

*"Allah has permitted  
trade and forbidden usury"*



***The Thirty First Annual Report  
2009 - 1430***





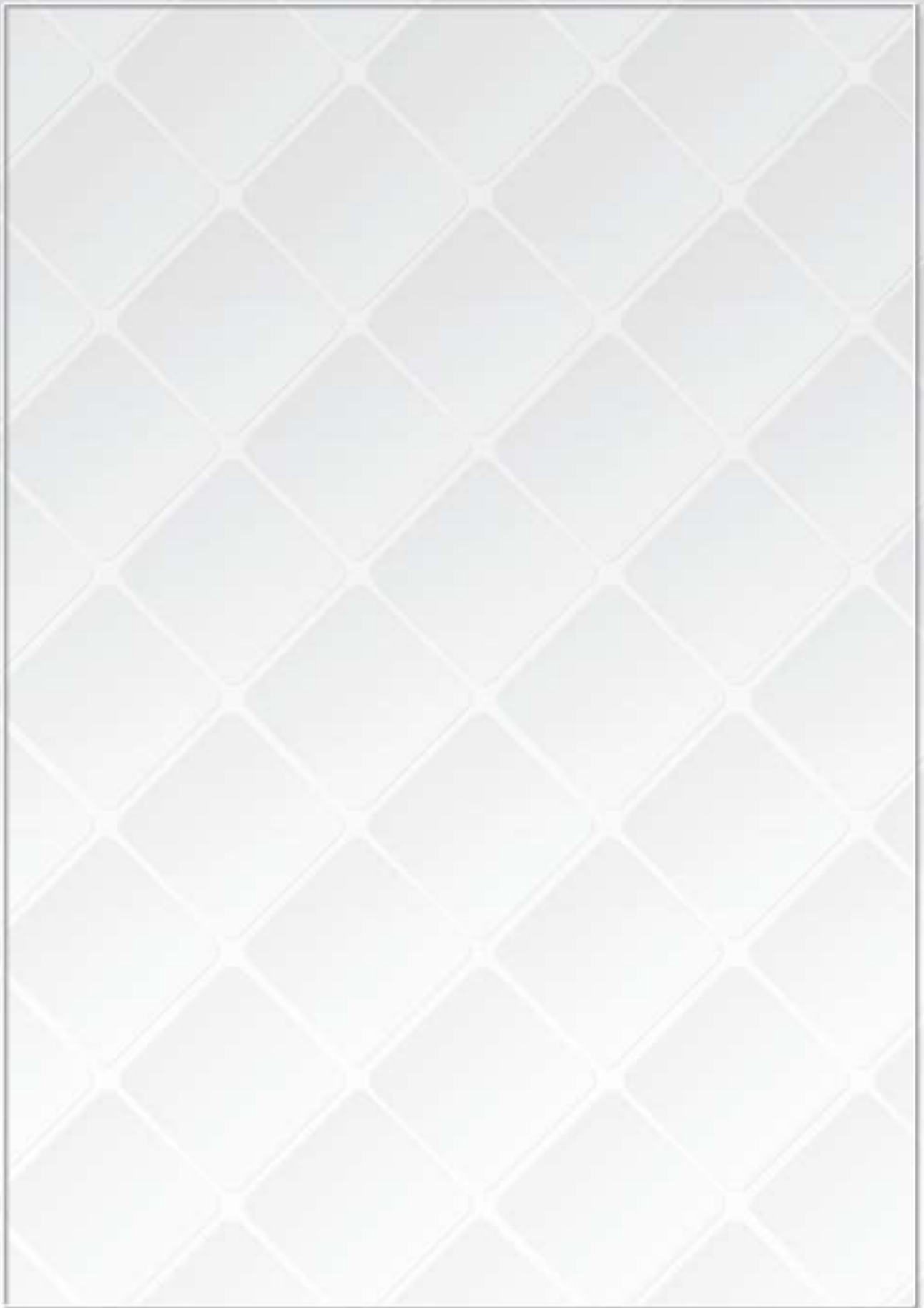
His Majesty King Abdullah II  
King of the Hashemite Kingdom of Jordan





HRH Prince Hussein Abdullah  
Crown Prince





In the Name of Allah, the Merciful, the Compassionate



## Jordan Islamic Bank

Public Shareholding Limited Liability Company

Established in Amman - the Hashemite Kingdom of Jordan and registered as a public shareholding limited liability company in the Companies Registry on 28.11.1978 under reference No. 124 pursuant to the requirements of the by-then effective Companies Law and in accordance with the provisions of Jordan Islamic Bank Law No. 13 of 1978, which was superseded by the Banks Law No. 62 of 1985 that was abolished pursuant to the Banks Law No. 28 of 2000 effective as of 02.08.2000, which included a special chapter on Islamic Banks.

## The Thirty First Annual Report for the year 2009

Presented to the General Assembly at their ordinary meeting convened in  
Amman on Tuesday 12 Jumada Alawwal 1431 H  
Corresponding to 27/4/2010



## Our Message

- ◆ *Consolidating and deepening the values of the Islamic Sharia by means of dealing with all people according to the teachings and principles of the Islamic Law (Sharia) to serve the public interest of the society.*
- ◆ *Commitment to equally serve the interests of all related parties including shareholders, investors, depositors, and employees.*
- ◆ *Commitment to apply the latest innovative products in banking industry and technology as well as looking forward to gaining the trust of all people in our distinguished services in line with recent variables and changes within the framework of compliance with our Islamic Sharia.*



## Board of Directors



AlBaraka Banking Group Co.  
Represented by  
**H.E. Mr. Adnan Ahmad Yousef**  
Chairman



**H.E. Mr. Musa Abdelaziz Shihadeh**  
Vice Chairman – CEO  
General Manager



**H.E. 'Eng.' Raef Yousef  
Mahmoud Najm**  
Member



**H.E. Mr. Salem Mohammed  
Salem Massadeh**  
Member



**H.E. Mr. Kamal Sami Asfour**  
Member



AlBaraka Banking Group Co.  
Represented by  
**H.E. Mr. Othman Ahmad Suleiman**  
Member



AlBaraka Banking Group Co.  
Represented by  
**H.E. Mr. Abdellatif Abdallah Al Rajhi**  
Member



AlBaraka Banking Group Co.  
Represented by  
**H.E. Mr. Hamad Abdallah Ali Eqab**  
Member



**H.E. Mr. Haidar Issa Murad Murad**  
Member



Global Investment House Co. \*  
Represented by:  
**H.E. Mr. Ali Suhail Al Shanti**  
since 27/12/2009.  
Member



Global Investment House Co. \*  
Represented by:  
**H.E. Mr. Talal Fawzi AlSamhourl**  
till 30/08/2009,  
Member



**H.E. Mr. Ayman AbdelKareem Hatahit**  
Member

\* His Excellency Mr. Sameer "Mohammad Emad" Aboushi represented the Company during the two meetings of the Board of Directors held on 30/9, 15/12,

## Sharia Supervisory Board



H.E. Dr. Ibrahim Zaid Alkilani  
Chairman



H.E. Dr. Mahmoud AlSartawi  
Member



H.E. Dr. AbdelSattar Abu Ghuda  
Vice Chairman



H.E. Dr. Abdelaziz AlKhayat  
Member

## The Administration of the Bank



H.E. Mr. Musa Abdelaziz Shihadeh  
Vice Chairman - General Manager



Mr. Saleh Musa AlShantir  
Deputy General Manager



Mr. Wael Mohammed Musa Barakat  
Assistant General Manager



Mr. Nabil Mostafa Hussein Asaad  
Assistant General Manager



Mr. "Mohammed Majed" Allan  
Assistant General Manager



Mr. Omar Rebhi Jabari  
Assistant General Manager



Dr. Hussein Said "Saifan"  
Assistant General Manager



*In the Name of Allah, the Merciful, the Compassionate*



## Chairman's Message



*Assalmu Alikum Wa Rahmtu Allah Wa Baraktu,*

All Praise be to Allah, Lord of the Worlds,  
And Prayers and Peace be upon Mohammed  
his Servant and Messenger.

### **Dear Shareholders,**

The year 2009 witnessed the celebration of Jordan Islamic Bank of its 30th anniversary, which commenced its businesses by opening the first branch on 22/9/1979, having the privilege to pioneer the Islamic banking business in Jordan. Throughout its course of business, the Bank has been keen to be faithful to its perspective, a pioneer in its field of business, distinct in its dealings, advanced in its methods of work, well-prepared to deal with all developments and responsive to the needs of its clients who believe in the Bank's perspective in all circumstances. The Bank has also achieved a steady and balanced growth in its various activities, exemplified Sharia-compliant Islamic institutions and overcame all obstacles in its progress, taking into account the compliance with all laws, legislations, rules, regulations, instructions, traditions, and methods of control and inspection applicable to the conventional banks in the Kingdom, despite the apparent variance among their respective applications.

Throughout 2009, Jordan Islamic Bank continued its progress overcoming the global financial crisis and its negative consequences on the national and regional economies. The Bank's total assets amounted to nearly JD (2.5) billion at a growth of about (13.9%). The total balances of saving schemes were about JD (2.2) billion at a growth of approximately (16.2%). The total assets of financial investments amounted to about JD (1.6) billion at a growth of nearly (10.2%), and the profits of joint investment prior distribution were around JD (100) million. The Bank's profits before tax amounted to about JD (39) million, with a return on equity of approximately (23%), while profit after tax amounted to about JD (28) million, with a return on equity of approximately (16.5%). The Board of Directors recommended the General Assembly to distribute dividends to shareholders at (12%) of the Bank's paid capital.

This accomplishment is a success and grace from Allah glorified and exalted, and is the fruit of the continuous support from those believing in the perspective and approach of this institution. It is also attributed to the distinguished persistent efforts exerted by the Bank's Executive Management and employees, May Allah reward you all on our behalf the best reward.

The Bank will pursue its straightforward path, In Sha' Allah, serving its mission, responding to the needs of the national economy and local community and taking part in every good work, whenever possible.

Adnan Ahmad Yousif  
Chairman





**The Board of Directors  
Report for 2009**

*In the Name of Allah, the Merciful, the Compassionate*

*“Our Lord! make not our hearts to deviate after Thou hast guided us aright,  
and grant us from Thee mercy; surely Thou art the most liberal Giver.”*

*Allah the Almighty has spoken the truth*

Verse No. 8, Surat Al-Emran



## The Board of Directors Report for 2009

*Assalmu Alikum Wa Rahmtu Allah Wa Baraktu,*

*All Praise be to Allah, Lord of the Worlds,  
And Prayers and Peace be upon Mohammed  
his Servant and Messenger.*

### **Dear Shareholders,**

In 2009, the Bank celebrated its 30th anniversary since the commencement of its activities, proving throughout its progress the profound experience of the Islamic banks and the capability of the economic fundamentals in the Islamic Sharia to effectively deal with the recent developments.

Throughout its course of business, the Bank has been keen to ensure that people have easy access to its services. To this end, the Bank's branch network expanded at a relatively fast pace to comprise (57) branches and (12) offices at the end of 2009 covering all regions of the Kingdom. The number of employees went in parallel with the development witnessed by the Bank until they totaled (1755) employees by the end of 2009. In addition, automated teller machines (ATMs) were distributed and connected to the Jordanian Network of Automated Teller Machine, which in turn is connected to the Visa Global ATMs Network outside Jordan. The number of these ATMs reached (76) by the end of 2009.

The Bank kept pace with the state-of-the-art banking technologies. Most of computer and internet technologies were introduced to the Bank's business and operations, and branches and automated teller machines were electronically linked. In addition, fast transfers service was introduced, the electronic clearing service replaced the automated clearing service and the bankcards service (Visa, MasterCard, Visa Electron) has been expanded, where the number of valid cards amounted to approximately (267) thousand cards by the end of 2009.

The Bank started with a capital of JD four million in 1979 and has recently become one hundred million JD. The shareholders' equity grew until it reached nearly JD (176.8) million by the end of 2009.

Since 1989, the Bank has been ranked third among the banks sector in Jordan, which are currently (23) banks. The Bank's total assets accounted for nearly (7.7%) of the total assets of the banking sector. The total balances of its saving schemes accounted for approximately (10.8%) of the total client deposits of the whole banking sector. Moreover, the Bank's total balances of financial investments accounted for about (11.7%) of the total direct credit facilities of the banking sector.

With the grace of Allah and the people's support; the Bank has played an effective role in the economic and social life. As for the mobilization of national savings, the Bank has been able to attract various segments of the society to deal with, especially small deposit owners. Therefore, the Bank has a broad depositor base. The active accounts exceeded (736) thousand accounts by the end of 2009, with an average balance of around JD (2900) per account.

The Bank directs these deposits towards investments directly flowing into the development channel, providing job opportunities that reduce unemployment and contributing to the development of national exports and foreign currencies flow to the national economy. It provides finance for various social and economic activities, benefiting many health, educational, industrial, services, commercial, housing and other facilities. The Bank continuously identifies the basic and essential needs of citizens and seeks to meet them through its branches spreading in the Kingdom's various regions on terms suitable for their circumstances. Thus, we find that the Bank's financial investments are made up mostly of relatively small projects and operations that benefit large numbers of citizens in the Kingdom. This is evident in the cumulative number of Murabaha financing operations executed by the Bank in the local market till the end of 2009, which amounted to about (563) thousand processes with a total value of approximately JD (5.3) billion, i.e. the average value of one transaction was only about JD (9.5) thousand. Among the needs that seem necessary for citizens are housing, transportation, and furniture. Total cumulative financing provided for these purposes accounted for around (41.8%) of total Murabaha financing, and nearly (73.1%) of the cumulative number of Murabaha financing transactions. In addition, the Bank provides financing to professionals such as doctors, pharmacists, engineers and craftspeople.

Moreover, nearly (90%) of the existing operations for accounts receivable of Murabaha financing at the end of 2009 are accounts receivable of operations, of which the financing per operation does not exceed JD (40) thousand.

The Bank continued its social role and contribution to fostering interdependence and solidarity relationships among society individuals. It also reiterated its Islamic and humanitarian mission through sponsoring activities of social nature, participating in such activities and supporting them. The total donations provided by the Bank for various charitable activities by the end of 2009 amounted to around JD (5.7) million, while the good loans (Al-Qard Al-Hasan) provided for justified social purposes amounted to JD (109.4) million benefiting nearly (238) thousand citizens. The mutual insurance fund sponsored by the Bank compensated (1078) death and total disability cases of the Bank debtors with a total amount of around JD (2.9) million by the end of 2009. In the same context, the Bank provides training opportunities within its premises for students of various educational institutions, where the total number of trainees amounted to (10535) by the end of 2009.

#### **Dear Shareholders,**

Certain indicators have shown signs of recovery in the global economy, including improved indicators of global stock prices. This recovery came after more than a year since the beginning of the global financial crisis and high oil prices that stabilize most of the time above the level of seventy dollars per barrel after they declined in the beginning of the crisis to less than forty dollars per barrel. However, this recovery appears to be slow, and some fear that these indicators are deceptive and result in compromising international commitments agreed upon in the G20 meetings to reorganize, revitalize and reform the global financial system, as well as undermining the plans and procedures of developed countries to overcome the crisis and mitigate its effects.

Many attribute the origin of the crisis to the accumulated imbalances in the US economies known by then as mortgage crisis, before turning into a major global economic crisis ravaging the economies of both developed and developing countries, leading to the collapse of a group of banks and financial institutions and causing chaos in the financial markets. This resulted in the sharp decline in global stock prices, large fluctuations in the prices of major currencies against each other and significant reduction in interest rates. For example, the price of interest on the U.S. dollar has been reduced to between (0 - 0.25%).

At the regional level, the hotbeds of tension in our region remained blazing during 2009. Occupation is still dominating Palestine and Iraq in addition to anxiety, fear, concern and bloodshed accompanying this situation.

Despite the implications of these events surrounding Jordan, the initial estimates indicate positive growth in the real Gross Domestic Product. During the first three quarters of 2009, the growth rate was about (2.7%) against (9.1%) during the same period of the previous year. Estimates indicate that this growth will reach nearly (3%) by the end of 2009. The inflation rate during 2009 has been negative as it reached (0.7%) compared to (13.9%) during 2008. This was due to the price reduction of commodity and imported oil after the recent economic events.



The net public debt has risen by the end of November 2009 compared with its level at the end of 2008 by JD (1099.8) million, or at (12.9%), to reach about JD (9651) million.

During 2009, the trading volume of Amman Stock Exchange recorded JD (9.7) billion, with a decrease of around JD (10.6) billion or at (52.4%) compared to the volume of the same period in 2008. The market-value weighted index of free shares has decreased by (224) points or at (8.1%) to reach (2534) points by the end of 2009.

With regard to the monetary policy, the Central Bank of Jordan (CBJ) continues its policy that aims at consolidating monetary stability and maintaining an appropriate level of foreign currency reserve to strengthen confidence in the Jordanian Dinar as well as a relative stability in prices level. As a result, the reserves reached around USD (10.9) billion at the end of 2008, with an increase of around USD (3.1) billion beyond its level at the end of 2008.

The policy of dinar-dollar peg which began in 1996 was maintained at JD (0.708) for buying and JD (0.710) for selling per one USD, allowing the JD to fluctuate against other foreign currencies according to the exchange rate developments of these currencies in the international markets. In light of the financial crisis, the US dollar exchange rate experienced significant fluctuation against other currencies, resulting in fluctuation in JD exchange rate as it reached nearly (0.944) Euro by the end of November 2009, although it reached about (1) Euro at the end of 2008.

To cope with the reduction in the USD interest rate, to encourage investment and to accelerate the national economy wheel, the CBJ reduced the rediscount rate on the Jordanian Dinar three times during 2009. The last reduction was made on 20 December 2009 until it reached (4.75%) after it was (6.25%) at the end of 2008. The weighted average of interest rates on loans and advances decreased during 2009 by about (41) base points to reach (9.07%).

Despite the current obstacles, the Bank managed by the success granted by Allah to achieve new growth in its various activities. The Board of Directors is pleased to introduce you to the most important achievements in 2009 as well as the future ambitions.

### **First: Capital**

The decision of the extraordinary General Assembly held on 27 February 2009 was implemented, i.e. increasing the capital by JD (18.75) million to become JD (100) million instead of JD (81.25) million. Such increase was made by capitalizing JD (8.75) million of retained earnings, capitalizing JD (10) million of voluntary reserve and distributing bonus shares to shareholders at the increase amount, each by his contribution to the capital, on 9/9/2009.

### **Second: Branching**

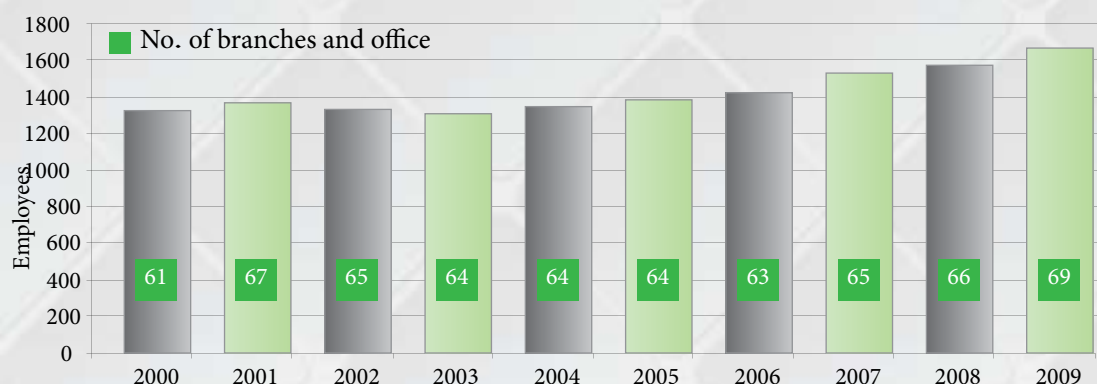
During 2009, the branch “Khalda/Amman” was opened as well as the two offices “Al Hurryah St./Mqabaleen” and (Yasmeen District/Nazal District”. Thus, the Bank’s network of branches currently comprises (57) branches and (12) banking offices. It is decided to open the branch of “Al-Shouna Al-Shamalia/Irbid” and the office of “Sama Al Rosan/ Irbid” on 11/1/2010, and to turn “Al Qaser/ Kerak” Office into a branch on 1/2/2010. In addition, it is expected to complete the process of turning “Dlail/Zarqa” office into a branch.

### **Third: Staff**

At the end of 2009, the number of the Bank’s staff reached (1755), with an increase of (99) employees compared with 2008. Below is a figure showing the increase of the employees’ number over the past ten years:



## Employees



Out of its interest to improve the employees' performance, the Bank delegates some of its employees for academic qualification in majors related to Islamic banking industry. During 2009, the number of graduate employees reached (12) distributed as follows: (2) PhD, (5) M.A., (6) B.A., and (1) Diploma.

In the field of training employees, the Bank nominated (2803) employees during 2009 to attend courses and seminars organized by the Bank Training Institute as well as specialized centers and organizations inside and outside Jordan, compared to nominating (3021) employees in 2008. Below is a description of this training:

Description	2009		2008	
	Number of courses/ seminars	Number of participants	Number of courses/seminars	Number of participants
The Bank's Training Institute	166	2313	170	2650
Centers in Jordan	180	468	151	347
Centers Abroad	16	22	20	24
Total	362	2803	341	3021

These courses and seminars covered various banking, financial and administrative activities and businesses, including deposits, credits, bills of exchange, guarantees, investment, financial analysis, job behavior and English language. There are also courses focusing on Sharia affairs, accounting standards of Islamic financial institutions, banking risk analysis, total quality and money laundering. Moreover, newly appointed employees receive practical training in branches.

