the established provision.

(35) Statutory Reserves

The Bank did not appropriate any amounts to the reserves as required by the Companies Law, since these condensed financial statements are interim financial statements.