The Bank also continued to provide training opportunities and introduce its business to new groups of educational institutions students. The number of those students reached (705) throughout 2009, compared to (525) students in 2008.

### Fourth: Banking Techniques:

During 2009, the Bank accomplished further development and updating in the field of banking techniques, most notably:

- Completion of preparations to apply the new banking system "ICBS", including establishment of connection systems between this new system and the current banking system "JIB".
- Modernization of (32) Automated Teller Machines (ATM), in addition to the installation and operation of new seven (ATMs) during 2009. Thus, the Bank's network of ATMs consists of (76) machines, all connected to client accounts and the Jordanian Automated Teller Machines Network (JONET) in the Kingdom, which comprises nearly (1050) ATMs. In addition, the Bank's network of ATMs is linked through JONET to the International Visa Network outside Jordan.

- Expansion in providing Short Messages Services (SMS) to inform the client of the transactions of her/his account.
- Developing and upgrading the systems, networks and devices of different banking techniques.

**Fifth: Incentive Awards**

Since 1997, the Bank has continued to distribute awards to holders of Savings Accounts with a total value of around JD (150) thousand to cover the costs of Haj and Umra as well as other awards.

At the beginning of 2008, the Bank introduced awards to be distributed to users of ATM cards, by providing clients with a percentage of their monthly purchases, with a total value of JD (100) thousand per year, in addition to providing other in-kind prizes with a total value of JD (20) thousand per year.

It is known that the Bank incurs the value of all these awards from the funds of shareholders in accordance with the Fatwa issued in this regard.

**Sixth: Social Role of the Bank**

The Bank has continued to assume its social and cultural responsibilities, consolidate the Islamic values in the normal banking transactions and positively interact with the activities of social nature. Below are some examples of the Bank’s activities in this field during 2009:

**A- Conferences and Seminars**

Throughout 2009, The Bank continued to participate in conferences and seminars organized by the Islamic Development Bank, Al Baraka Banking Group, the General Council for Islamic Banks and Financial Institutions (CIBAFI), the Islamic Financial Services Board (IFSB), Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI), and AlBaraka Annual Fiqh Seminar. In addition, the Bank has been keen to participate in conferences and seminars that aim at disseminating and developing the business of Islamic banks.

**B- Scientific Research and Professional Training**

The Bank continued its activities in scientific research and training. The total expenditures on such activities in 2009 reached around JD (178.8) thousand distributed as follows:

Description	JD/Thousand
Direct expenditures of the Bank Training Institute	13,623
Contribution to the costs of employees> study and training	100,426
Participation in the expenses of the Banking Studies Institute affiliated to the CBJ	29,402
Donation and sponsorship of scientific conferences and educational institutions	36,376
<b>Total</b>	<b>178,827</b>

**C. Donations**

The Bank continued to support many social and cultural events and provide donations for different relevant activities. Those events include the Jordanian Hashemite Fund for Human Development (JHFHD), King Abdullah Fund For Development– poverty areas, Al Aman Fund for the future of Orphans, Jordanian Hashemite Charity Commission, Associations of Holy Quran Memorization and collective wedding parties organized by Al-Afaf Charity Association.

The total donations provided by the Bank during 2009 for such events and activities reached JD (270,1) thousand, distributed as follows;

Description	Number	Total (JD/Thousand)
Jordanian Hashemite Fund for Human Development (JHFHD)	2	55,996
Al Aman Fund for the Future of Orphans	1	29,500
Associations and competition of Holy Quran Memorization	8	48,500
Charity Associations and Organizations and Zakah committees	55	50,300
Scientific Conferences and educational and cultural programs	11	36,376
Mosque Commissions	108	49,418
<b>Total</b>	<b>185</b>	<b>270,090</b>

#### D- Al Qard Al Hasan :

The Bank continued to receive deposits in “Al Qard Al Hasan Account” from those wishing to lend such deposits through the Bank as good loans. At the end of 2009, the balance of this account reached around JD (616) thousand.

The Bank also continued to provide good loans for justified social purposes, such as education, medical treatment and marriage. The loans provided by the Bank in 2009, from the fund and the money allocated for this purpose, reached around JD (13) million benefiting nearly (23) thousand citizens, compared to JD (21.8) million in 2008 benefiting nearly (19.3) thousand citizens.

It is worth mentioning that some of these loans are granted for youth about to get married in cooperation with Al Afaf Charity Association. The total of such loans in 2009 reached about JD (175) thousand benefiting about (355) young people, compared to around JD (175) thousand in 2008 benefiting about (336) young people.

#### E- Funding Professionals and Craftsmen:

The Bank continued the implementation of its program introduced in 1994 in relation to financing the projects and requirements of professionals and craftsmen by means of (Musharaka). The number of projects financed in this way reached (79) projects by the end of 2009. The total finance provided for such projects reached around JD (1.75) million, in addition to the finance that the Bank provides for this category by way of (Murabaha).

#### F- Mutual Insurance Fund:

The Bank continued to sponsor the Mutual Insurance Fund for the Bank debtors created in 1994. Through this fund, participants share in indemnifying part of the damage that may be inflicted on any of them to repay all or some of his debt to the Bank in certain cases. Throughout 2009, the number of indemnified cases reached (103), and the compensations paid in this year amounted to nearly JD (374) thousand. Since the Fund establishment until the end of 2009, the total compensation cases reached (1078) cases, and the amount of compensations paid reached around JD (2.9) million. At the end of 2009, the Fund’s balance amounted to around JD (25.6) million, with about (114.6) thousand participants and a total balance of indebtedness of around JD (411.7) million against the Fund’s balance of around JD (22.36) million, with about (100) thousand participants and a total balance of indebtedness of around JD (321) million in 2008.

It is worth mentioning that the Bank has expanded the umbrella of the insured people as of August 1, 2007, to include all people with indebtedness of JD (40) thousand or less, instead of JD (25) thousand or less. As of January 1, 2010, this insurance will be applied to all individuals whose indebtedness is JD (50) thousand and less.



**Financial Position**





## Financial Position

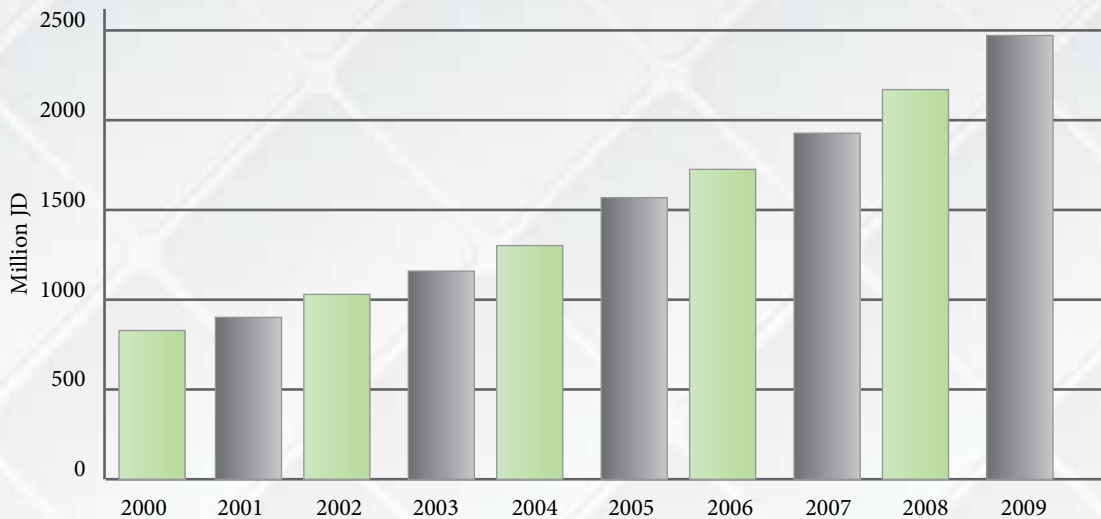
### Seventh: Financial Position

#### A- Total Assets:

At the end of 2009, the total assets amounted to around JD (2,472) million, compared to JD (2,170) million at the end of 2008, with a growth rate of around (13.9%). Following are the relevant details in million JD:-

Year	Total of Balance Sheet Items	Off-Balance Sheet Items				Total
		Restricted Investments	Muqarada Bonds	Investment by Proxy	Total	
2009	2,183.1	52.2	226.9	9.5	288.5	2,471.5
2008	1,848.4	88.0	224.5	9.4	322.0	2,170.3
Increase (Decrease)	334.7	(35.9)	2.4	0.01	(33.5)	301.2
	18.1%	(40.7%)	1.1%	0.1%	(10.4%)	13.9%

#### Total Assets



#### B- Cash on Hand and with Banks

At the end of 2009, the total cash on hand and with banks amounted to about JD (877.5) million, compared to JD (689.5) million at the end of 2008, i.e. an increase of around JD (188) million.

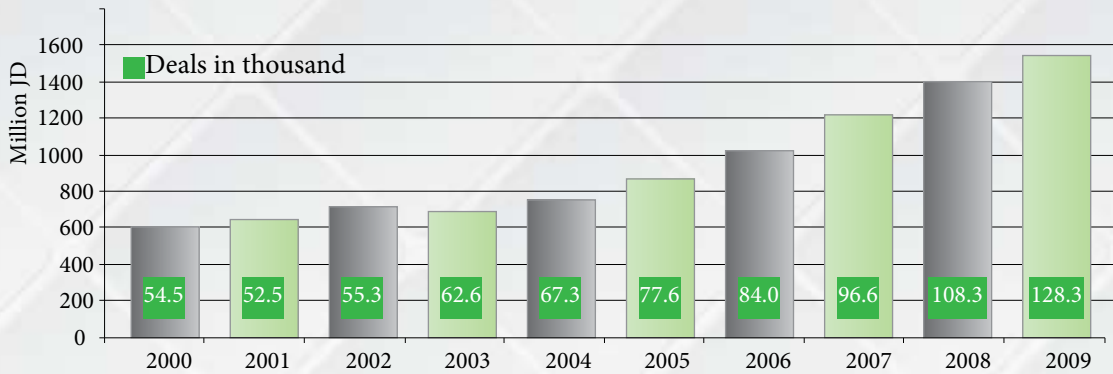
#### C- Financing and Investment

At the end of 2009, the total balances of financing and investment amounted to around JD (1,557) million, distributed to (128.3) thousand transactions compared to around JD (1,413) million at the end of 2008, distributed to (108.3) thousand transactions.

Following are the details of those balances in million JD:

Year	Self- Finance and Investment of the Bank			Receivables and Joint Investment				Accounts invested for the benefit of third party				
	In Local Market	In Foreign Markets	Total	In Local Markets	In Foreign Market	Investment Deposits with Islamic Banks	Total	Restricted Investments			Muqarada bonds In "local market"	Investment by Proxy In Foreign Markets
								In Local Markets	In Foreign Markets	Total		
2009	11,4	2,7	14,1	1,180,0	63,7	51,5	1,295,2	2,6	48,5	51,2	186,6	9,5
2008	7,8	2,1	9,9	1,077,6	27,2	42,6	1,147,4	1,8	83,4	85,3	160,6	9,4
Increase (Decrease)	3,6	0,6	4,2	102,4	36,5	9,0	147,8	0,8	(34,9)	(34,1)	26,1	0,01
	46,5%	29,0%	42,8%	9,5%	134,3%	21,0%	12,9%	41,8%	(%41,8)	(%40,0)	16,2%	0,1%

Total Investment and Financing Balances



The financing operations carried out by the Bank in the domestic market during 2009 included various social and economic activities and utilities. Such finance was provided to some health facilities (hospitals, clinics and pharmaceutical companies), educational facilities (universities, schools and institutes), many industrial and real-estate projects and transportation means in addition to the finances provided by the Bank to the commercial sector.

According to the approved classification of the CBJ, the shares of economic sectors from the financing balances (in million JD) are as follows:

Year	Agriculture	Industry & Mining	General Trade	Construction	Transportation Services	Tourism, Hotels, & Restaurants	Public Services & Facilities	Other Purposes	Total
2009	3,9	14,3	347,1	357,6	207,0	3,9	16,4	100,9	1,078,1
2008*	12,5	53,4	375,3	274,2	174,2	0,4	7,0	46,5	943,5

\* 2008 data was reclassified to match the CBJ classification of 2009 data.

The Bank pays special attention to the basic needs of citizens in the financing operations. Following is a description of Murabaha Financing provided from the funds of joint investment and investment portfolios during 2009 for the most significant needs:



Financed Needs of Individuals	JD (Million)	Number of beneficiaries of Financing
Land, housing and construction materials	132.8	17026
Means of transport and construction vehicles	152.2	21311
Furniture	13.0	4377

The outstanding balance of Murabaha financing allocated for such needs from the funds of joint investment and investment portfolios by the end of 2009 was as follows:

Financed Needs of Individuals	JD (Million)	Number of beneficiaries of Financing
Land, housing and construction materials	351.6	44622
Transportation means and construction vehicles	290.0	52010
Furniture	26.4	12456

Moreover, the Bank continued to direct a significant part of joint investment funds to be invested in the capitals of national companies whose main business does not include any Sharia non-compliant activities, and which produce commodities and provide services useful to the society and the national economy. At the end of 2009, the number of companies whose capitals are invested in by the Bank reached (32), and the volume of such investment reached nearly JD (58.2) million.

#### D- Attracting Savings:

At the end of 2009, the total balances of saving schemes amounted to around JD (2,188) million, distributed to (736.3) thousand active accounts, compared to around JD (1,882) million at the end of 2008, distributed to (702.3) thousand active accounts. Following are the details of the account balances of such schemes in million JD:

Year	Secretariat			Banks			Cash Deposits	Unrestricted Investments			Restricted Investments			"Muqarada" Bonds "Local"	Invest-ment by Proxy "Foreign"
	Local	Foreign	Total	Local	Foreign	Total		Local	Foreign	Total	Local	Foreign	Total		
2009	551,7	43,5	595,2	0,7	4,5	5,2	32,6	1,155,4	140,3	1,295,7	2,8	49,4	52,2	197,2	9,5
2008	492,0	30,20	522,2	1,1	7,4	8,5	32,7	910,88	115,7	1,026,5	2,0	86,0	88,0	194,2	9,4
Increase (decrease)	59,6	13,4	73,0	(0,4)	(2,90)	(3,3)	(0,2)	244,6	24,5	269,1	0,7	(36,6)	(35,9)	3,0	0,01
	12,1%	44,3%	14,0%	(40,6)%	(38,8)%	(39,0)%	(0,5)%	26,9%	21,2%	26,2%	37,2%	42,6%	(40,7)%	1,5%	0,1%

### Total Saving Schemes Balances



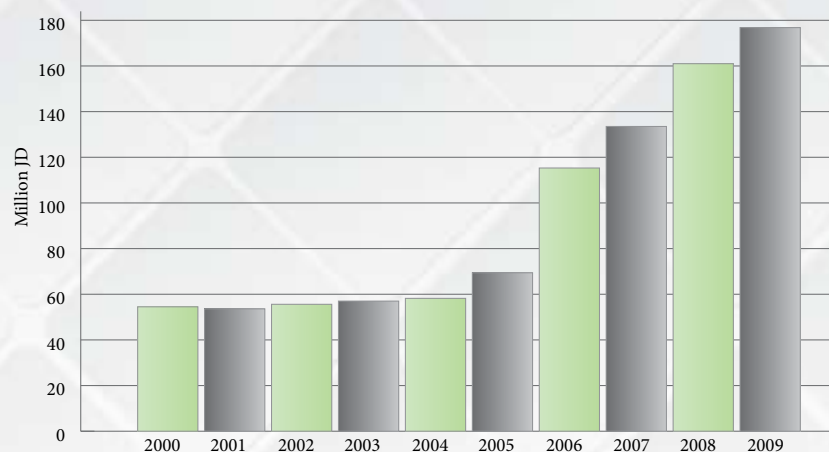
**E- Shareholders' Equity:**

By the end of 2009, the shareholders' equity reached around JD (177) million compared to JD (161) million at the end of 2008. The details are as follows in million JD:

Year	Paid-up Capital	Statutory Reserve	Voluntary Reserve	Special Reserve	Reserve of General Banking Risks	Fair Value Reserve- Net	Retained Earnings
2009	100,00	26,41	5,92	3,01	0,70	2,12	38,67
2008	81,25	22,41	12,06	3,01	0,60	1,98	39,68
Increase (decrease)	18,75	4,00	6,14	0,00	0,10	0,14	(1,01)
	23,1%	17,9%	(50,9%)	0,0%	16,7%	7,1%	(2,5%)

The ratio of capital adequacy at the end of 2009 amounted to about (14.47%) according to the CBJ standards, and around (33%) according to the standards of the Accounting and Auditing Organization for Islamic Financial Institutions.

Shareholdings' Equities



**F- Profits of Joint Investment**

The total profits of joint investment during 2009 reached around JD (99.82) million compared to around JD (101.75) million during 2008. These profits were distributed in accordance with the law and as per the decisions of the Board of Directors as follows:

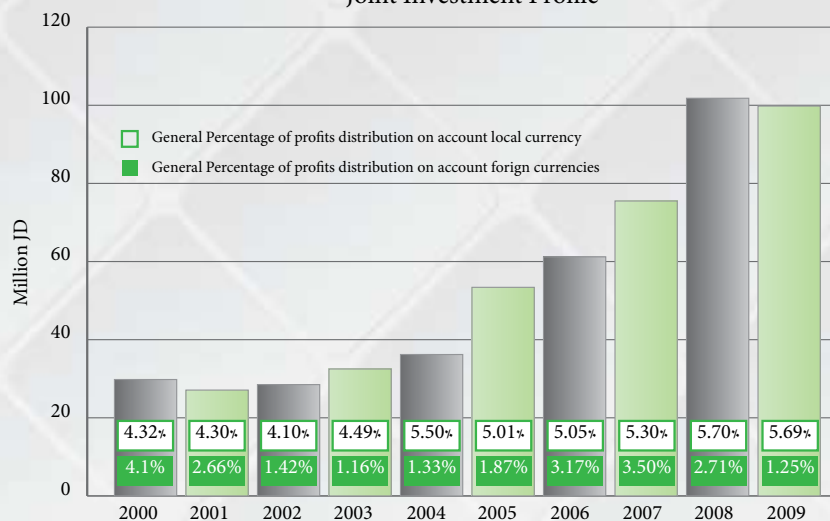
Year	In Local Currency (million JD)					In Foreign Currencies (equivalent to million JD)				
	Total	Share of the Investment Risks Fund	Share of the Bank as a Speculator	Share of the Bank as a Capital Owner	Share of Unrestricted Investment Accounts	Total	Share of the Investment Risks Fund	Share of the Bank as a Speculator	Share of the Bank as a Capital Owner	Share of Unrestricted Investment Accounts
2009	97,68	9,77	29,31	19,06	39,55	2,14	0,21	0,64	0,01	1,27
2008	97,64	9,76	29,29	27,03	31,56	4,11	0,41	1,23	0,06	2,40
Increase (decrease)	0,04	0,00	0,01	(7,97)	8,00	(1,97)	(0,20)	(0,590)	(0,05)	(1,13)
	0,0%	0,0%	0,0%	(29,5%)	25,3%	(47,9%)	(47,9)%	(47,9)%	(81,9)%	(47,1)%



The rates of profits distribution of 2009 were as follows:

Currency	General Percentage	Term	Notice	Savings
Local Currency	5,69%	5,12%	3,98%	2,85%
Foreign Currencies	1,25%	1,125%	0,875%	0,625%

Joint Investment Profile

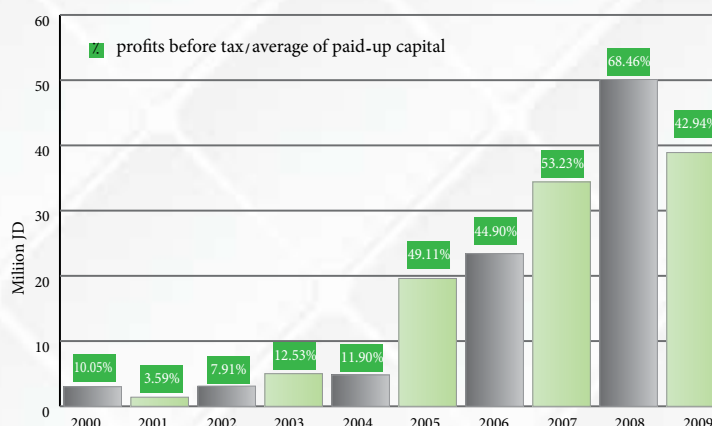


G- Bank Profits:

In 2009, the Bank's profits before tax amounted to around JD (38.92) million, while the profits after tax amounted to around JD (27.89) million. The details are shown in million JD as follows:

Year	Revenues								Expenses			Profit Before Tax	Profit After Tax
	Bank Self-profits	Bank's Share As a Capital Owner	Bank's Share as a Speculator	Bank's Share of Profits of Restricted Investments/ Allowance	Bank's Share of Investment Portfolios/ Muqarada Bonds	Bank's Share of Profits of Investments by Proxy	Revenues of Banking Services and Profits of Foreign Currencies	Other Revenues	Employee Expenditures	Depreciations, Amortizations and other Expenses	Various Allowances and Losses (surplus) of financial Assets Impairment		
2009	0,042	19,07	29,95	0,12	3,13	0,05	12,20	2,97	18,41	12,42	(1,83)	38,92	27,89
2008	0,28	27,09	30,53	0,44	8,14	0,05	13,81	3,14	16,60	12,90	3,91	50,06	35,14
Increase (decrease)	0,14	8,02	(0,58)	(0,32)	(5,00)	0,00	(1,61)	(0,17)	1,80	(0,48)	(5,74)	(11,15)	(7,25)
	49,1%	(29,6%)	(1,9%)	(73,6)	(61,5%)	0,0%	(11,6%)	(5,4%)	10,9%	(3,7%)	(146,8%)	(22,3%)	(20,6%)

Profits before tax



**Development of the Bank's Operations in the Past Ten Years**  
**(Amounts rounded to million USD)**

Fiscal year	Total Assets (1)	Saving Schemes (2)		Financing & Investment (3)		Paid-up Capital	Shareholders' Equity
		Total Balances	No. of Active Accounts (thousands)	Total Balances	Thousand transactions		
2000	828,3	749,1	497,9	611,1	54,4	38,5	54,5
2001	901,7	836,5	524,6	651,7	52,5	38,5	53,6
2002	1,029,7	955,5	548,5	722,2	55,3	40,0	55,6
2003	1,159,2	1,076,4	545,3	695,8	62,6	40,0	57,0
2004	1,301,4	1,202,5	543,0	759,8	67,3	40,0	58,2
2005	1,568,4	1,421,1	578,5	875,8	77,6	40,0	69,4
2006	1,726,0	1,525,8	597,6	1,031,2	84,0	64,1	115,3
2007	1,927,3	1,676,8	632,9	1,229,3	96,6	65,0	133,5
2008	2,170,3	1,881,7	702,3	1,412,5	108,3	81,3	161,0
2009	2,471,5	2,187,5	736,3	1,556,6	128,3	100,0	176,8

(1) Including the total of balance sheet and the balances of accounts managed in favor of third parties which appear as off-balance sheet items (restricted investments, Muqarada bonds and investment by proxy)

(2) Including the balances of secretary, unrestricted investments, cash margins, banks, restricted investments, Muqarada bonds and investment by proxy.

(3) Including the balances of financing, self-investment, receivables, joint investment, investment deposits with the Islamic banks and the invested balances of accounts managed in favor of third parties, "restricted investments, Muqarada bonds and investment by proxy".

	Joint Invest- ment Profits	Joint invest- ment risks fund	Profit Before Tax	Profit After Tax	General percentage of profit distribution to local currency accounts	General percentage of profit distribution to foreign currency accounts	Percentage of dividends to shareholders	Number of branches and offices	Number of employees
	29,8	25,0	3,0	2,2	4,32%	4,18%	5% in cash (4)	61	1395
	27,1	26,9	1,4	1,0	4,30%	2,66%	3.8961% stocks (5)	67	1440
	28,5	31,0	3,1	2,1	4,10%	1,42%	5% in cash	65	1402
	32,5	22,1	5,0	3,3	4,49%	1,16%	5% in cash	64	1377
	36,2	24,0	4,8	3,4	5,50%	1,33%	5% in cash	64	1418
	53,4	19,2	19,6	13,1	5,01%	1,87%	25% stocks (6)	64	1457
	61,2	21,3	23,4	15,5	5,05%	3,17%	10% in cash	63	1498
	75,5	20,2	34,4	23,0	5,30%	3,50%	12% in cash 25% stocks (7)	65	1611
	101,8	22,9	50,1	35,1	5,70%	2,71%	15% in cash 23.076923% stocks (8)	66	1656
	99,8	20,7	38,9	27,9	5,69%	1,25%	12% in cash (9)	69	1755

(4) The percentage of (5%) is a net amount for shareholders, as the Bank incurred the distribution tax on behalf of them which is amounted to 10%.

(5) Bonus shares distributed on 18 July 2002

(6) Bonus shares distributed on 14 June 2006

(7) Bonus shares distributed on 16 July 2008

(8) Bonus shares distributed on 10 September 2009

(9) Proposed to be distributed.



**Future Plan of the Bank for the  
year 2010**





## Future Plan of the Bank for the year 2010

### **Eighth: Future Plan of the Bank for the year 2010**

- 1- Continue to diversify and develop banking services.
- 2- Expand the issuance of Muqarada bonds and consolidate dealing with them.
- 3- Expand financing by means of Ijara Muntahia Bittamleek.
- 4- Seek to issue tradable Islamic bonds.
- 5- Expand financing programs for professionals, craftsmen and small industries to help in creating new job opportunities.
- 6- Branching plan:
  - A- Complete the process of transforming “Al Dalil/ Zarqa” Office
  - B- Transform “Jabal Amman/Amman” office into a branch.
  - C- Open a branch in “Wadi AlHajar Area/Zarqa”.
  - D. Open offices in the following areas:
    1. Tayybeh District/Irbid
    2. AlMarj Area/ Karak.
    3. Bsaira District/ Tafeilah
- 7- Install and operate new ATMs and replace the old ones.
- 8- Continue the processes of developing and updating communication systems, networks and lines as well as equipment to cope with the modern techniques and development in the Bank operations, including the application of the new banking system «ICBS» and the introduction of new techniques to the banking business.
- 9- Strengthen and develop the principles of corporate governance at the Bank.
- 10- Continue the application of Basel II requirements.



**Board Recommendations  
For the Ordinary General Assembly**



## Board Recommendations for the Ordinary General Assembly

### Ninth: Board Recommendations for the Ordinary General Assembly

#### Dear Shareholders,

We hope that this report gave an overview of the Bank's activities and achievements during 2009. The Board of Directors is pleased to recommend the following to the General Assembly:

- 1- Reading the minutes of the General Assembly's previous ordinary meeting.
- 2- Listening to the report of the Bank's Sharia Supervisory Board for the fiscal year ended on December 31, 2009.
- 3- Reading, discussing and approving the report of the company's auditors for the fiscal year ended on December 31, 2009.
- 4- Considering the report of the Board for the fiscal year ended on December 31, 2009 as well as the future plan of the company.
- 5- Discussing and approving the annual balance sheet and Profit and Loss Statement, and distributing dividends at 12% of the capital to shareholders.
- 6- Discharging the Board members for the previous fiscal year.
- 7- Appointing the members of the Bank's Sharia Supervisory Board.
- 8- Electing the company's auditors for the upcoming year and determining their remuneration.
- 9- Any other matters suggested by the General Assembly to be included in the agenda in accordance with the provisions of the law.

In conclusion, we thank and praise Allah for His grants and donations and for the success He granted us. We provoke to Allah the Glorious to give us assistance, help and constant success. We have trust in Allah and we ask His help in achieving our goals and objectives.

We would like to thank the Bank's shareholders who have participated and still participating in its development, and our generous clients for their trust in the Bank and their eagerness to deal with it to support and consolidate its position. We would like also to thank the executive management and staff who spare no effort to operate, manage and promote its position.

Last but not least, we proudly and appreciably indicate the important role of our respected scholars for their efforts in promoting public awareness of dealing with the Bank. May Allah reward them the best.

We ask Allah to show us the truth and guide us to the right path.

**Board of Directors**



**Annexes  
of Board Report 2009**

**“Disclosure Requirements in the  
Instructions of  
Financial Securities Commission”**







## Annexes of Board Report 2009

### Annex 1

#### “Disclosure Requirements in the Instructions of Financial Securities Commission”

1-

- a. The main activity of the company is the Islamic Banking Industry.
- b. By the end of 2009, the volume of the company’s capital investment (Shareholders> Equity) reached about JD (176.8) million.
- c. The statement included at the end of the report indicates the addresses of the Head Office and the branches as well as the number of employees therein.

2- The table below identifies the information related to subsidiaries:

Name of Company	Legal Status	Type of Activity	Paid-in Capital (Million JD)	Percentage of Contribution %	Number of employees	Auditing fees	Address
AlRizq Trading Company	Limited Liability	Commercial	1	90,0	1	1450	Amman
AlOmariah Schools Co.	Limited Liability	Education	4,5	94,8	490	2900	Wasfi Attal St./ Amman
AlSamaha Real Estate Co.	Limited Liability	Real Estate	1	100	1	1450	Amman
Future Applied Computer Technology Co.	Limited Liability	Services	5	100	42	2610	Wasfi Attal St./ Amman

Sanabel AlKhair For Financial Investments Co.	Limited Liability	Brokerage	5	100	16	2320	Housing Bank Complex
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3- A-Below are the names of the natural members of the Board of Directors and the representatives of the legal members as well as an introductory brief of each.

Name of Member	Academic Qualification(s)	Practical Experience
H.E. Mr. Adnan Ahmad Yousif AbdelMalek. Bahraini Citizen. Representative of Al-Baraka Banking Group/ Bahrain. Chairman	Master in Business Administration	He joined the banking industry in 1975. In 2000, he became the Chief Executive Officer of AlBaraka Banking Group. In 2002, he was appointed the Chief Executive Officer of Bahrain Islamic Bank. On 1 <sup>st</sup> August 2004, he was reappointed as the Chief Executive Officer of AlBaraka Banking Group
H.E. Mr. Musa Abdelaziz Mohammed Shihadeh. Jordanian Citizen. Chief Executive Officer/ General Manager	-Bachelor of Commerce 1969. Arab University of Beirut  -Master in Business Administration 1979, University of San Francisco, USA	He joined the banking industry in 1961 and he is currently the Chief Executive Officer and General Manger of the Jordan Islamic Bank. He is also a Board member in a number of Islamic banks outside Jordan as well as Chairman and Board member in a number of industrial, trading, investment, educational and insurance shareholding companies.
H.E. (Eng.) Raef Yousif Mahmoud Najm Jordanian Citizen	BSc. Civil Engineering, 1951, Cairo University	He is the former Minister of Awqaf and former Minister of Public Works. Currently, he is a partner in the Jordanian Center for Engineering Consultation.
H.E. Salem Mohammed Salem Massa'deh Jordanian Citizen	Bachelor of Law	Former Minister of Finance, Former Minister of Interior and Former Member of the Upper House
H.E. Kamal Sami Salman Asfour. Jordanian Citizen.	Bachelor of Commerce and Business Administration, 1960 American University of Beirut	A businessman and Board member in a number of companies
H.E. Othman Ahmad Suleiman Ahmad. Representative of AlBaraka Banking Group Sudanese Citizen	Bachelor of Economics, 1965 Khartoum University	He started his career in ElNilein Bank- Sudan until he became Chairman and General Manager of the Bank. In 1988, he joined AlBaraka Co. for Investment and Development in Jeddah as Deputy General Manager for Banking Coordination. In 1995, he became an Executive Manager in AlBaraka Banking Group- Bahrain, then the Vice Chief of the Group.
H.E. Abdellatif Abdallah Abdelaziz AlRajhi. Representative of AlBaraka Banking Group Saudi Citizen.	Master in Business Administration, American University of Beirut in 2006 Bachelor of Business Administration, High Institute of Cooperative Studies in Cairo, 1986	He has been the Regional Manager of AlRajhi Bank since 1996 and General Supervisor in AlRajhi Co. for Industry and Commerce- AlKhat Presses. Also a Board member in AlSharqiah Agricultural Co.

<p>H.E. Hamad Abdallah Ali Eqab. Representative of AlBaraka Banking Group Bahraini Citizen</p>	<p>-Bachelor of Accounting -Fellowship of Certified Public Accountants (CPA)</p>	<p>Various banking experiences then a Financial Manger in AlBaraka Banking Group.</p>
<p>H.E. Haidar Issa Murad Murad Jordanian Citizen</p>	<p>Bachelor of Economics</p>	<p>Former member of Amman Chamber of Industry and Commerce and Head of Amman Chamber of Commerce.</p>
<p>H.E. Talal Fawzi Mahmoud AlSamhuri Representative of the Global Investment House Jordanian Citizen</p>	<p>Master in Business Administration</p>	<p>He is a Board member in a number of companies in Jordan and Palestine. He is also a Financial Manager of the Middle East and North Africa in the Global Investment House.</p>
<p>H.E. Mr. Ali Suhail Al Shanti Representative of the Global Investment House Jordanian Citizen</p>	<p>-Master in Financial and Banking Sciences , 1994 - Bachelor of Business Administration, 1998 -Diploma in Financial and Banking Sciences, 1993</p>	<p>A former employee in Arab Bank during 1995-2006 and joined the Global Investment House in 2006.</p>
<p>H.E. Mr. Ayman Abdel Kareem Basher Hatahit Jordanian Citizen</p>	<p>Bachelor of Business Administration, London- 1982</p>	<p>Businessman and Board member in many companies.</p>

B. Below are the names and positions of the senior management with executive authorities as well as an introductory brief of each one:

Names of the Senior Management Members	Academic Qualification(s)	Practical Experience
Mr. Saleh Musa AlShantir Deputy General Manager	Bachelor of Commerce/ Accounting, 1967- Ain Shams University	He joined the Central Bank of Jordan in 1967 and moved to the Jordan Islamic Bank in 1979. Currently, he is the Chairman or Board member of a number of companies.
Mr. Wael Mohammed Musa Barakat Assistant General Manager	Bachelor of Economics and Political Sciences, 1971	He started his banking career in 1974. In 1982, he moved to the Jordan Islamic Bank. In 2005, he was promoted to Assistant General Manager. He is currently a Board member in one of the companies.
Mr. Nabil Mostafa Hussein Asaad Assistant General Manager	-Bachelor of Commerce in 1973, Ain Shams University - Certified Auditor	He started his career in 1973 as an auditor. In 1974, he joined the banking industry and in 1982 he moved to the Jordan Islamic Bank. Currently, he is holding the position of Assistant General Manager and Board member in one of the companies.
Mr. «Mohammed Majed» Mahmoud Allan Assistant General Manager	-Bachelor of Business Administration, 1986- Arab University of Beirut -Higher Diploma in Banking and Finance, 1978- Institute of Banking Studies, Amman	He joined the banking industry in 1974. In 1980, he joined Jordan Islamic Bank. Currently, he is holding the position of Assistant General Manager and a Board member in one of the companies.
Mr. Omar Rebhi Jabari Assistant General Manager	Bachelor of Computer Sciences and Business Administration, 1981- University of Livingston, USA	He started his career in 1982 in a Kuwaiti company and then in a Saudi company in 1986. In 1990, he joined one of the Jordanian banks. In 1993, he joined the computer office in the Jordan Islamic Bank. He is currently an Assistant General Manager for Computer Affairs and supervises the management of Fact Co. one of the Bank subsidiaries. He is also a Board member in more than one company
Dr. Hussein Said «Amar Saifan» Assistant General Manager	-PhD .Islamic Banks-Arab Academy for Banking and Financial Sciences2006 , -Master of Banking and Finance / Islamic Banks- Arab Academy for Banking and Financial Sciences, 1994 -Bachelor of Accounting/ Economics and Statistics ,University of Jordan1985 ,	He joined the Bank in 1987 and currently holds the position of Assistant General Manager. He is also a Board member in more than one company.



Names of the Senior Management Members	Academic Qualification(s)	Practical Experience
Mr. Rohi Hassan Ashour Executive Director "A"	Diploma in Commerce and Offices Administration	He joined the Bank in 1979. He was holding the position of Retail Financing Manager before retirement.
Dr. Hosni Abdelaziz Hussein Jaradat Executive Director "B"	-Bachelor of Economics, 1979 -Master degree in Islamic Banking, 1995 -PhD degree in Islamic Banking, 2009	He joined the Jordan Islamic Bank on 23.06.1987 and is currently holding the position of Executive Manager in the Investment and Investment Funds and Portfolios Dept. He is a Board member in more than one company.
Mr. Saadi Abdel Rahman Qattawi Executive Director "B"	Bachelor of Accounting, 1970- Alexandria University	He joined the banking industry in 1970 and the Jordan Islamic Bank in 1992. He is currently holding the position of Banking Cards and Electronic Services Manager
Mr. Baseem Musa Assi Executive Director "B"	Bachelor of Accounting, 1980- Suleimaniah University, Certified Auditor (JCPA)	He worked as an external auditor from 1980 to 2000. He joined the Bank in 2000 and is currently holding the position of Internal and Sharia Audit Manager, and a Board member in more than one company.
Mr. Abdelkarim Ibrahim Mahmoud Wahbeh Executive Director "C"	High School Certificate, 1970	He joined the Bank in 1982 and currently he is holding the position of Internal Control Manager.
Mr. Mahmoud Mohammed Mahmoud Jarwan Executive Director "C"	-English Language Diploma, 1973 -Bachelor of Information Systems, 2005	He joined the Bank in 1983 and is currently holding the position of Branches Networks & Banking Marketing Department Manager.
Mr. Ahmad Mustafa Mohammad Bahboub Executive Director "C"	Bachelor degree in Business Administration/Accounting, 1975	He worked in local and foreign banks for 15 years and joined the Bank in 1991. He is holding the position of Human Resources Department Manager
Mr. Bashir Abde Rabo AlHaj Bashir Okasheh Executive Director "C"	Bachelor degree in Economics and Finance, 1986	He worked in local and foreign banks for 13 years and joined the Bank in 2003. He is holding the position of Retail Financing Department Manager
Mr. Nai'm Mohammad Najem AlKhmous Executive Director "C"	Bachelor degree in Computer Engineering, 1990	He previously worked in the Bank in the Information Technology Department for 4 years, then he worked in AIRajihi Consulting and Bank/ KSA. In 2009, he rejoined the Bank holding the position of Strategic Planning Group Executive Manager.

4- Following are the names of shareholders who own 5% or more:

Name	Number of Stocks by the end of 2009	Number of Stocks by the end of 2008
AlBaraka Banking Group Co./ Bahrain	66,005,000	47,706,231
Global Investment House Co./ Kuwait	32,840	9,222,737

5- The company's market share of banks' activities in Jordan at the end of 2009 were as follows:

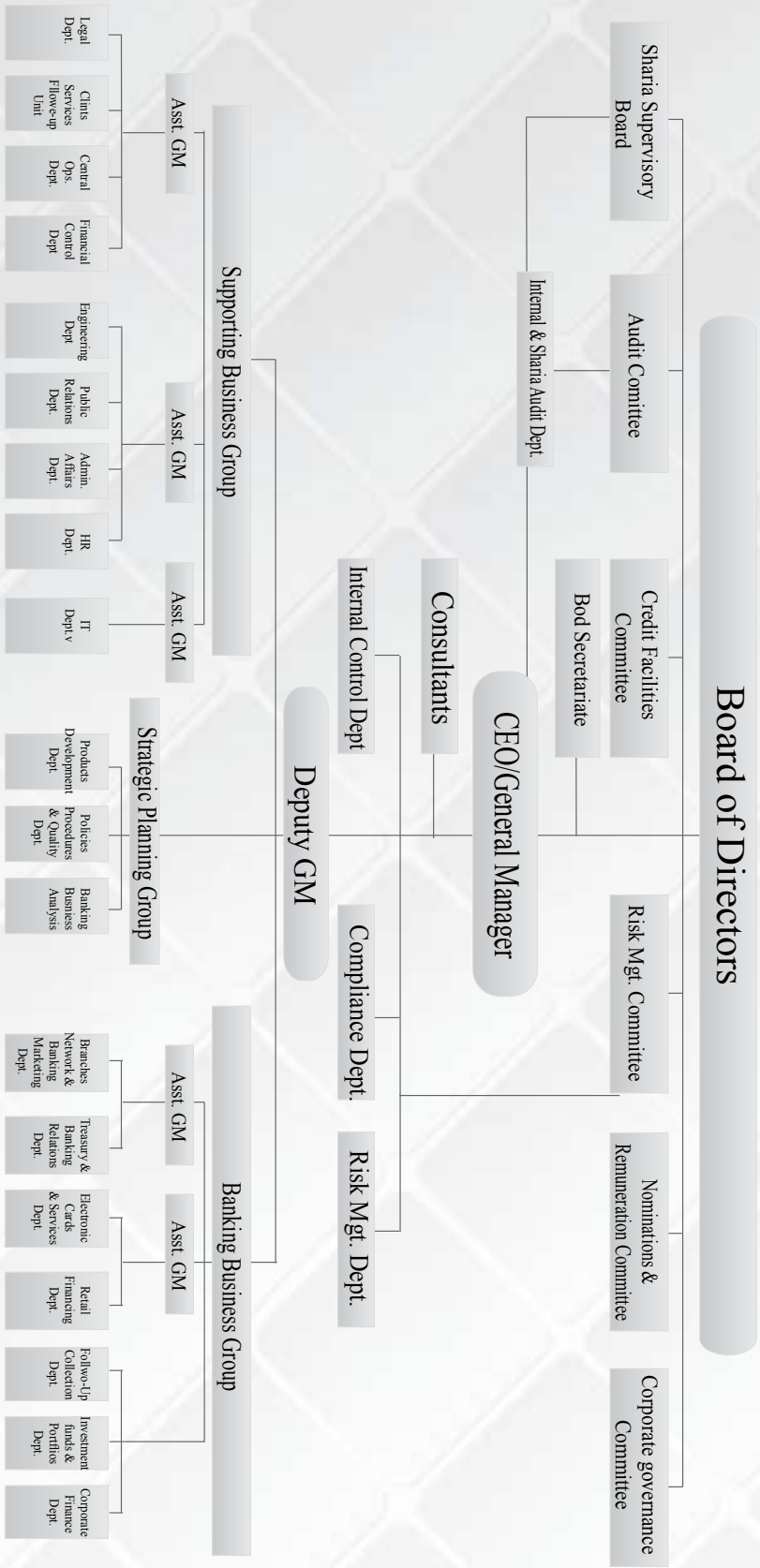
Total Assets at our Bank/ Total Assets of the banks	7,7%
Total Balances of savings schemes at our Bank/ Total client deposits at banks	10,8%
Total balances of financing and investment at our Bank/ total direct credit facilities of banks	11,7%

6- There is no reliance on specific suppliers and/or major clients (locally and abroad) constituting 10% and more of the total sales and/or purchases.

7- The company does not enjoy any government protection or privileges. It did not win any patent or franchise.

8- The Government, international organizations or any other institutions have not issued any decisions with any material impact on the company's work, products or competitiveness.

Organizational Structure of Jordan Islamic Bank



9- (a)

(b) At the end of 2009, the total number of employees was (1755) distributed by academic qualification as follows:

General Secondary Certificate	Diploma	Bachelor	Master or CPA	PhD	Educated below General Secondary Certificate level				Gross	
					Employees	Professionals/ Technicians	Office boys/ Guards	Service workers		Total
131	479	615	61	5	5	88	282	89	464	1755

(C) The Board's report included qualification and training programs for the Bank staff.

10- There are no direct risks that the company might encounter during the subsequent fiscal year and that have material impact on the company.

11- The Board's report included the achievements accomplished by the company supported by numbers, and a description of the important events during the fiscal year 2009.

12- There is no financial effect of operations of non-frequent nature, which are not included in the main business activity of the company.

13- Below are the details of realized profits, distributed dividends, net shareholders equity as well as the prices of securities during the years 2005 - 2009:

Year	Realized profits (Before Tax) (JD)	Dividends distributed for the year (JD)	Net shareholders equity by the end of the year (JD)	Prices of issued securities/closing rate at the end of the year	
				Dinar	Fils
2005	19,645,586	Distributing bonus stocks at 25%*	69,401,032	5	490
2006	23,377,702	Distributing JD 6,500,000 at 10%	115,306,999	4	020
2007	34,369,778	Distributing JD 7,800,000 at 12% & Distributing bonus stocks at 25%**	133,475,836	5	750
2008	50,060,912	Distributing JD 12,187,500 at 15% & Distributing bonus stocks at 23,076923%***	160,989,384	3	700
2009	38,915,617	The BoD recommended the distribution of (12%) in cash from the capital	176,830,597	3	170

\* Distributed on 14 June 2006

\*\* Distributed on 16 July 2008

\*\*\* Distributed on 10 September 2009

14- Analysis of the company's financial position and the results of its operations:

Year	2009	2008
Shareholders Equity/ Total Deposits	8,08%	%8,56
Total Financing & Investment/ Total Deposits	71,16%	75,07%
Total Financing & Investment/ Total Assets	62,98%	%65,08
Total Deposits/ Total Assets	88,51%	%86,70
Profits before Tax/ Total Assets	1,57%	%2,31
Profits before Tax/ Average Shareholders Equity	23,04%	%34,00
Profits after Tax/ Average Shareholders Equity	16,51%	%23,87
Profits after Tax/ Average Paid-up Capital	30,77%	%48,06

15- The Board's report included the future plan of the company.

16- (a) The auditing fees of the company in 2009 reached JD (100) thousand, while the auditing fees of subsidiaries are disclosed in item (2) above.

(b) The total fees of the Sharia Supervisory Board (SSB) during 2009 reached around JD (48,320).

17- (a) Following is a detailed description of the number of securities issued by the company and owned by the Board members and their relatives:

Name	Position	Nationality	Number of shares at the end of 2009	Number of shares at the end of 2008
AlBaraka Banking Group represented by:		Bahraini	66,005,000	47,706,331
Mr. Adnan Ahmad Yousif Abdelmalek	Chairman	Bahraini	-	-
Mr. Othman Ahmad Suleiman Ahmad	Member	Sudanese	-	-
Mr. Abdellatif Abdallah Abdelaziz AlRajhi	Member	Saudi	-	-
Mr. Hamad Abdallah Ali Eqab	Member	Bahraini	-	-
H.E. Mr. Musa Abdelaziz Mohammed Shihadeh	Vice Chairman/ CEO General Manager	Jordanian	96,000	75,000
Spouse of Mr. Musa Abdelaziz Mohammed Shihadeh	-	Jordanian	6,153	-
H.E. Eng. Raef Yousif Mahmoud Najm	Member	Jordanian	48,358	34,291
H.E. Salem Mohammed Salem Massaedah	Member	Jordanian	40,769	12,000
Mr. Kamal Sami Salman Asfour	Member	Jordanian	34,088	27,697
H.E. Mr. Haidar Issa Murad Murad	Member	Jordanian	7,692	6,250
Global Investment House Company, represented by*:		Kuwaiti	32,840	9,222,737
Mr. Talal Fawzi AlSamhouri till 30/8/2009	Member	Jordanian	-	-
Mr. Ali Suhail Al Shanti since 27/12/2009.	Member	Jordanian	-	-
H.E. Mr. Ayman Abdulkareem Hatahit	Member	Jordanian	10,769	8,750

\* His Excellency Mr. Samer "Mohammad Emad" Aboushi represented the company during the Board two meetings held on 30/9, 15/12, and he does not own any of the Bank shares.



(b) The following detailed table identifies the number of financial securities issued by the company and owned by the senior management with executive authority and their relatives “wife and minor children” in details:

Name	Position	Number of shares at the end of 2009	Number of shares at the end of 2008
1- Mr. Saleh Musa AlShantir	Deputy Manager General	43,252	35,143
Spouse of Mr. Saleh Musa AlShantir	-	1,833	1,490
Sons of Mr. Saleh Musa AlShantir	-	422	343
2-Mr. Wael Mohammed Musa Barakat	Assistant General Manager	308	251
3- Mr. Nabil Mustafa Hussein Asaad	Assistant General Manager	1,230	1,000
Spouse of Mr. Nabil Mustafa Hussein Asaad	-	52	
4- Mr. «Mohammed Majed» Allan	Assistant General Manager	369	500
5- Mr. Omar Ribhi AlJabari	Assistant General Manager	107	87
Spouse of Mr. Omar Ribhi AlJabari	-	107	87
Sons of Mr. Omar Ribhi AlJabari	-	83	68
6- Dr. Hussein Said «Amar Saifan»	Assistant General Manager	-	-
7- Mr. Rohi Hassan Ashour	Executive Director “A”	-	-
8- Dr. Hosni Abdel Aziz Hussein Jaradat	Executive Director “B”	-	-
9-Mr. Saadi Abdelrahman Qattawi	Executive Director “B”	-	-
10-Mr. Baseem Musa Assi	Executive Director “B”	-	-
11- Mr. Abdelkarim Ibrahim Mahmoud Wahbeh	Executive Director “C”	-	-
12-Mr. Mahmoud Mohammed Mahmoud Jarwan	Executive Director “C”	6,219	5,053
13- Mr. Ahmad Mustafa Mohammad Bahboh	Executive Director “C”	-	-
14- Mr. Bashir Abde Rabo AlHaj Bashir Okasheh	Executive Director “C”	-	-
15- Mr. Nai’m Mohammad Najem AlKhmous	Executive Director “C”	-	-

(c) There are no companies controlled by the Board members or senior management staff with executive authority and their relatives.

18- (A) Following are the benefits and remunerations that the Chairman and Board members received as salaries, fees and remunerations...etc, and the amounts paid for each as travel and transportation expenses inside and outside Jordan during the fiscal year 2009:

Name	Board Membership Remuneration (JD)	Board Committees Membership Remuneration (JD)	Transportation Allowances (JD)	Travel Expenses (JD)	Allowances (JD)
AlBaraka Banking Group Co. represented by four members:	-	-	-	-	-
-Mr. Adnan Ahmad Yousif AbdelMalek	5,000	1,600	4,800	4,651	5,112
-Mr. Othman Ahmad Suleiman Ahmad	5,000	1,200	4,800	3,134	4,455
-Mr. Abdellatif Abdallah Abdelaziz AlRajhi	5,000	-	4,800	4,303	4,154
-Mr. Hamad Abdallah Ali Eqab	5,000	2,800	4,800	4,791	4,793
Mr. Musa Abdelaziz Mohammed Shihadeh	5,000	1,200	4,800	14,900	10,315
H.E. Eng. Raef Yousif Mahmoud Najm	5,000	3,200	4,800	-	-
Mr. Salem Mohammed Salem Massaedah	5,000	2,000	4,800	-	-
Mr. Kamal Sami Salman Asfour	5,000	2,000	4,800	-	-
Mr. Haidar Issa Murad Murad	5,000	1,600	4,800	-	-
Messers. Global Investment House Co. represented by*:	-	-	-	-	-
Mr. Talal Fawzi Mahmoud AlSamhoury	5,000	-	3,200**	-	-
Mr. Ayman Abdulkareem Hatahit	4,453	2,000	4,800	-	-

\* His Excellency Mr. Samer "Mohammad Emad" Aboushi, represented the company during the Board two meetings held on 30/9, 15/12, and received a total amount of JD (1600) as transportation allowances.

\*\* Until 30/08/2009

(B) Following are the benefits and remunerations that the senior management employees with executive authorities at the Bank received as wages, remunerations and salaries... etc, and the amounts paid for each as travel and transportation expenses inside and outside Jordan during the fiscal year 2009 in Jordanian dinars:

#	Name	Salaries	Remunerations	Transportation and Travel Expenses	Allowances	Total
1	Mr. Musa Abdelaziz Mohammed Shihadeh* CEO & General Manager	298,102	136,566	-	-	434,668
2	Mr. Saleh Musa AlShantir * Deputy General Manager	200,681	51,317	610	2,229	254,837
3	Mr. Wael Mohammed Musa Barakat Assistant General Manager	84,830	13,016	-	-	97,846
4	Mr. Nabil Mostafa Hussein Asaad Assistant General Manager	84,830	13,016	-	-	97,846
5	Mr. «Mohammed Majed» Mahmoud Allan Assistant General Manager	74,019	11,280	2,415	2,230	89,944
6	Mr. Omar Rebhi Jabari Assistant General Manager	92,130	22,177	-	-	114,307
7	Dr. Hussein Said «Amar Saifan» Assistant General Manager	68,535	21,100	3,685	6,709	100,029
8	Mr. Rohi Hassan Ashour Executive Manger "A"	44,722	4,022	-	-	48,744
9	Dr. Hosni Abdelaziz Hussein Jaradat Executive Manager "B"	33,950	11,973	-	-	45,923
10	Mr. Saadi Abdel Rahman Qattawi Executive Manager "B"	43,196	4,511	-	-	47,707
11	Mr. Baseem Musa Assi Executive Manager "B"	35,232	3,561	1,935	1,516	42,244
12	Mr. Abdelkarim Ibrahim Mahmoud Wahbeh Executive Manager "C"	31,678	3,012	-	-	34,690
13	Mr. Mahmoud Mohammed Mahmoud Jarwan Executive Manager "C"	10,591	850	-	-	11,441
14	Mr. Ahmad Mustafa Mohammad Bahbough Executive Manager "C"	29,888	3,266	-	-	33,154
15	Mr. Bashir Abde Rabo AlHaj Bashir Okasheh Executive Manager "C"	31,403	3,602	-	-	35,005
16	Mr. Nai'm Mohammad Najem AlKhmous Executive Manager "C"	16,444	537	990	355	18,326
	Total	1,180,231	303,806	9,635	13,039	1,506,711

\* Each of them is using the Bank's car.

19- The Board's report included a statement of donations and grants paid by the company during the fiscal year 2009.

20- Note No. (56) in the Bank's consolidated financial statements shows the contracts, projects and agreements signed by the company with other subsidiaries, sister companies, associates, Chairman, Board members, General Manager, any employee in the company or their relatives.

21- The Company contributes to protecting the environment and the local community through its different activities.



## Acknowledgement

We, the undersigned, hereby acknowledge the validity, accuracy and completeness of the information and data contained in the annual report of the Jordan Islamic Bank for the year 2009.

Financial Manager	Vice Chairman CEO, General Manager	Chairman
Abdelhamid Abu Saqri	Musa Abdelaziz M. Shihadeh	Adnan Ahmad Yousif AbdelMalek





## Acknowledgement


The Board of Directors of the Jordan Islamic Bank hereby acknowledges:

- That there are no substantive issues that might adversely affect the Company's sustainability during the next fiscal year.
- Its responsibility for the preparation of financial statements and the provision of effective control system in the Company.

AlBaraka Banking Group Co. Represented by H.E Mr. Adnan Ahmad Yousif	Chairman
H.E. Mr. Musa Abdelaziz Shihadeh	Vice Chairman CEO, General Manager
H.E. Eng. Raef Yousif Mahmoud Najm	Member
H.E. Mr. Salem Mohammed Salem Massaedh	Member
H.E. Mr. Kamal Sami Asfour	Member
AlBaraka Banking Group Co. Represented by H.E. Mr. Othman Ahmad Suleiman	Member
H.E. Mr. Haidar Issa Murad Murad	Member
AlBaraka Banking Group Co. Represented by H.E. Mr. Hamad Abdallah Ali Eqab	Member
AlBaraka Banking Group Co. Represented by H.E. Mr. Abdellatif Abdallah AlRajhi	Member
Global Investment House Co. Represented by H.E. Mr. Ali Suhail Al Shanti	Member
H.E. Mr. Ayman AbdelKareem Hatahit	Member



**Annexes  
of Board Report 2009  
Annex 2  
“Disclosure Requirements in  
Corporate Governance Guide of  
the Bank”**







## Annexes of Board Report 2009

### Annex 2

#### “Disclosure Requirements in Corporate Governance Guide of the Bank”

##### 1- Extent of compliance with the Corporate Governance Guide:

The Bank always endeavors to provide the best and highest Islamic Banking services and products, and seeks to innovate and develop new services that are compliant with the principles and teachings of the Islamic Sharia. As corporate governance provides the best rules, regulations and procedures which achieve and sustain trust in the Bank and its various activities, the Jordan Islamic Bank has decided to adopt the sound practices of corporate governance in consistence with the guidelines of corporate management controls issued by the Islamic Financial Services Board (IFSB), the instructions of the CBJ and the best international practices.

Accordingly, the Bank has prepared the Corporate Governance Guide to comply with its principles in terms of the Board of Directors, its committees, the responsibility of the executive management, control environment, internal control, transparency and disclosure as from December 31, 2007.

##### 2- Board meetings and details of the Board committees:

The Board held seven meetings during 2009.

Details of the Board Committees are as follows:

Description	Names of Members	Date of Formation	Duties & Responsibilities	Total number of meetings during 2009
Corporate Governance Committee	Adnan Ahmad Abdelmalek Kamal Sami Salman Asfour Haidar Issa Murad Murad	Formed on 30 <sup>th</sup> Oct. 2007 in response to the requirements of the Corporate Governance Guide effective as from 31 <sup>st</sup> Dec. 2007	Ensure the implementation of Corporate Governance Guide	2
Audit Committee	Raef Yousif Mahmoud Najm Hamad Abdallah Ali Eqab Ayman Abdelkareem Bashir Hatahet	Previously formed in accordance with the Banks Law and the instructions of the Jordan Securities Commission	Ensure compliance with the financial and accounting related regulations	7
Credit Facilities Committee	Adnan Ahmad Abdelmalek Musa Shihadeh Kamal Sami Asfour	It has been formed during the Bank early years of establishment	Approve the Banking facilities and financing and investment agreements within the authorities delegated to it by the Board	5
Nominations and Remunerations Committee	Haidar Issa Murad Murad Adnan Ahmad Abdelmalek Raef Yousif Mahmoud Najm Salem Mohammed Salem Massaadeh	Formed on 30 <sup>th</sup> Oct. 2007 in response to the requirements of the Corporate Governance Guide effective as from 31 <sup>st</sup> Dec. 2007	Ensure that adequate remunerations policy is available	2
Risk Management Committee	Othman Ahmad Suleiman Salem Mohammed Salem Massaadeh Kamal Sami Asfour Musa Abdelaziz Mohammed Shihadeh Dr. Hussein Said “Amar Saifan” Abdel Hamid Abu Saqri Dr. Musa Mubarak	Formed on 30 <sup>th</sup> Oct. 2007 in response to the requirements of the Corporate Governance Guide effective as from 31 <sup>st</sup> Dec. 2007	Ensure that policies and strategies of risk management and compliance are available	3

##### 3- Risk Management

a-The Risk Management Department is directly supervised by the General Manager

b-The Bank’s risks have been stated in Note No. (59) of the Bank’s closing statements of 2009.

#### 4- Transparency and Disclosure

- a-Annex 3 includes the full text of the Corporate Governance Guide.
- b-Annex 1 includes the required information of each Board member.
- c-Annex 1 also includes the Bank's Organizational Structure.
- d-The Corporate Governance Guide includes the duties and responsibilities of Board Committees.
- e-Annex 1 includes remunerations of Board members and salaries of senior management employees.

#### 5- Internal Control Systems:

The Bank's executive management acknowledges the following:

- 1- It is responsible for developing internal control systems for financial reporting at the Bank and maintaining such systems to ensure the quality and transparency of information and financial statements.
- 2- It has used the following framework to evaluate and review the internal control systems:
  - Understanding the main risks encountering the Bank and handling and mitigating them through the Risk Management Department and special related committees (e.g. Risk Management Committee, Basel II Committee, developing and updating the regulations and procedures necessary to manage risks on a continuous basis).
  - Preparing and developing strategies and policies, implementing the same after being approved by the Board of Directors and forming the required committees according to the Corporate Governance Guide.
  - Preparing the Bank's organizational structure, approving the same by the Board of Directors, ensuring actual compliance with the organizational structure, forming committees and delegating powers and authorities.
  - Preparing the Corporate Governance Guide as per the instructions of the CBJ and approving the same by the Board of Directors.
  - Preparing and approving the annual budget by the Board of Directors, and providing periodic performance reports to the Board of Directors showing the deviation between the actual and projected performance.
  - Preparing a detailed job description including the tasks and responsibilities for each organizational unit.
  - Implementing dual control for each activity or operation.  
Segregating and identifying duties to avoid conflict of interests and reduce risks.
  - The Board and/or the Board committees shall have access to the reports of control authorities as well as external and internal auditing, follow up violations and relevant comments and ensure that the Bank's management remedies such violations and takes the necessary measures to guarantee non-repetition of such violations.
- 3- It has evaluated internal control systems and verified their effectiveness as of the end of 2009.
- 4- All notes included in the disclosures are approved, complete, fair, balanced, understood and based on the Bank's published financial statements, and that the non disclosure of other statements or information might affect the results of the current and/or future operations and/or the financial position of the Bank, including potential effects and uncertainties.

**Annexes  
of Board Report 2009**

**Annex 3  
“The Full Text of the Corporate  
Governance Guide for the Bank”**



## Annexes of Board Report 2009

### Annex 3

#### “The Entire Text of the Corporate Governance Guide for Banks”

### Introduction

The importance of Corporate Governance in the Bank stems from the fact that it provides a basis to consolidate the trust in the Bank and its different activities and enable the contribution in developing the Jordanian Banking Service and the National Development.

The Bank seeks to provide distinctive and matchless banking products and services, to undertake to develop and improve them, in addition to devising new services that are in tune with the principles of the Noble Islamic Sharia and fulfill the interests of the stakeholders. As a result, the Bank decided to adopt this CGG in a way that complies with the guidelines of the controls of establishments management which is restricted to the provision of Islamic financial services (except Islamic Insurance Companies and Islamic Investment Funds) issued by the Islamic Financial Services Board “IFSB” and the instructions of the CBJ in addition to the best international practices.

### 1- Guidelines

- 1- Ensuring justice and fairness in the dealings with all relevant authorities, such as (shareholders, depositors, Bank staff and controlling authorities.)
- 2- Transparency and disclosure in a way that enables the relevant authorities to evaluate the bank’s position and its financial performance.
- 3- Accountability for relationships between the Executive Management of the bank, the BOD and shareholders from one part and the other relevant authorities.
- 4- Accountability in terms of clear determination of responsibilities and delegation of authorities.

### 2- Compliance with Corporate Governance

- 1- Forming a committee emerging from the BOD called “Corporate Governance Committee”, comprised of the chairman and two non-executive members to direct the process of preparing, updating and applying the Guide.
- 2- Integrating the annual report in a report for the public stating the extent of the bank’s management compliance with the clauses of the Guide and the application of each clause in addition to stating the reasons of non-compliance with any clause.

### 3- Board of Directors (BOD)

#### 1- General Principles

- a- The BOD shall bear all responsibilities relevant to the bank’s operations and financial safety, in addition to meeting the requirements of the CBJ and the interests of shareholders, depositors, staff and other relevant parties, in addition to verifying that the management of the Bank is carried out effectively and under the applicable laws, directions and the internal policies of the bank.
- b- The BOD shall outline the strategic goals of the Bank in addition to controlling its executive management which is responsible for carrying out daily operations. The BOD shall also approve the controls and internal monitoring and verify the extent of their efficacy and how the Bank complies with the strategic plan and approved policies and procedures or required under the laws and instructions issued for this concern as well as verifying that all risks of the Bank were managed properly and effectively.



## 2- Chairman and General Manager

- a- The position of Chairman of the Board is separated from that of General Manager. In addition, there is no family relationship up to the third degree between the Chairman and the General Manager. The division of responsibilities between the Chairman and the General Manager has been put down in writing, is subject to review and revision from time to time as necessary, and is approved by the Board.
- b- Its prefer that the chairman shall not be executive. If he/she is executive, the Bank shall employ an independent member as vice chairman with a view to guaranteeing the provision of an independent source as a mouthpiece of shareholders. In all events, the status of the chairman shall be declared, executive or non-executive.

## 3- Chairman's Role

- a- Developing constructive relationships between the BOD and the executive management of the Bank and between the executive and non-executive members.
- b- Creating a culture atmosphere the board meetings that shall encourage constructive criticism on the issues of different point of views among members. Such culture shall encourage discussion and vote over such cases.
- c- Verifying that all board members and shareholders get adequate information at the proper time.
- d- Verifying the availability of higher standards of CGG at the bank.

## 4- Composition of the Board

- 1- The board shall include practical and vocational experience and professional skills. The board shall also include executive members (employees at the bank), and non-executive members (not employees at the bank).
- 2- Among the non-executive members, there must be at least three independent members who have no relationship with the Bank but being board members.
- 3- Independent member is defined as the member, whether person or a natural legal person, who has no relationship with the Bank but being a member at the board of directors, which makes his view fair without being affected by other considerations or external affairs. The minimum limit of requirements of the independent member is as follows:
  - a- The independent member should not have worked at the Bank during the three years prior to nomination to the membership.
  - b- The independent member shouldn't have an employee who is a first or second degree relative at the bank.
  - c- The independent member should not receive a salary or any other amounts from the bank except his remuneration as a member.
  - d- The independent member shall not be a board member or an owner of a company dealing with the Bank except transactions that arise due to services and/or regular work provided by the Bank to its clients provided that such transactions shall subject to the same terms and conditions of similar transactions with any other party and without privileged conditions.
  - e- The independent member shall not be a partner or an employee of the external auditor during the three years prior to his/her nomination for the board membership.
  - f- The independent member's contribution shall not constitute an effective interest in the bank's capital (controlling not less than 10%) or to be an ally of another shareholder.

## 5- Organization of the Board's works:

- a- The Bank's Board meetings take place at least six times a year. In order to ensure that a full range of topics is considered, it is the practice of the Bank's executive management to schedule a specific topic to be highlighted at each meeting
- b- Board members shall be provided with adequate information sufficiently in advance of the board meetings to enable them to take the right decisions.
- c- The responsibilities of the BOD members are determined and clear in line with the relevant legislations. When elected, all BOD members shall be given a booklet indicating his/her rights, responsibilities and duties.
- d- All banking operations that require the BOD approval (for example, BOD's authority regarding granting funds over a certain amount) shall be explained in writing.
- e- The BOD members shall access constantly to the developments inside the Bank and local and international banking sectors. The Bank shall provide members with a proper summary of the business of the Bank at the time of appointment and during the membership period or upon request.
- f- The BOD members and its committees shall have a direct contact with the executive management.



- g- If necessary, the BOD member and committees may hire external sources to help them do the tasks assigned to them properly.
- h- The BOD secretary shall record the discussions, suggestions and voting of the BOD. He/she shall verify that all members follow the procedures determined by the BOD, including transferring the information among BOD members, committees and the Executive Management in addition to determining the appointments of the BOD and filing meeting minutes. The BOD shall determine the job and tasks of the BOD secretary officially and in writing in accordance with the level of responsibilities provided hereinabove. It shall also pass any decision regarding the appointment or dismissal of the secretary by the BOD unanimously.

**6- BOD Activities:** (Appointment, Replacement, Self-Evaluation, Evaluation of the General Manager's performance and Planning)

- a- The BOD policy includes the appointment of a general manager who enjoys impartiality, honesty, technical qualification and banking experience.
- b- The BOD's approval shall be gained when some executive directors are employed such as the Chief Financial Officer (CFO) and the internal auditing officer and verifying that they do have the required experience.
- c- The BOD shall ratify and approve succession plans for the executive directors of the Bank so that they should include the required qualifications and requirements of person to hold such occupations.
- d- The overall performance of the BOD is evaluated at least once a year through the nomination and remunerations committee. The General Manager shall be evaluated annually by the BOD.
- e- The BOD determines the goals of the Bank and directs the executive management to outline a strategy to achieve these objectives. The Executive Management shall develop work plans that commensurate with those strategies through the planning process that includes the contribution of all Bank departments. The BOD approves the strategy and work plans and verifies that the Executive Management reviews the performance achievements according to work plans and takes the remedial procedures where necessary. The process of preparing the estimated budgets is a part of the short term planning process and performance measurement.
- f- The BOD shall verify that the Bank is performing its work with a high level of honesty and impartiality in doing its businesses. This can be done through the availability of policies and work ethics charter that includes the definition of conflict of interests and deals made by Bank staff for their own interest according to the internal information about the Bank gained/accessed as a result of the authorities provided for them. These policies and work ethics charter shall be generalized on all Bank staff and the BOD members and their approval shall be gained and published to the public. The above policies shall include the following:
  - 1- Rules and procedures that organize the operations with relevant parties whether between the Bank and its staff or the BOD members or their companies, or relevant parties, including the operations of financing and joint investment with the bank. Those rules shall include evidence that credit was given to the BOD members and their companies pursuant to the prevailing prices at the market, not on privileged conditions. The member shall not participate in any meeting where those issues are treated, contracted or voted. It shall also be disclosed in the bank's annual report. The Bank departments concerned with controls and internal control shall verify that the operations of relevant parties was made in line with this policy.
  - 2- Clear controls that prevent the BOD members and staff from making use of internal information of the Bank for their own interest.
- g- The Bank should have written policies that cover all its banking activities. Such policies shall be generalized at the administrative levels. Furthermore, it shall be reviewed regularly to verify their inclusiveness of any amendments or changes introduced to laws, instructions, economic conditions and any other affairs relative to the bank.
- h- As a part of the approval process, the Bank shall grant the credit by evaluating the quality of Corporate Governance for its clients from companies, especially public joint stock companies, so that risk evaluation for clients is made in weak and strength points to practice them in the field of corporate governance. The Bank may remunerate the clients who have good governance in their companies.

**7- BOD Tasks and Responsibilities**

- a- Appointment of the General Manager determining his/her authorities and responsibilities, and terminating his services.
- b- Practicing the authorities not delegated to the GM.

- c- Understanding the main risks facing the Bank and approving acceptable limits of such risks and supervising the Executive Management at the Bank to guarantee that necessary procedures are taken to determine, measure and control such risks.
- d- Approving the organizational structure of the Bank and forming BOD committees and delegating powers and authorities.
- e- Approving the strategies, policies, annual budget, work ethics charter and reviewing them regularly.
- f- Reading the reports of the monitoring authorities and external and internal auditing in addition to following up the violations and notes provided therein along with verifying that the Executive Management remedies such violations and take the necessary procedures to guarantee that they will not be repeated, in addition to any other reports related to compliance, risk management and all relevant matters.
- g- Adopting the annual, semi-annual and quarterly financial statements after being approved by the auditors and disclosed to the relevant authorities.
- h- Evaluating the performance of Executive Management and the extent of compliance with BOD's policies and its success in achieving the planned results and goals and remedying deviations.
- i- Adopting the general bases of work and issuing the internal regulations relevant to the organization and management of the Bank and personnel affairs. Such bases include the right of contracting with efficient experts and consultants and others to work at the bank, in addition to drawing up the regulations of appointments, promotions, raises, bonuses and all financial and administrative affairs for good governance of the bank.
- j- Adopting the internal regulations regarding the organization of work, provisions of accepting investment deposits, issuing Al Muqarada bonds, the method of calculating the share in profits, organization of the management of joint funds and monies allocated for certain purposes.
- k- Drawing up the general applicable policy occasionally, in the fields of diversification, available financial resources, determining the ways of their investment, ordering risks distribution and acceptable guarantees from the point of view of Sharia.
- l- Approving service fees, commissions and wages that the Bank can charge for banking transactions and the management work in its different activities.
- m- Approving the settlements and reconciliations and accepting arbitration which the Bank management agrees to enter thereof.
- n- Approving the annual work plan developed for opening new branches, expanding in different investment fields and devising new methods to develop the banking work that is not based on usury (interest).
- o- Appointing a BOD member or more to have the right of signing on behalf of the Bank solely and jointly, according to what the BOD decides in this regard.
- p- Appointing the signatories on behalf of the Bank from its staff, permitting granting authorities of signing for employees at the Head Office and branches according to the needs and requirements of work.

#### 4-Board Committees

- 1- To increase its efficacy, the BOD shall form the following standing committees in addition to the "Corporate Governance" committees:
  - a- Audit Committee
  - b- Nominations and Remunerations Committee
  - c- Risk Management Committee
  - d- Executive Committee
- 2- The BOD may form committees to perform certain tasks and for a definite period of time. Some authorities and responsibilities are delegated by the BOD to those committees.
- 3- By virtue of the approval of the BOD, the committees may develop written work procedures that organize their work and determine their obligations provided that such procedures shall be put in writing in the (charter).
- 4- Committees present their reports and recommendations to the BOD and the names of their members are disclosed in addition to a summary of their tasks and responsibilities in the annual report of the bank.
- 5- The principle of transparency shall be applied when appointing members of BOD committees.
- 6- Committees meet as per what is provided in its formation system or whenever required.
- 7- Committees are comprised of non-executive BOD members (and they may include executive BOD members provided that it doesn't conflict with the applicable legislations), and the number of committee members shall not be less than three, and the decisions and recommendations of such committees are taken by the great majority.



- 8- Committees shall have the following authorities:
  - a- Requesting any information from the Executive Management and from Bank staff who must cooperate to provide such information in a complete and accurate way.
  - b- Requesting legal, financial, administrative or technical consultation from any external consultant.
  - c- Requesting the attendance of any employee at the Bank to get more explanations.

#### **a- Corporate Governance Committee**

- 1- This committee is comprised of the BOD Chairman and the two non-executive members to direct the process of preparing, updating and applying Corporate Governance Guide.
- 2- The committee shall verify the application of the CGG in terms of BOD, board committees, the responsibility of the Executive Management, Sharia Supervisory Board, Controlling environment and internal control, external auditing, relationship with shareholders, equities of investment accountholders, transparency and disclosure.

#### **b- Audit Committee**

- 1- At least two members of the Audit Committee shall be holders of specific educational certificates and/or practical experience in the fields of financial management. The independent members shall be two members at least.
- 2- Names of the committee members are disclosed in the annual report of the bank.
- 3- The committee exercises its tasks and responsibilities under the banks Law and any/all other relevant legislations. Tasks and responsibilities of the AC includes: -
  - a- Scope, results and extent of sufficiency of internal and external auditing of the bank.
  - b- Accounting issues which have a substantial impact on financial statements.
  - c- Internal Controls at the bank
  - d- Discussing all aspects relevant to the function of the external auditor including his/her notes, suggestions and reservations in addition to following up the extent of the bank's response to such notes, suggestions and reservations and providing recommendations to the BOD.
  - e- Reviewing correspondences with the external auditors, evaluating their contents and expressing notes and recommendations to the BOD thereon.
  - f- Following compliance with the securities law and the regulations, instructions and decisions issued according to it.
  - g- Studying periodic reports before being submitted to the BOD and making recommendations there to focusing on the following:
    - 1- Any change in the adopted accounting policies.
    - 2- Any change that may be introduced to accounts due to auditing processes or as a result of suggestions of the external auditor.
    - 3- Studying the work plan of the external auditor and verifying that the Bank provides the auditor with the required facilities to do his/her work properly.
    - 4- Approving the internal auditing plan and evaluating the procedures of internal auditing and reading the internal auditing reports, especially the reports of any violations that may arise as a result of the work of internal auditor.
    - 5- Making suitable recommendations for the BOD regarding the matters related to the internal auditing procedures and work of internal auditor.
    - 6- Verifying that there is no conflict in interests that may result from deals or contracts signed by the Bank or entering into projects with relevant parties.
    - 7- Reviewing the dealings of relevant parties with the Bank before being approved.
    - 8- All other affairs decided by the BOD.
  - h- The committee shall provide the BOD with recommendations regarding the appointment, dismissal and remuneration of the auditor and any other contractual terms or conditions related to him/her. In addition to evaluating the objectivity of the external auditor, taking into consideration all other work made outside the scope of auditing with a view to guaranteeing this objectivity.
  - i- The committee is entitled to gain any information from the Executive Management in addition to its right to calling upon any executive or BOD member to attend its meeting.
  - j- The committee meets the external auditor, internal auditor and compliance officer at least once a year without the attendance of the Executive Management.

### c- Nominations and Remunerations Committee

- 1- The committee is comprised of at least three non-executive members, provided that most of them, including the committee Head, shall be from independent members.
- 2- The committee shall name the BOD members taking into consideration the abilities, qualifications of the nominated people. In case of re-nomination, the number of times they attended and the quality and effectiveness of their participation in the board meetings are considered.
- 3- The committee shall determine whether the member is an independent member or not, taking into account the minimum limit of requirements deemed to be necessary in the independent member.
- 4- The committee adopts certain and approved bases in evaluating the effectiveness of the BOD so that performance evaluation standard shall be objective and includes comparison with other banks and similar financial institutions, in addition to the standards of safety and correctness of financial statements of the Bank and the extent of compliance with the control requirements.
- 5- The committee shall be responsible for providing the BOD, upon request, with information and summaries of the background of some important issues about the bank. It shall be kept responsible for updating them with most recent issues relevant to the banking work. To achieve this, the Bank encourages its BOD member to attend the seminars which allows them to meet with local and international institutions and companies.
- 6- The company shall review the remunerations paid to the Executive Management and shall recommend remunerations (including the monthly salary and other benefits of the GM). The committee is also responsible for reviewing remunerations (including salaries) paid to the rest of the Executive Management.
- 7- The company shall be responsible for verifying that there is a remunerations policy at the Bank which indicates that remunerations and salaries are high enough to attract qualified people to work at the Bank and maintain them, putting into account that salaries paid by the Bank shall be in line with those paid by similar banks in the market.
- 8- The summary of remunerations policy at the Bank shall be disclosed in the annual report of the bank. Remunerations of BOD members shall be determined on an individual basis and the highest salaries paid to non-BOD executive directors over the year.

### d- Risk Management Committee

- 1- The committee is responsible for reviewing and evaluating the policies and strategies of risk management at the Bank before being approved by the bank, especially;
  - a- Cash liquidity
  - b- Investment and finance
  - c- Credit risks including financial positions
  - d- Reserves
  - e- Sufficiency of insurance policies to cover risks
  - f- Sufficiency of organizational and economic capital of the bank
  - g- Operation risks at all work centers and Bank departments
  - h- Reviewing and evaluating the methods and approaches of measuring the risks employed at the bank.
  - i- The limits of exposure to risks at the levels of the country, currency, time limits, counter party, tool, market and sector.
  - j- New products and services before release.
  - k- Reviewing the structure of the risks department and the process of developing it before submission to the BOD.
  - l- Keeping pace with developments and growing complications introduced to risks management inside the Bank and submitting periodic reports to the BOD regarding such developments.
- 2- The committee is specialized in the field of compliance and fighting money laundering and terrorism financing by means of reviewing and evaluating relevant policies and procedures before being approved by the BOD, especially;
  - a- Compliance work guidelines, by means of applying the clauses of laws, instructions and systems of Bank business which relate to fighting money laundering and terrorism financing.
  - b- Monitoring and controlling compliance, fighting money laundering and terrorism financing and suggesting suitable amendments.
  - c- Know Your Customer forms (KYC), forms of opening accounts, forms of similar internal and

- external movements and other relevant forms.
- d- Controlling measures of operational processes in protecting and supporting the Bank against the possibility of using its operational processes by money laundering gangs and terrorism financing.
- e- Verifying that the training of money laundering and terrorism financing already exists in accordance with the new laws and regulations, to deter modern methods used in this field.
- f- Exclusion of well-known clients from the report of big monetary operations over the limited ceiling and determining and amending the exception ceiling according to the development of client's status.
- g- The extent of staff compliance with the application of policies, procedures and regulations of compliance and combating money laundering.
- h- Accounts reports, withdrawals and deposits, transfers, other activities relevant to the accounts which is considered to be relatively dangerous and how such operations are suitable to the economic activities.

#### **e- Executive Committee**

This committee shall be responsible for approving the banking facilities and financing and investment agreements as a part of the authorities delegated to the committee by the BOD.

#### **5- Responsibility of the Executive Management**

- 1-Preparing and developing strategies and policies and working on their application after being approved by the BOD.
- 2-Preparing and developing work procedures so as to guarantee the determination, measurement, controlling and monitoring risks facing the Bank and applying such procedures.
- 3-Preparing financial statements and final accounts and submitting them to the BOD for approval.
- 4-Preparing the organizational structure and abiding by it before being approved by the BOD.
- 5-Preparing and approving the annual budgeting in addition to providing regular administrative reports to the BOD showing the deviation between the actual performance and the planned one.
- 6- Developing proper internal controlling policies and applying them after being approved by the BOD.
- 7- Carrying out responsibilities according to the delegated authorities.
- 8- Achieving the effectiveness of controls and internal monitoring and submitting at least one annual report to the BOD about the application and effectiveness of systems.
- 9- Setting the procedures that guarantee the organization of capital adequacy and submitting regular reports to the BOD in this regard.
- 10-Providing external and internal monitoring authorities such as the monitoring authorities, internal auditing, external auditing and all other relevant authorities or organizations, and at the definite time, with the information and statements deemed necessary for performing their tasks properly.
- 11-The annual report shall indicate that the Executive Management is responsible for providing internal controls to ensure the quality and transparency of the required information and financial statements.
- 13-Formulating the Work Ethics Charter of the Bank and approving it by the BOD then generalized at the administrative levels at the bank.
- 13-Developing skills and professional conduct of the Bank's staff to correspond with the latest developments and techniques.

#### **6- Sharia Supervisory Board (SSB)**

- 1- According to its Articles of Association, the Bank complies with the teachings of Islamic Sharia. To implement the provisions of Banks Law, the Bank shall appoint, by virtue of a decision from the Shareholders General Assembly, a board called "Sharia Supervisory Board" and the number of its members shall not be less than three people and its opinion shall be binding for the Islamic bank. The SSB shall undertake the following tasks:
  - a- Monitoring businesses and activities of the Bank in terms of compliance with the teachings of Islamic Sharia.
  - b- Showing the Sharia opinion in the contract forms for the activities and businesses of the bank.
  - c-Considering all affairs that needs the Sharia opinion pursuant to the instructions of the CBJ issued for this purpose.
  - d-Showing the Sharia opinion for the BOD and the GM regarding Bank transactions.
  - e-Issuing an annual report for the Shareholders General Assembly.



- 2- The SSB shall appoint one of its members as its head. The SSB shall meet twice a year at least and whenever necessary by a call from its head or according to a decree from the BOD or according to the request of two members, or upon the request of the GM. The quorum of the meeting is at least two members if the number of its members is three. The quorum shall be considered by the attendance of the majority of members if the number of its members is more than three. In all events, all decision shall be taken by the consensus or the majority.
- 3- A secretary shall be employed at the SSB to record the minutes and follow the sessions, inquiries and answers by the SSB.
- 4- The Bank should publish the fatwas (advisory opinion) of the SSB to make people aware of.

## 7-Control Environment and Internal Monitoring

### 1- Control systems and Internal Monitoring:

- a- The Bank's structure of internal monitoring is reviewed at least once a year by internal and external auditors.
- b- The Board provides a statement in the Annual Report on the adequacy of the Bank's internal monitoring over its financial reporting. This statement contains: -
  - 1- a statement of Executive Management's responsibility for establishing and maintaining adequate internal control over financial reporting for the Bank;
  - 2- a statement identifying the framework used by Executive Management to evaluate the effectiveness of internal control;
  - 3- Executive Management's assessment of the effectiveness of internal control as of the date of the financial statements included in the Annual Report of the bank;
    - a-a report by the Bank's external auditor on the Executive Management's assessment and the effectiveness of internal controls;
    - b-Disclosure of any substantial weaknesses in the internal.
    - c-The Bank has set up arrangements whereby staff can confidentially raise concerns about possible irregularities, and that allow for such concerns to be independently investigated and followed up. Such arrangements are overseen and monitored by the Audit Committee.

### 2- Internal and Sharia Audit

- 1-The Bank shall provide the Internal and Sharia Audit with the adequate number of highly qualified cadres so that they can be trained and remunerated properly.
- 2-The Internal and Sharia department shall have the right to obtain any information and contact any employee at the bank. It shall also be given adequate standing and authority within the Bank to adequately carry out its task
- 3-The Internal and Sharia department follows the Audit Committee that emerge from the BOD and shall report its achievements to this committee directly. Internal Audit shall be responsible for suggesting the structure and scope of Internal Audit and informing the Audit Committee of the possibility of any conflict in interests.
- 4-The tasks and responsibilities of the Internal Audit department are as follows:
  - a- Ensuring the adequacy of control systems and internal monitoring as well as risks management systems and the extent of their effectiveness.
  - b- ensuring that Bank business is in conformity with the teachings and principles of the noble Islamic Shari'a.
  - c- Assisting the BOD in carrying out its responsibilities adequately by providing it with analyses, assessment processes and recommendations regarding the activities reviewed by the Internal Audit department.
  - d- Ensuring the execution of the instructions of the controlling authorities and BOD decisions.
  - e-Verifying the execution of the decrees and recommendations of the SSB regarding compliance with the Sharia aspects of transactions.
  - f-The functions, powers and responsibilities of Internal and Sharia Audit are documented within the Internal Audit Charter which is approved by the Board.
  - g-Internal and Sharia audit staff shall not be assigned to do any executive responsibilities/works.
  - h-Reviewing the work of organizational units at the Head Office and branches, preparing reports regarding the notes discovered and certain procedures required remedying such notes and irregularities. Reports shall be prepared without any external interference. Internal and Sharia department is entitled to discuss its reports with the departments and branches under auditing.

- i-Reviewing financial reporting at the Bank to ensure that basic information on administrative and financial affairs are accurate, reliable and timely.
- j-compliance with internal policies, international standards, procedures, and applicable laws and regulations;
- k- Ensuring the enforcement of Bank instructions and its internal systems and suggesting how to remedy weak points in financial, managerial and technical systems.
- l- Auditing the accounts of companies affiliated to the bank.
- m-Other works relevant to the business of the department shall be assigned by the Audit Committee.

### 3- Risk Management Department

#### a- Objectives:

Managing the different risks that the Bank may be vulnerable to such as the risks of market, operation, credit, hard currency, liquidity, and rate of return with a view to getting higher profitability rates at an acceptable level of risk for various activities.

#### b- The tasks and responsibilities of the Risks Management department are as follows:

- 1.Managing market risks, operational risks, credit risks, hard currency risks, rate of return risks in addition to using the most modern scientific methods for measuring such risks.
- 2.Analyzing and evaluating the risks of new activities, products and services before launching them. The same applied for existing activities, products and services.
- 3.The development of methodologies for the measurement and control of each risk
- 4.Recommending limits to Risk Management Committee, and the approval, reporting and recording of exceptions to the policy of risk management, if any.
- 5.The provision of information on risk metrics and on the Bank's risk profile to the Board and the Senior Executive management.
- 6.The committees within the Bank shall help the Risk Management Department in doing its tasks and responsibilities.
- 7.The provision of risk information for use in the Bank's public statements and reporting.
- 8.The annual report of the Bank shall include information about risk management regarding its structure and the nature of its operations and developments.

### 4- Compliance Department

#### a- Objectives:

- 1- Compliance department aims at ensuring that the Bank and its internal policies comply with all laws, regulations, instructions, codes of conduct, standards, sound banking practices issued from local and international controlling authorities which determine, assess and provide advice and guidance and monitor and submit reports to the BOD regarding the extent of the bank's compliance.
- 2- Compliance risks are represented in legal or controlling penalties, material losses or reputation risks that the bank might encounter Bank due to incompliance with laws, rules, regulations, code of conduct, standards and sound banking practices.

#### b- The tasks and responsibilities of the Compliance Department are as follows:

- 1.Helping the Executive Management and Bank staff manage the compliance risks facing the bank.
- 2.Providing advice for the Executive Management regarding the applicable laws, rules and standards and any subsequent amendments.
- 3.Making staff aware of compliance issues and preparing written instructions in this regard before developing the compliance guide in line with the size, nature and complexity of the Bank's operations and its internal organization, practical practices guidelines and professional conduct charter.
- 4.Preparing an effective methodology to ensure that the Bank complies with all applicable laws and legislations and all relevant guides.
- 5.Preparing and developing compliance policy and ensuring that the Bank applies it adequately.
- 6.Reporting the results of compliance activities to the BOD or the committee emerging from the BOD, in addition to sending a copy of such results to the Executive Management.

## 8-External Auditing

In compliance with the provisions of banks law and any other relevant provisions provided in other legislations, the Bank abides by the following:

- a- Signing an agreement with the external auditor to audit the work of the Bank so as to include doing all matters that fall on his/her burden which are consistent with the requirements of international auditing standards. According to the agreement, the external auditor shall do the following tasks;
  - 1- Providing the BOD with a detailed report including all weakness as in the internal audit and accounting systems and any other matters with negative impacts he learns about during the auditing process.
  - 2- Ensuring the correctness of the data provided to him during the process of auditing.
  - 3- providing the CBJ with copies of the reports submitted to the Bank within the framework of the auditing task he appointed for.
- b- Ensuring that the following terms apply to the external auditor:
  - 1- A holder of a valid profession exercise license
  - 2- A member at the Jordanian Chartered Accountants Association.
  - 3- Practiced this profession as full time for three consecutive years after gaining the license of practicing the auditing profession.
  - 4- He should have one auditor or more working at his office who meets the above conditions.
- c- Gaining the approval of the Audit Committee before agreeing with the external auditor to provide any other information out of the scope of the auditing task, in line with the law of practicing the applicable auditing profession and the rules provided that such services shall be disclosed.
- d- Rotating the external audit job between auditing firms. Should this no longer be practical, then the Bank will at a minimum require the regular rotation of the principal partner in charge of the external audit.
- e- The proper procedures shall be taken to ensure that:
  - 1- The external auditor shall not be a founder, shareholder or member at the Bank BOD or a partner or employee working for any BOD member.
  - 2- The external auditor shall refrain from doing any additional tasks for the benefit of the Bank such as providing administrative and technical consultations unless the approval of the Audit Committee is gained.
  - 3- The external auditor shall enjoy independency pursuant to the international audit standards.
  - 4- The external auditor shall do his work neutrally and the BOD or the Executive Management shall not interfere in his work.
- f- No employee of the external audit firm shall be employed at the Bank unless at least two years have expired since he left the audit firm.
- g- The external auditors meet the Audit Committee, without the Executive Management presence, at least once per year.

## 9- Relationships with Shareholders

Without prejudice to the applicable legislations, the Bank shall take the necessary procedures to ensure that shareholders get their rights without distinction. These procedures include:

- 1- The Bank takes active steps to encourage shareholders, in particular minority shareholders, to participate in the Annual General Assembly, and also to vote either in person or in their absence by proxy. Voting for each case discussed in the meeting shall be on an individual basis, taking into account that the Shareholders General Assembly enjoys the following authorities:
  - a: Electing the BOD members and the external auditor.
  - b: Appointment of an independent Shari'a Supervisory Board (SSB)
  - c: Discussing the BOD report on the performance of the Bank and its plan for the upcoming period.
  - d: Amendment of the Articles of Association of the Bank especially regarding changing the main objectives and goals of the bank.
  - e: All affairs relevant to the merger or winding up of the bank.
  - f: Removing the BOD, chairman or any of its members.
  - g: Selling the Bank or acquisition of another bank.
  - h: Increasing or reducing the capital of the bank
  - i: Selling all assets of the Bank or part whereof may affect achieving the goals and objectives of the bank.
  - J: Approving the annual financial statements.
  - k: Bank staff should own shares in its capital
  - l: The Bank may purchase and sell its own shares.



- 2- The Bank's policy is that the Chairmen of all Board Committees should be present at the Annual General Assembly. The external auditors shall be called upon to attend the AGA with a view to answering any questions posed regarding the auditing and auditor's report.
- 3- The call of the Chairman or a member of the Sharia Supervisory Board to attend the Annual General Assembly to read the annual report of the SSB and answer any questions or inquiries that may be posed regarding the Sharia affairs.
- 4- Notes, minutes, and a report of the proceedings of the Annual General Assembly, including the results of voting, and the questions from shareholders and Executive Management's responses, are prepared and made available to shareholders after the Annual General Assembly.

#### 10- Investment Accountholders > Rights

- 1- The Bank shall maintain the rights of investment accountholders, whether such accounts were for restricted or unrestricted investment.
- 2- Generally, keeping the rights of investment accountholders can be achieved if the Bank complies with the following:
  - a: Adopting the rights of investment accountholders in following up the performance of their investments and the relevant risks in addition to setting the adequate methods to ensure keeping and practicing these rights, in terms of:
    - Granting investment account holders equal to the necessary information regarding their investment accounts with shareholders.
    - Making investment accountholders aware of the bank's policies and practices regarding investment accounts.
    - The right of investment accountholders to follow up their investments shall not be considered as interfering in the bank's management of such investments.
    - Prior to opening the investment accounts, the Bank shall give the accountholders adequate information about their contractual rights, risks associated with the products of investments accounts, including basic investments and strategies of distributing assets and the adopted method of calculating profits/ losses of investments.
    - The Bank shall be responsible for losses resulting from violation, default or negligence in the application of the investment contract.
  - b: Approving a sound investment strategy which is consistent with the expected risks and revenues of investment accountholders (taking into consideration the distinction between the accountholders of restricted and unrestricted investments), in addition to adopting transparency in supporting revenues.
    - Revenues (distributed profits) shall be supported for the investment accountholders and shareholders through using profits rate reserve deducted from the investment profits prior to deducting the bank's share as a speculator.
    - Profits rate reserve is not meant to cover existing loss or convert loss into profit.
  - c: Contracts concluded with the accountholders or the conditions of opening the accounts signed by them.
  - d: Teachings of Islamic Shari'a and the opinion of the SSB.
  - e: Banks law and other applicable legislations.
  - f: Articles of Association of the bank
  - g: Accounting standards, audit and controls of the Islamic Financial Institutions
  - h: Corporate Governance Guide and its controlling, monitoring and auditing systems.
  - i: Work systems as set by the bank.
- 3- In particular, maintaining the rights of unrestricted investment accountholders can be achieved through the bank's compliance with article (3) of clause (16) of the Articles of Association of the bank, which stipulates the following:
  - a: The Board shall decide by means of public advertising the general percentage of profits of total joint investment money at the beginning of the fiscal year provided that such advertisement shall not be delayed beyond the end of the first month of every year.
  - b: The Bank shall keep an account in the fund of investment risks at the joint investment accounts to cover any losses that exceed the total investment profits in a certain year. This fund is replenished as follows:
    - 1- Deducting 10% at least of the net investment profits of various existing operations throughout the year.
    - 2- The above percentage can be increased by virtue of an order from the CBJ so that the amended percentage is increased in the fiscal year following the amendment.
    - 3- Deduction shall stop when the congregated amount in the fund becomes as double as the paid up capital

- or any other amount determined by the CBJ.
- c: In its capacity as a joint speculator, the Bank receives the declared portion of the speculator. The Bank is also entitled to share the joint investment profits according to the percentage of its own resources or money permitted to be used for losses or profits.
- d: In its capacity as a joint speculator, the Bank bears the losses resulting from the violation or negligence of the BOD members, directors and/or the Bank's staff. Negligence which the Bank is accountable for includes manipulation, faithlessness and connivance with third parties, in addition to all other types where honest and faithful work is not complied with.
- e: Subject to the provisions of law, the appointed SSB shall ensure the existence of Fiqhi proof that supports the Bank is to bear any loss within the scope of joint investment operations.

## 11- Transparency and Disclosure

The Bank is required to disclose in accordance with the International Financial Reporting Standards (IFRS), accounting and auditing standards, controls of Islamic Financial Institutions and applicable instructions of the Central Bank of Jordan issued by the banks law and other relevant legislations.

The Bank recognizes its obligation to provide meaningful information on its activities to the CBJ, shareholders, depositors and other banks in addition to concentrating on the issues that arise the concerns of shareholders. The Bank discloses such information on a timely basis, and makes it available to all.

In its annual report, the Bank explains its responsibility for the accuracy and adequacy of financial statements and the information provided in its annual report.

The Bank commits to maintaining the following communication channels with the monitoring authorities, its shareholders, depositors, other banks, and the public in general, through the following:



- a: Professionally-staffed investor relations function that provides comprehensive, objective, and up-to-date information on the Bank, its financial position and performance, and its activities;
- b: The Annual Report, produced after the end of the fiscal year;
- c: Quarterly reports, providing quarterly financial information and the Board's report on the Bank's stocks trading and financial position during the year;
- d: Regular meetings between the Executive Management of the Bank and investors and shareholders;
- e: Regular briefings by the senior management of the Bank, especially the General Manager and the Chief Financial Officer, for shareholders, financial market analysts, and financial journalists; and
- f: Information provided through the Bank's Annual Report, or its quarterly reports, and the text of any public presentations given by executives, is made available to interested parties through the Bank's investor relations function, and in a timely manner on the Bank's website, in both Arabic and English.

In its Annual Reports and quarterly reports, the Bank's Executive Management includes 'Management Discussion and Analysis' (MD&A) disclosure that allows investors to understand current and future operating results and the financial condition of the Bank, including the possible impacts of known trends and events and uncertainties. The Bank commits to ensuring that such commentary is reliable, complete, fair and balanced, and understandable, and is grounded in the Bank's financial statements as reported.


As part of its commitment to transparency and full disclosure, the Bank in its Annual Report includes the following information: -

- a: Its Corporate Governance Code, and annual details of its compliance;
- b: Information on each individual member of BOD: qualifications and experience; shareholding in the Bank; whether an independent, non-executive, or executive Director; the membership of Board Committees; dates of appointment to the Board; other directorships; attendance at Board and Board Committee meetings; remuneration; loans from the Bank and other transactions between the Bank and the Director or his companies or other related parties.
- c: Summary of the organizational structure of the bank;
- d: Summaries of the terms of reference of Board Committees, and any authorities delegated by the Board to Board Committees;
- e: The frequency of Board and Board Committee meetings;
- f: Summary of the remuneration policy; remuneration of highest-paid executive management;
- g: Statement by the Board of the adequacy of internal monitoring;
- h: A description of the structure and activities of the Risk Management Department; and
- i: The significant shareholders of the Bank (for example, individual or related parties holding or controlling more than 10% of the Bank's capital), with identification of the main shareholders in companies deemed to be a principal shareholder at the bank, if necessary.





**Annexes  
of Board Report 2009  
Annex 4  
The Guidelines of Corporate  
Governance Guide for Public  
Shareholding Companies Listed in  
Amman Stock Exchange**





## Annexes of Board Report 2009

### Annex 4

#### **The Guidelines of “Corporate Governance Guide” for Public Shareholding Companies Listed in Amman Stock Exchange**

Our Bank has prepared the “Corporate Governance Guide” based on the CBJ instructions and in consistence with the “Guidelines of management controls for institutions offering Islamic financial services” issued by the Islamic Financial Services Board/Malaysia. According to this guide which has been approved by the Board of Directors, our Bank applies the rules stated in the “Corporate Governance Guide” that includes most of the Guidelines of the Corporate Governance Guide for Public Shareholding Companies listed in Amman Stock Exchange”, and as stated in the Report’s pages and annexes.



## Annual Report of Sharia Supervisory Board for the Fiscal Year ended on 31 December 2009

All Praise be to Allah, Lord of the Worlds,  
And Prayers and Peace be upon Mohammed  
And his kins and followers.

**To Messrs/ Shareholders of the Jordan Islamic Bank,**  
Assalmu Alikum Wa Rahmtu Allah Wa Baraktu,

Pursuant to the Jordanian Banks Law No. 28 of 2000 and its provisions related to Islamic banks, and in accordance with the Bank's Articles of Association, the Board presents the following report:

The Sharia Supervisory Board monitored the principles used and the contracts related to the transactions and the applications launched by the Bank during the fiscal year ended on 31 December 2009. It also conducted the required monitoring to express an opinion on whether the Bank has complied with the Sharia rules and Fatwas, decisions, and the specific guidelines we issued, and to ensure the Bank's compliance with them.

The Bank's management holds the responsibility of implementing its transactions according to the rules of the Islamic Sharia, whereas our responsibility is limited to expressing an independent opinion based on our monitoring of the Bank's transactions and issuing a report to you.

Our monitoring comprised examining the documentation and the procedures followed by the Bank on the basis of testing each type of transactions through the Internal and Sharia Audit Department.

We have planned and implemented our monitoring in order to obtain all the information and interpretations that we deemed necessary to provide us with sufficient evidences to give reasonable assurance that the Bank did not violate Sharia rules and principles.

### **Our Opinion:**

- A: The contracts, operations and transactions concluded by the Bank during the year ended on 31 December 2009, which we reviewed, were conducted according to the Sharia rules and principles.
- B: The profits distribution and loss allocation to the investment accounts complies with the principle we adopted according to the Sharia rules and principles.
- C: All amounts devolved to the Bank from sources or by means that do not comply with the Sharia rules and principles were not incorporated in the Bank's revenues and are spent for charitable purposes.
- D: The responsibility of paying Zakat falls on the shareholders. The Bank's management is not authorized to pay Zakat directly, as there is no law to that effect, and the Bank's Articles of Association do not stipulate such an action nor do the decisions of the General Assembly or the shareholders' authorization. Therefore, the shareholder shall pay the Zakat of his shares when the Sharia conditions and controls of Zakat apply, while considering the following:

If the intention upon purchasing shares or subscribing for shares is trading, then he should pay the Zakat of the market value of shares and dividends.

If the intention upon purchasing shares or subscribing for shares is collecting profits and not trading, then he should pay the Zakat of the dividends in addition to the Zakat assets of his shares in the Bank through inspection and assessment.

Thanks be to Allah, the Lord of the Worlds

*Date: 22 Safar 1431 H*

*Corresponding to: 7th February 2010*

Chairman  
**H.E. Dr. Ibrahim Zaid AlKilani**  
Member  
**H.E. Dr. Abdelaziz AlKhayat**

Vice Chairman  
**H.E. Dr. AbdelSattar Abu Ghuddeh**  
Member  
**H.E. Dr. Mahmoud AlSartawi**



# **Jordan Islamic Bank**

**Public Shareholding Limited Company**

## **The Consolidated Financial Statements**

**For the Year Ended December 31, 2009**



Independent Auditors Report to the Shareholders of

## Jordan Islamic Bank

Amman- The Hashemite Kingdom of Jordan

We have audited the accompanying consolidated financial statements of the Jordan Islamic Bank (Jordanian Public Shareholding Company), which consists of the consolidated statement of financial position as at 31 December 2009, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of the changes in equity, the consolidated statement of cash flows, the consolidated statement of the sources and uses of good loans fund for the year then ended and a summary of the most important accounting policies and other explanatory notes.

### Responsibility of the Management for the Financial Statements:

The Board of Directors is responsible for the preparation and fair presentation of these financial statements in compliance with the rules and principles of the Islamic Sharia as determined by the Sharia Supervisory Board of the Bank and in accordance with the standards of the (AAOIFI). This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation and presentation of the financial statements that are free of material misstatements whether due to fraud or error, as well as selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

### Auditors' Responsibility:

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Auditing Standards of the Islamic Financial Institutions, which require that we plan and perform the auditing procedures to obtain a reasonable assurance that the consolidated financial statements are free from any material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the Bank's internal control relevant to the preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate for the circumstances, but not for expressing an opinion on the effectiveness of the Bank's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by management, as well as assessing the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



**Our Opinion:**

In our opinion, the consolidated financial statements mentioned above fairly show, in all material respects, the financial position of the Jordan Islamic Bank as of 31 December 2009, and its consolidated financial performance, consolidated cash flows and the consolidated statement of the sources and uses of good loans fund for the year then ended in accordance with the rules and principles of the Islamic Sharia as determined by the Sharia Supervisory Board, and in compliance with the Standards of the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI).

**Report on the Legal Requirements:**

The Bank keeps accounting records and entries duly organized, and the consolidated financial statements included in the Board's report comply therewith and we recommend approving the same.

**Ernst and Young - Jordan**

**Waddah Essam Barqawi**  
**License No. 591**

**Ibrahim Al-Abbassi & Co.**

**Dr. Ibrahim Abbasi**  
**License No. 116**

Amman- The Hashemite Kingdom of Jordan  
11 February 2010

**Consolidated Statement of Financial Position**  
As of December 31, 2009

Assets	Notes	2009	2008
		JD	JD
Cash and balances at Central Banks	4	771,251,223	577,031,989
Balances at Banks and Banking Institutions	5	101,622,408	103,138,295
Investment Accounts at Banks and Banking Institutions	6	4,608,500	9,320,403
Deferred Sale and Other Receivables –Net	7	913,106,321	806,222,472
Finances –Net	7A	14,969,954	14,340,315
Financial Assets Available for Sale	8	98,459,139	93,079,158
Financial Assets Held to Maturity –Net	9	14,459,571	12,092,195
Investments in Affiliates	10	19,837,758	21,324,686
Ijara Muntahia Bittamleek Assets–Net	11	134,951,442	110,308,179
Real Estate Investments	12	62,008,391	57,311,157
Good loans-Net	13	8,644,288	11,194,937
Property and Equipment- Net	14	32,710,381	27,462,585
Intangible Assets	15	71,742	416,286
Other Assets	16	6,361,822	5,130,421
<b>Total Assets</b>		<b>2,183,062,940</b>	<b>1,848,373,078</b>

## Consolidated Statement of Financial Position

### As of December 31, 2009

	Notes	2009	2008
		JD	JD
<b>Liabilities, Equity and Joint Investment Accounts Holders' Equity</b>			
<b>Liabilities</b>			
Banks and Banking Institutions Accounts	17	5,197,630	8,525,718
Client Current and Call Accounts (Trust)	18	595,170,473	522,192,026
Cash Margins	19	32,572,095	32,730,860
Accounts Payable	20	1,591,003	2,137,162
Miscellaneous Provisions	21	3,786,312	3,659,312
Income Tax Provision	22	13,115,985	16,125,462
Deferred Tax Liabilities	23	753,825	701,762
Other Liabilities	24	12,235,799	12,044,204
<b>Total Liabilities</b>		<b>664,423,122</b>	<b>598,116,506</b>
<b>Joint investment Accounts Holders' Equity</b>			
Unrestricted Investment Accounts	25	1,295,684,457	1,026,548,510
Investment Account Holders' Reserve-Subsidiaries	25A	3,666,356	1,815,396
Fair Value Reserve	26	16,477,605	27,426,015
Deferred Tax Liabilities	23	2,481,983	7,295,686
<b>Total Joint Investment Accounts Holders' Equity</b>		<b>1,318,310,401</b>	<b>1,063,085,607</b>
Non-Controlling Interests	25A	599,661	573,896
<b>Total Joint Investment Accounts Holders' Equity &amp; Non-Controlling Interests</b>		<b>1,318,910,062</b>	<b>1,063,659,503</b>
Investment Risks Fund	27	20,733,334	22,877,371
Income Tax Provisions of Investment Risks Fund	27	2,165,825	2,730,314
<b>Equity</b>			
<b>Shareholders' Equity</b>			
Paid-up Capital	28	100,000,000	81,250,000
Statutory Reserve	29	26,409,498	22,408,679
Voluntary Reserve	29	5,922,477	12,061,791
General Banking Risks Reserve	29	700,000	600,000
Special Reserve	29	3,011,895	3,011,895
Fair Value Reserve –Net	26	2,117,890	1,978,123
Retained Earnings	30	38,668,837	39,678,896
<b>Total Equity –Shareholders' Equity</b>		<b>176,830,597</b>	<b>160,989,384</b>
<b>Total Liabilities, Joint Investment Accounts Holders' Equity, Non-Controlling Interests, and equity</b>		<b>2,183,062,940</b>	<b>1,848,373,078</b>
<b>Accounts Managed for Others</b>			
Restricted Investments	53	52,151,402	88,019,087
Muqaradah Bonds	54	226,865,988	224,500,142
Investment by Proxy Accounts	55	9,451,500	9,445,750

**Consolidated Income statement**  
**For the Year Ended December 31, 2009**

	Notes	2009	2008
		JD	JD
Deferred Sale Revenues	31	72,885,760	63,987,719
Finance Revenues	32	266,780	264,657
Profits of Financial Assets Held for Trading	33	-	455,041
Profits of Financial Assets Available for Sale	34	11,094,881	25,671,881
Revenues of Financial Assets Held to Maturity	35	291,615	277,322
Dividends Distributed by Affiliates and Subsidiaries	36	1,926,981	738,480
Real Estate Revenues	37	1,564,755	1,252,524
Revenues of Leased Assets and Ijara Muntahia Bittamleek	38	10,390,060	6,951,352
Revenues of other Investments	39	1,401,964	2,151,528
Revenues of Joint Investment Accounts		99,822,796	101,750,504
Net Business Results of Subsidiaries	40	341,004	542,623
Total Revenues of Joint Investment Accounts		100,163,800	102,293,127
Return of Unrestricted Investment Accounts Holders	41	(40,825,180)	(33,959,941)
Unrestricted Investment Accounts Holders' Share of the Net Business Results of Subsidiaries		(275,783)	(483,953)
Non-Controlling Interest's Share of the Net Business Results of Subsidiaries		(65,221)	(58,670)
Share of the Investment Risk Fund	27	(9,982,280)	(10,175,051)
Bank's Share of the Joint Investment Accounts Revenues as Speculator and Capital Owner	42	49,015,336	57,615,512
Profits of Bank's Self-Investments	43	423,834	232,211
Bank's Share of Restricted Investment Revenues as a Speculator	44	3,249,435	8,575,541
Bank's Share of Restricted Investment Revenues as an Agent	44	47,250	47,250
Banking Services Revenues	45	10,556,204	11,904,017
Foreign Currency Profits	46	1,644,852	1,904,550
Profits of Financial Assets Held for Trading	33	319	52,252
Other Returns	47	2,972,089	3,140,762
Gross Income		67,909,319	83,472,095
Employee expenditures	48	(18,405,385)	(16,603,181)
Depreciation and Amortization	14A	(2,324,892)	(1,731,051)
Other expenses	49	(10,094,355)	(11,168,027)
Surplus (Losses) of Assets Impairment- self constructed	13	2,141,258	(3,258,079)
Miscellaneous Provisions	50	(310,328)	(650,845)
Total Expenses		(28,993,702)	(33,411,183)
Profit before Tax		38,915,617	50,060,912
Income Tax	22	(11,026,671)	(14,920,269)
Profit after Tax		27,888,946	35,140,643
		JD/Fils	JD/Fils
Basic Earnings per Share	51	0/279	0/351



**Consolidated Statement of Comprehensive Income**  
**For the Year Ended December 31, 2009**

	2009	2008
	JD	JD
Profit for the Year	27,888,946	35,140,643
Add: Other Comprehensive Income Items after Tax		
Accumulated Change in Fair Value- Net	139,767	179,283
Total Comprehensive Income for the Year	28,028,713	35,319,926

**Consolidated Statement of Changes in Equity**  
**For the Year Ended December 31, 2009**

	Paid-up Capital	Statutory Reserve	Voluntary Reserve	Special Reserve	Fair Value Reserve	General Banking Risks Reserve*	Retained Earnings	Total
	JD	JD	JD	JD	JD	JD	JD	JD
For the Year Ended December 31, 2009								
Year-Beginning Balance	81,250,000	22,408,679	12,061,791	3,011,895	1,978,123	600,000	39,678,896	160,989,384
Profit for the Year	-	-	-	-	-	-	27,888,946	27,888,946
Other Comprehensive Income Items	-	-	-	-	139,767	-	-	139,767
Total Comprehensive Income for the Year	-	-	-	-	139,767	-	27,888,946	28,028,713
Capital Increase	18,750,000	-	(10,000,000)	-	-	-	(8,750,000)	-
Transferred to Reserves	-	4,000,819	3,860,686	-	-	100,000	(7,961,505)	-
Dividends	-	-	-	-	-	-	(12,187,500)	(12,187,500)
Year-End Balance	100,000,000	26,409,498	5,922,477	3,011,895	2,117,890	700,000	38,668,837	176,830,597

\* It shall be prohibited to dispose of the balance of the General Banking Risks Reserve amounting to JD 700,000 as of December 31, 2009 except by the prior approval of the Central Bank of Jordan.

### Statement of Changes in Equity For the Year Ended December 31, 2009

	Paid-up Capital	Issuance Premium	Statutory Reserve	Voluntary Reserve	Special Reserve	Fair Value Reserve	General Banking Risks Reserve*	Retained Earnings	Total
For the Year Ended December 31, 2008	JD	JD	JD	JD	JD	JD	JD	JD	JD
Year-Beginning Balance	650,000,000	15,000,000	17,267,496	7,211,515	3,011,895	1,798,840	392,697	23,793,393	133,475,836
Profit for the Year	-	-	-	-	-	-	-	35,140,643	35,140,643
Other Comprehensive Income Items	-	-	-	-	-	179,283	-	-	179,283
Total Comprehensive Income for the Year	-	-	-	-	-	179,283	-	35,140,643	35,319,926
Capital Increase	16,250,000	(15,000,000)	-	-	-	-	-	(1,250,000)	-
Transferred to Reserves	-	-	5,141,183	4,850,276	-	-	213,681	(10,205,140)	-
Transferred from Reserves	-	-	-	-	-	-	(6,378)	-	(6,378)
Dividends	-	-	-	-	-	-	-	(7,800,000)	(7,800,000)
Year-End Balance	81,250,000	-	22,408,679	12,061,791	3,011,895	1,978,123	600,000	39,678,896	160,989,384

\* It shall be prohibited to dispose of the balance of the General Banking Risks Reserve amounting to JD 600,000 as of December 31, 2009 except by the prior approval of the Central Bank of Jordan.

### Consolidated Statement of Cash Flows For the Year Ended December 31, 2009

	Notes	2009	2008
		JD	JD
<b>Cash Flows from Operating Activities</b>			
Profit before Tax		38,915,617	50,060,912
Amendments to Non-Cash Items:			
Depreciations and Amortizations		2,324,892	1,731,051
Receivables and Financing impairment provision		60,630	439,370
Investment Risk Fund		3,493,390	5,606,875
Employee leaves provision		127,000	208,000
End of Service provision		183,328	442,845
(Surplus) Losses of Assets impairment- Self-Constructed		(2,141,258)	3,258,079
Exchange Rates Effect on Cash and Cash Equivalent		(989,390)	(1,096,087)
Profit before Change in Assets and Liabilities		41,974,209	60,651,045
Change in Assets and Liabilities			
Decrease (Increase) in investment Accounts at Banks and Banking Institutions for more than 3 Months		4,711,903	(883,303)
Decrease in Financial Assets Held for trading		-	266,234
Increase in Deferred Sales and Other Receivables		(106,883,849)	(127,266,309)
Increase in Finances		(629,639)	(938,626)
Increase in Ijara Muntahia Bittamleek Assets		(24,643,263)	(61,001,921)
Decrease (Increase) in Good Loans		2,550,649	(3,868,333)
(Increase) Decrease in Other Assets		(1,231,401)	2,211,021
Increase in Current and Call Accounts		72,978,447	77,199,962
Decrease in Accounts Payable		(546,159)	(1,014,775)
(Decrease) Increase in Cash Margins		(158,765)	13,666,208
Paid End-of-Service Indemnity		(183,328)	(92,125)
(Decrease) Increase in Other Liabilities		(600,664)	8,951,922
Net Cash Flows Used in Operating Activities before Tax		(12,661,860)	(32,119,000)
Paid Taxes		(16,766,462)	(10,259,324)
Net Cash Flows Used in Operating Activities		(29,428,322)	(42,378,324)
<b>Cash Flows from Investing Activities</b>			
Selling Financial Assets Held to Maturity		497,349	1,521,988
Purchasing Financial Assets Held to Maturity		(2,864,725)	(3,545,000)
Selling Financial Assets Available for Sale		11,178,838	32,221,521
Purchasing Financial Assets Available for Sale		(23,306,512)	(38,664,312)
Selling Real Estate Investments		2,356,638	1,905,709
Purchasing Real Estate Investments		(13,377,788)	(9,953,398)
Selling Equipment and Property		552,559	944,152
Purchasing Equipment and Property		(7,514,439)	(8,030,324)
Net Cash Flows Used in Investing Activities		(32,478,080)	(23,599,664)
<b>Cash Flow from Financing Activities</b>			
Increase in Unrestricted Investment Accounts Equity		269,135,947	115,559,473
Dividends Distributed to Shareholders		(12,187,500)	(7,800,000)
Net Cash Flow from Financing Activities		256,948,447	107,759,473
Exchange Rates Effect on Cash and Cash Equivalent		989,390	1,096,087
Net Increase in Cash and Cash Equivalents		196,031,435	42,877,572
Cash and Cash Equivalent at Year-Beginning	52	671,644,566	628,766,994
Cash and Cash Equivalent at Year-End	52	867,676,001	671,644,566



**Consolidated Statement of Sources and Uses of the Amounts  
of Al Qard Al Hasan Fund  
For the Year Ended December 31, 2009**

	2009	2008
	JD	JD
Year-Beginning Balance	15,806,289	8,741,189
Total	15,806,289	8,741,189
Sources of the Fund Money from:		
The amounts that the Bank is authorized to use	17,538,974	14,659,087
Outside the Bank	142,151	46,194
Total Sources of the Fund money during the Year	17,681,125	14,705,281
Uses of the Fund's Money for:		
Education	1,127,725	1,638,391
Medical Treatment	517,246	568,752
Marriage	525,439	557,001
Overdrawn Accounts	9,091,330	13,889,897
Social Advances for the Bank Employees	1,727,478	2,067,054
Discharge of liabilities	-	3,049,286
Total Uses During the Year	12,989,218	21,770,381
Year-End Balance	11,114,382	15,806,289
Less: Assets Impairment Provision – Self-Constructed		
Year-End Balance	8,644,288	11,194,937

## Notes to the Consolidated Financial Statements December 31, 2009

### 1. General

Jordan Islamic Bank was established as a public shareholding limited liability company on November 28, 1978 pursuant to the provisions of the Companies Law No. 12 of 1964, with its Head Office located in Amman.

The General Assembly in its extraordinary meeting held on July 27, 2009 agreed to change the Bank's name to be "Jordan Islamic Bank" instead of "Jordan Islamic Bank for Finance and Investment". The official procedures to change the name were completed on 30 July 2009.

The Bank offers all 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 and branches inside the Kingdom which are 57 branches and 12 banking offices as well as its subsidiaries. In all its transactions, the Bank is governed by the effective Banks Law.

The stocks of the Jordan Islamic Bank are listed in Amman Stock Exchange in Amman-Jordan.

The consolidated financial statements were approved by the Bank's Board of Directors in its session No. (1) held on February 11, 2010 and are subject to the approval of the General Assembly of Shareholders.

To observe the Bank's obligations under its Articles of Association and Memorandum of Association to comply with the principles and rules of the Islamic Sharia and in observance of the provisions of the Banks Law; the Bank appoints, based on a decision by the General Assembly of Shareholders, Sharia Supervisory Board of no less than 3 members. The opinion of Sharia Supervisory Board is binding to the Bank, and it is responsible for monitoring the bank's operations and activities in terms of their compliance with the Sharia principles and state Sharia opinion (Fatwa) on formats of the contracts essential for the operations and activities of the bank, in addition to issuing an annual report to the General Assembly of Shareholders thereon.

### 2. Significant Accounting Policies:

#### **Bases of Financial Statements Preparation:**

The consolidated financial statements of the Bank and its subsidiaries financed from the Bank's funds and the joint investment funds were prepared in accordance with the standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions, in accordance with the effective domestic laws and as per the instructions of the Central Bank of Jordan.

The Bank applies the standards issued by the Accounting and Auditing Organization for Islamic financial Institutions.

The consolidated financial statements were prepared according to the historical cost principle, other than the financial assets held for trading, financial assets available for sale, investments in Affiliates and real estate whose value is expected to increase and is carried at fair value on the date of financial statements.

The Jordanian dinar is the currency of presenting the consolidated financial statements and represents the main currency of the Bank.

A distinction should be made between equity holders and joint investment accounts holders.

The investment risks fund shall be used to compensate the decrease in finance and investment accounts financed by unrestricted investment accounts.

The standards issued by the International Accounting Standards Board and the interpretations issued by the International Financial Reporting Interpretations Committee, which is part of the International Accounting Standards Board, shall be applied in case no standards are issued by the Accounting and Auditing Organization for Islamic Financial Institutions and until Islamic standards are issued to supersede them.

The unrestricted investment accounts refer to the joint investment accounts wherever mentioned herein.

**Changes in Accounting Policies**

The accounting policies followed in the year correspond to the accounting policies followed last year except that the Bank implemented the interpretations issued by the International Financial Reporting Interpretations Committee and the following amendments to the International Accounting Standards (IAS) effective as from January 1, 2009.

**IAS 1: Presentation of Financial Statements– revised**

This standard distinguishes between changes in shareholders equity and other changes in equity. The statement of changes in equity includes the details of transactions with shareholders, while other changes in equity are presented in one separate item. In addition, this standard added the comprehensive income statement presenting all recognized revenue and expense items either in one statement or two related statements for the year ended December 31, 2009.

**International Financial Reporting Standard (IFRS) 8- Operating Segments**

This standard replaced IAS 14 “Segment Reporting”. According to the new standard, the operating segments are similar to the business segments defined previously in IAS 14.

**Bases of Financial Statements Consolidation:**

The 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 is able to govern the financial and operating policies of subsidiaries in order to benefit from their activities. The transactions, balances, revenues and expenses described in Note (56) between the Bank and subsidiaries shall be eliminated.

The financial statements of subsidiaries for the same fiscal year of the Bank shall be prepared using the same accounting policies applied in the Bank.

The results of subsidiary operations shall be consolidated in the consolidated income statement as of the date of acquisition, which is the date the Bank’s control over subsidiaries is actually transferred. The results of disposed of subsidiary operations shall be consolidated in the consolidated income statement until the date of disposal, which is the same date the Bank loses control over subsidiaries.

In case of preparing separate financial statements for the Bank as an independent entity, the investments in subsidiaries shall be carried at cost.

**Segment Information:**

The business segment represents a group of assets and operations that all combine to provide products or services subject to risks and returns that are different from those related to other business segments, which are measured according to the reports used by the Executive Manager and the key decision maker at the Bank.

The geographic segment is associated with the provision of products or services in a specific economical environment subject to risks and revenues different from those of segments operating in other economical environments.

**Bases of Distributing Joint Investment Profits between Equity Holders and Unrestricted Investment Accounts Holders:**

10% shall be allocated to the Investment Risks Fund pursuant to Article (55) of the Jordanian Banks Law.

The Bank’s share as speculator was deducted this year at 30% for both Jordanian Dinar and foreign currencies of total investment profits.

The remaining balance is distributed between the unrestricted investment accounts and the Bank’s invested funds, each according to the percentage of its contribution to the joint investment funds, taking into consideration that the priority of employing investments belongs to the holders of unrestricted investment accounts.

The joint investment accounts shall share the results of investment profits and shall be distributed to depositors, each according to his contribution and as per the terms of the account signed between the Bank and the depositor.



**The joint investment accounts shall share profits on the following bases:**

- 50% of the annual rate of saving accounts balance.
- 70% of the annual rate of notice accounts balance.
- 90% of the lowest balance of time deposit accounts.

The Bank shall bear all administrative expenses and shall not bear any part of the unrestricted investment accounts whatsoever.

The unrestricted investment accounts shall not share in any other revenues (banking operations revenues, revenues resulting from investment of current accounts, call accounts and the Bank's own funds)

**Sharia Non-Compliant Revenues, Gains, Expenses and Losses**

The Bank shall record the revenues, gains, expenses and losses violating the Islamic Sharia in a separate account within the other liabilities. They shall be spent on charitable activities as determined by the Sharia Supervisory Board.

**Zakat:**

The responsibility of Zakat payment falls on shareholders, unrestricted and restricted investment accounts holders and participants in Muqarada bonds portfolios (investment portfolios) once the required conditions are satisfied.

**Financial Assets Held for Trading:**

- They are financial investments acquired or constructed for the purpose of gaining profits through short-term changes in prices or profit margin.
- The financial assets held for trading shall be carried at fair value upon purchase and revalued at fair value on the date of financial statements. The subsequent changes shall be carried at fair value in the consolidated income statement in the same period of change, including the change of fair value resulting from differences of translating non-cash assets at foreign currencies.
- The dividends or returns shall be carried in the consolidated income statement as realized (to be approved by the General Assembly of Shareholders).

**Deferred Sale Receivables:**

**1-Murabaha Contracts:**

**Murabaha:** selling a commodity for the same price at which the seller bought it plus predetermined known profit, at a percentage of the price or a lump sum. It is one of the credit sales that relies on indicating the purchase price or cost.

**Murabaha to the Purchase-Orderer:** an arrangement where the bank sells to a customer (purchase-orderer) a commodity with a specific increase in its price or cost after identifying such increase (Murabaha profit in Wa'ed). It is also called Banking Murabaha.

The bank applies the principle of Wa'ed in Murabaha to purchase-orderer contracts as per the standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions.

The revenues of deferred sales (whose price is fully paid at once that is due after the current financial period or is paid on installments over several subsequent financial periods) shall be recognized through distributing them to the future financial periods of the deferred period, in such a way that each financial period is allocated a certain share of profits regardless of whether or not payment is made in cash.

Deferred sale receivables shall be carried at their face value as they occur and are measured at the end of the financial period on the basis of net realizable cash value.

**2-Assets Available for Forward Sale:**

The assets acquired by the bank for the purpose of selling them on basis of forward sale (in installments). This type of selling assets is also called installment-bargain sale to distinguish it from Murabaha to purchase-orderer.

The assets available for forward sale shall be carried at cost upon contracting and are measured on the basis of cost (purchase value and any direct expenses related to acquisition)



The assets available for forward sale shall be evaluated at the end of the financial period at their fair value and the change amount resulting from valuation—if any- shall be measured on the basis of the difference between the book value and the fair value. Unrealized Profits (losses) shall be recognized in the fair value reserve account.

Profits in the forward sale transactions shall be recognized according to the accrual basis and distributed to the financial periods of the contract term. The profits of the upcoming years shall be recorded in the forward sale revenues account.

The forward sale receivables shall be carried at their face value upon contracting (contracted value).

### **Musharaka Financing:**

An arrangement where the bank and the client offer money in equal or different portions to establish a new project or contribute to an existing one, so that each party owns a share in the capital on a constant or diminishing basis and is entitled to payable dividends. Losses shall be shared according to each partner's share in the capital and it is prohibited to stipulate otherwise. This type of financing is divided into constant Musharaka and diminishing Musharaka ending in ownership.

The bank's share in Musharaka capital shall be recorded upon delivery to the managing partner or deposit in the Musharaka Account and is measured at the value of the amount paid in cash or the fair value if it is in kind. If property valuation results upon contracting into a difference between the fair value and the book value, the difference shall be recognized as profit or loss.

The bank's share in the constant Musharaka capital at the end of the financial period shall be measured at the historical cost. In case of diminishing Musharaka, the capital shall be measured at the end of the financial period at the historical value less the historical value of the sold share at the fair value agreed upon. The difference between the two values shall be recognized as profit or loss in the consolidated income statement.

The bank's share in the profits or losses of Musharaka financing transactions which start and end during the financial period shall be recorded after liquidation. In case the Musharaka continued for more than one financial period, the bank's share of the profits shall be recorded upon realization through complete or partial sharing of profits between the bank and the partner in the financial period where it occurred and within the limits of the distributed profits. As for the bank's share of the losses for a financial period, it shall be recognized in the bank's books for that period and within the limits of the losses by which the bank's share in Musharaka capital is reduced.

In case of losses as a result of the partner's violation or negligence, the partner shall incur those losses as receivables.

An impairment provision shall be established for deferred sale and other receivables if the amounts payable to the bank are uncollectable, an objective evidence of an event adversely affecting the future cash flows of deferred sale and other receivables is available and such impairment can be estimated. The provision value shall be recorded in the consolidated income statement.

At the end of the financial period, the financing assets shall be recorded at cost or at the realizable cash value, whichever lower, and the difference shall be recorded as a provision of financing impairment.

The revenues of non-performing deferred sales granted to clients shall be suspended according to the instructions of the Central Bank of Jordan.

The deferred sale receivables and finances funded by unrestricted investment accounts are written off in case the procedures taken to collect them from the Investment Risk Fund are ineffective (except what is granted/financed and then written off from the deferred sale receivables and finances in the same year, as it is recorded in the consolidated income statement/charged to the investment revenues). The collected amounts from receivables/finances previously written off are added to the Investment Risk Fund (except what is recorded in the income statement/charged to the investment revenues). As for the deferred sale receivables and finances funded by the bank's own funds and for which an impairment provision is allocated, they shall be written off in case the procedures taken to collect them are ineffective by deducting them from the provision. In addition, any surplus in the total provision, if any, shall be transferred to the consolidated income statement, and the amounts collected from previously written off receivables/finances shall be added to revenues.

#### **Financial Assets Available for Sale:**

Financial assets available for sale are other assets (investments) not held for trading, not held to maturity and not established by the Bank.

Financial assets available for sale shall be carried at fair value in addition to the acquisition expenses upon purchase and are subsequently revalued to fair value. The change in fair value shall be stated in the fair value reserve item within the equity of unrestricted investment accounts holders and within the equity accounts in case these assets are financed by the Bank's own funds.

Unrealized losses resulting from valuation of financial assets available for sale shall be recorded in the fair value reserve item.

In case these assets or part of them is sold or their value is impaired, resulting profits and losses shall be recorded in the consolidated income statement, including the amounts previously stated in unrestricted investment account holders equity or in equity accounts related to these assets.

The impairment loss previously stated in the consolidated income statement is recoverable if it is objectively evident that the increase in fair value occurred in a period subsequent to stating impairment losses through fair value reserve.

The profits resulting from financial assets available for sale shall be stated in the consolidated income statement on the date of distribution.

The profits and losses resulting from differences of translating foreign currencies of equity instruments are stated in the fair value reserve item.

The financial assets whose fair value cannot be reliably determined shall be stated at cost and any impairment in their value shall be stated in the consolidated income statement.

#### **Financial Assets Held to Maturity:**

They are the assets (investments) that the Bank has a positive intent and ability to hold until the maturity date. They are carried at cost in addition to any direct expenses related to acquisition. In case of impairment that results in non-recoverability of the asset or any part of it at the end of the financial period, it shall be stated in the consolidated income statement as an impairment loss and these investments shall be stated at fair value after taking impairment value into consideration.

It is not allowed to reclassify any financial assets from or to this item except in cases specified in the accounting standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions.

#### **Investments in Affiliates:**

Affiliates are those companies over which the Bank exercises significant influence on decisions related to financial and operating policies, and are not subject to the Bank's control, and in which the Bank owns from 20% up to 50% of the voting rights.

Investment in Affiliates shall be carried at fair value. The difference between the cost and fair value shall be recorded in the change in fair value account within the fair value reserve item in the unrestricted investment accounts holders' equity and within equity in case those investments are financed by the Bank's own funds.

#### **Ijarah and Ijarah Muntahia Bittamleek:**

Ijarah is hiring an asset for consideration and is divided into:

**Operating Lease:** a lease contract which does not end in the lessee's ownership of the leased assets.

**Lease ending-in-Onwership "Ijarah Muntahia Bittamleek":** a lease contract which ends in the lessee's ownership of the leased assets. It takes different forms as mentioned in the Ijarah and Ijarah Muntahia Bittamleek Standard issued by the Accounting and Auditing Organization for Islamic Financial Institutions.

The assets acquired for Ijarah are measured at historical cost upon acquisition, including the direct expenses required to make them serviceable. The leased assets are depreciated according to the depreciation policy followed at the Bank.

When the amount recoverable from any assets acquired for Ijarah is less than their net book value, their value shall be reduced to the recoverable value. The impairment value shall be stated in the consolidated income statement.

Ijarah revenues shall be distributed in consistence with the financial periods covered by the Ijarah contract.



The expenses of leased assets maintenance shall be stated in the financial period where they occur.

### **Real Estate Investments**

It is acquisition of land or building or part of them to earn periodic rentals, to hold them for capital appreciation or both.

Real estate investments acquired for capital appreciation shall be carried at cost in addition to acquisition expenses upon purchase, and shall be subsequently revalued to fair value. Any change in fair value shall be stated in the fair value reserve item within unrestricted investment account holders' equity and within equity accounts in case these assets are financed by the Bank's own funds.

Unrealized losses resulting from valuation of real estate investments acquired for capital appreciation shall be stated in fair value reserve item to the extent permissible by the balance of such reserve. In case unrealized losses exceed the balance of this reserve, the excess amount shall be recorded in the consolidated income statement under the item of unrealized profits (losses) of Real Estate Investments acquired for capital appreciation.

In case unrealized losses were recorded in previous financial period and valuation profits (unrealized) occurred in a subsequent financial period, then these profits shall be recorded in the consolidated income statement to the extent equal to the unrealized losses recorded in the consolidated income statement in previous periods. Any surplus in these profits shall be added to the fair value reserve.

Realized profits (losses) resulting from the sale of any Real Estate Investments acquired for capital appreciation shall be measured on the basis of the difference between the book value and the net amount arising from the sale process. The outcome in addition to the previous share of this investment in the fair value reserve- if any- shall be recorded in the consolidated income statement of the current financial period.

Real estate investments acquired to earn periodic rentals shall be carried at cost in addition to any acquisition-related expenses. This property shall be depreciated according to the depreciation policy followed at the Bank. When the recoverable amount in any of this property is less than their net book value, their value shall be reduced to the recoverable value and the impairment value shall be recorded in the consolidated income statement.

### **Joint Investment Risk Fund:**

The Bank deducts not less than 10% of the net profits of joint investment realized from various current transactions during the period. The above rate might increase pursuant to the directives of the Central Bank. The amended rate shall be effective after being increased in the fiscal year subsequent to the year in which the amendment is approved.

The balance of the Joint Investment Risk Fund devolves to the Zakat fund after covering all expenses and losses for which the Fund was established to cover or amortize. Accordingly, the investors in the Islamic Bank shall have no right in the amounts deducted at the approved accumulated rate in the Joint Investment Risk Fund, as these amounts are allocated to cover the losses of the joint investment operations.

If any losses occurred in some joint investment operations that started and were completed in a certain year, these losses shall be covered by the profits realized in other joint investment operations that started and were completed within the same year. If losses exceed profits in the same year, then they shall be covered by the Joint Investment Risk Fund.

If joint investment operations started and continued in previous years and it was found out in a certain year that such investment operations were failed operations in terms of results, their losses shall be covered by the Joint Investment Risk Fund.

### **Fair Value of Financial Assets:**

The closing prices (purchasing assets/selling liabilities) on the date of financial statements in active markets shall represent the fair value of financial instruments with market prices. In case there are no quoted prices, no active circulation of some financial instruments or the market is inactive; their fair value shall be estimated by comparing it to the current market value of a substantially similar financial instrument.

In case of financial instruments whose fair value cannot be reliably measured, they shall be stated at cost after deducting any impairment in their value.

**Impairment of Financial Assets:**

The Bank shall review the values entered in records for financial assets on the date of the financial position statement to determine whether there is any indication of impairment in their values, individually or collectively. If any such indication of impairment exists, the recoverable value shall be estimated in order to determine the impairment loss.

**Fair Value of Non-Financial Assets Stated at Fair Value:**

The market prices on the date of financial statements (when active markets for such assets exist) shall represent the fair value of non-financial assets stated at fair value. When such markets do not exist, they shall be estimated on the date of financial statements by taking the arithmetic mean of the estimated of three licensed and approved expertise houses.

**Depreciation:**

*A-Depreciation of Assets Available for Investment:*

The assets available for investment shall be depreciated according to the policy adopted by the Bank related to the investment of these assets. In addition, these assets shall be depreciated according to their useful life based on straight-line depreciation method.

*B-Property and Equipment:*

The property and equipment shall be carried at cost after deducting the accumulated depreciation and any impairment. The property and equipment (except lands) shall be depreciated when they are ready for use according to the straight-line depreciation method over their expected useful life using the following rates:

Item	%
Buildings	2%
Equipment, Appliances, Furniture	2.5% - 15%
Means of Transportation	15%
Computers	25%

The useful life of property and equipment shall be reviewed at the end of each year. If the useful life expectations are different from pre-prepared estimates, the change shall be recorded in the estimate of subsequent years, as considered a change in estimates.

When the amount recoverable from property, equipment and assets available for investment is less than their net book value, their value shall be reduced to the recoverable value and the impairment value shall be stated in the consolidated income statement.

**Intangible Assets:**

The intangible assets shall be classified on the basis of estimating their life for definite or indefinite period of time. The intangible assets with definite life shall be amortized during this lifetime and the amortization shall be recorded in the consolidated income statement. As for the intangible assets with indefinite life, the impairment in their value shall be reviewed on the date of financial statements and any impairment shall be stated in the consolidated income statement.

The intangible assets resulting from the Bank’s transactions shall not be capitalized and shall be recorded in the consolidated income statement in the same period.

Any indications of intangible assets impairment shall be reviewed on the date of financial statements. Also, the life of those assets shall be reviewed and any amendments shall be made to subsequent periods.

Following is the accounting policy for each item of the Bank’s intangible assets:

Item	%
Computer Programs	25%



**Assets Devolving to the Bank to Repay Payable Debts:**

The assets devolving to the Bank in repayment of payable debts shall be stated at fair value in the statement of financial position within Real Estate Investments.

**Provisions:**

Provisions shall be recognized when there are obligations due upon the Bank on the date of the financial position statement as a result of previous events, the fulfillment of obligations is probable and their value can be reliably measured.

**End of Service Indemnity:**

The end of service indemnity shall be calculated pursuant to the provisions of the Labor Law and the Bank's bylaws.

**Employee Leaves provision:**

The employee leaves provision shall be calculated pursuant to the Bank's bylaws, and the amounts shall be transferred to this provision in accordance with the accrual basis.

**Income tax:**

Tax expenses shall represent the accrued and deferred taxes.

Accrued tax expenses shall be calculated on the basis of taxable profits. The taxable profits differ from profits declared in the financial statements, as declared profits include non-taxable revenues, non-deductible expenses in the fiscal year but rather in subsequent years, accumulated taxably accepted losses or non-deductible items for tax purposes.

The Bank shall deduct income tax provision pursuant to the Income Tax Law No. 57 of 1985 and its subsequent amendments as well as the International Accounting Standard No. 12 which requires recognition of deferred taxes resulting from time differences of fair value reserve. Accordingly, the Bank may incur deferred tax liabilities.

Deferred taxes are those which are expected to be paid or recovered as a result of temporary time differences between the value of assets or liabilities in the financial statements and the value on which the tax profit is calculated. The deferred taxes are calculated using the method of commitment to the statement of financial position, and the deferred taxes shall be calculated according to the tax rates expected to be applied upon settlement of tax obligation or realization of deferred tax assets.

The balance of deferred tax assets shall be reviewed on the date of financial statements and shall be reduced in case it is not probable to wholly or partially benefit from those tax assets.

**Capital:***Costs of Issuing or Purchasing the Bank's Stocks:*

Any costs resulting from issuing or purchasing the Bank's stocks shall be charged to the retained earnings (on net basis after the tax effect of these costs, if any). If the issuance or purchasing is not completed, these costs shall be recorded as expenses in the consolidated income statement.

**Accounts Managed for Clients:**

They are the accounts managed by the Bank on behalf of its clients and shall not be considered as part of the Bank's assets. The charges and commissions of managing these accounts shall be stated in the consolidated income statement.

**Offsetting:**

Financial assets and financial liabilities shall be offset. The net amount shall be stated in the statement of financial position only when the legal binding rights are available and when they are settled on the basis of offsetting, or when the realization of assets and settlement of liabilities occur at the same time.

**Revenues Realization and Expenses Recognition:**

Revenues are realized and expenses are recognized on accrual basis, other than deferred sale revenues and non-operating finances that are not recognized as revenues and are stated in the outstanding revenues account. The commissions shall be recorded as revenues upon offering relevant services, and the dividends of companies' stocks shall be recognized upon realization (approved by the General Assembly of Shareholders).

**Date of Recognizing Financial Assets:**

The purchase and selling of financial assets shall be recognized on the date of trading (the date of the Bank's commitment to sell or purchase financial assets).

**Foreign Currencies:**

Transactions in foreign currencies during the year shall be recorded at the prevailing exchange rates on the date of transaction (Exchange/Taqabud).

The balances of financial assets and financial liabilities shall be translated at the prevailing average exchange rates of foreign currencies on the date of financial position statement declared by the Central Bank of Jordan.

Non financial assets and non financial liabilities shall be translated at foreign currencies and shall be stated at fair value on the date of determining their fair value.

The profits and losses resulting from foreign currencies translation shall be stated in the consolidated income statement.

The translation differences of non-cash assets and liabilities at foreign currencies (such as stocks) shall be recorded in the fair value reserve.

**Cash and Cash Equivalent:**

It is cash and cash balances that are due within three months and include: cash, balances at central banks and balances at banks and banking institutions. The deposits of banks and banking institutions that are due within three months as well as restricted balances shall be deducted.

**3. Using Estimates:**

The preparation of financial statements and the application of accounting policies require the Bank's management to make estimates and judgments affecting the amounts of financial assets and liabilities and to disclose contingent liabilities. Furthermore, these estimates and judgments shall affect revenues, expenses and provisions as well as the changes in fair value stated in both equity and unrestricted investment account holders' equity. Particularly, the Bank's management shall be required to issue significant judgments to estimate the amount and timing of future cash flows. The said estimates are essentially based on multiple assumptions and factors with varying degrees of estimation and uncertainty. The actual results might differ from estimates as a result of the changes induced by the conditions and circumstances of those estimates in the future.

We believe that our estimates in light of the financial statements are reasonable, and they are detailed as follows:

- Impairment provision of sale receivables and finances: the Bank shall deduct 10% of the net revenues of joint investment accounts to be transferred to the Joint Investment Risk Fund in accordance with Article 55 of the Banks Law. Then this rate shall be compared to the provision of these receivables and finances within the bases established by the Central Bank of Jordan.
- Income Tax Provision: income tax shall be charged to the relevant fiscal year in accordance with the accounting systems, laws and standards. Deferred tax assets and liabilities as well as the necessary tax provision shall be calculated and stated.
- The Bank's management shall carry out a periodic review of the financial assets carried at cost to estimate any impairment in their value, and impairment is stated according to the financing body of those investments.

#### 4. Cash and Balances at Central Banks:

The details of this item are as follows:

	2009	2008
	JD	JD
Cash in Treasury	39,509,737	36,466,988
Balances at the Central Bank of Jordan		
Current Accounts	604,718,677	410,678,702
Mandatory Cash Reserve	127,022,809	129,886,299
Total Balances at the Central Bank of Jordan	731,741,486	540,565,001
Total	771,251,223	577,031,989

In compliance with the rules of the Islamic Sharia and in accordance with the Articles of Association and Memorandum of Association, the Bank does not charge any interests on balances and current accounts with the Central Bank of Jordan.

The amounts of JD 18,320,630 and JD 45,213,419 were deducted as of December 31, 2009 and December 31, 2008 consecutively, representing cash balances of restricted investment accounts and Muqarada Bonds accounts not yet invested.

#### 5. Balances at Banks and Banking Institutions

The details of this item are as follows:

	Local Banks and Banking Institutions		Foreign Banks and Banking Institutions		Total	
	2009	2008	2009	2008	2009	2008
	JD	JD	JD	JD	JD	JD
Current and Call Accounts	15,400,255	23,626,086	39,307,538	46,260,109	54,707,793	69,886,195
Unrestricted Investment Accounts that are due within 3 months or less	-	-	46,914,615	33,252,100	46,914,615	33,252,100
Total	15,400,255	23,626,086	86,222,153	79,512,209	101,622,408	103,138,295

In compliance with the rules of the Islamic Sharia and in accordance with the Articles of Association and Memorandum of Association, the Bank does not charge any interest on balances and current accounts at local and foreign banks and banking institutions.

#### 6. Investment accounts at Banks and Banking Institutions

The details of this item are as follows:

	Foreign Banks and Banking Institutions	
	2009	2008
	JD	JD
Accounts due within 3-6 months	3,545,000	5,420,903
From 6-9 months	-	709,000
From 9-12 months	1,063,500	1,772,500
More than one year	-	1,418,000
Total	4,608,500	9,320,403

### 7. Deferred Sale Receivables and Other Receivables –Net

The details of this item are as follows:

	Joint		Self		Total	
	2009	2008	2009	2008	2009	2008
	JD	JD	JD	JD	JD	JD
Individuals (Retail)						
Murabaha to the Purchase-Orderer	384,049,280	386,329,526	-	-	384,049,280	386,329,526
Forward Sale	2,054,906	1,859,393	-	-	2,054,906	1,859,393
Client Receivables	-	-	5,432,991	2,333,127	5,432,991	2,333,127
Property Financing	249,893,425	200,332,652	-	-	249,893,425	200,332,652
Major Companies						
International Murabaha	47,140,097	13,001,012	-	-	47,140,097	13,001,012
Murabaha to the Purchase-Orderer	243,099,152	240,344,762	-	-	243,099,152	240,344,762
Small and Medium Enterprises						
Murabaha to the Purchase-Orderer	127,111,463	76,983,910	-	-	127,111,463	76,983,910
Client Receivables	581,075	434,048	-	-	581,075	434,048
Total	1,053,929,398	919,285,303	5,432,991	2,333,127	1,059,362,389	921,618,430
Less: Deferred Revenues*	(121,313,930)	(96,760,880)	-	-	(121,313,930)	(96,760,880)
Less: Outstanding Revenues**	(4,346,242)	(3,766,017)	-	-	(4,346,242)	(3,766,017)
Less: Impairment Provision	(20,095,896)	(14,429,691)	(500,000)	(439,370)	(20,595,896)	(14,869,061)
Net Deferred Sales and Other Receivables	908,173,330	804,328,715	4,932,991	1,893,757	913,106,321	806,222,472

\* Deferred revenues include both Murabaha to the purchase-orderer and deferred forward sale revenues.

\*\* Outstanding revenues include both Murabaha to the purchase-orderer and outstanding forward sale revenues.

Transactions in forward sale receivables were as follows:

	Forward Sale Receivables	Deferred Revenues
	JD	JD
Year-Beginning Balance	1,859,393	47,467
Additions	858,884	118,195
Deletions	(663,371)	(50,572)
Year-End Balance	2,054,906	115,090

### (7.A) Finances –Net

The details of this item are as follows:

	Joint		Self-Constructed		Total	
	2009	2008	2009	2008	2009	2008
	JD	JD	JD	JD	JD	JD
Individual (Retail)						
Diminishing Musharaka	14,628,245	13,946,342	528,387	543,679	15,156,632	14,490,021
Less: Impairment Provision	(186,678)	(149,706)	-	-	(186,678)	(149,706)
Net Finances	14,441,567	13,796,636	528,387	543,679	14,969,954	14,340,315



Deferred sales and other receivables and non-operating finances amounted to JD 44,445,224 as of December 31, 2009, i.e. 4.09% of the balance of deferred sales and other receivables and finances compared to JD 36,378,214 as of December 31, 2008, i.e. 3.82% of the granted balance.

After deduction of outstanding revenues, the deferred sale receivables, other receivables and non-operating finances amounted to JD 40,098,982 as of December 31, 2009, i.e. 3.69% of the balance of deferred sale receivables, other receivables and finances after deducting the outstanding revenues compared to JD 32,612,197 as of December 31, 2008, i.e. 3.42% of the granted balance.

As of December 31, 2009 and December 31, 2008, there are no deferred sale receivables, other receivables and finances granted to or guaranteed by the Jordanian government.

### Outstanding Revenues

Following are the transactions related to outstanding revenues:

2009	Joint				Total
	Individuals	Property Financing	Major Companies	Small & Medium Enterprises	
	JD	JD	JD	JD	
Year-Beginning Balance	2,256,081	916,394	343,316	250,226	3,766,017
Add: outstanding revenues during the year	2,002,946	973,669	401,343	762,259	4,140,217
Less: outstanding revenues transferred to the revenues	(2,132,660)	(866,261)	(324,534)	(236,537)	(3,559,992)
Year-End Balance	2,126,367	1,023,802	420,125	775,948	4,346,242

2008	Joint				Total
	Individuals	Property Financing	Major Companies	Small & Medium Enterprises	
	JD	JD	JD	JD	
Outstanding Revenues during the year	2,256,081	916,394	343,316	250,226	3,766,017
Year-end Balance	2,256,081	916,394	343,316	250,226	3,766,017

### (8) Financial Assets Available for Sale

	Joint		Self-Constructed		Total	
	2009	2008	2009	2008	2009	2008
	JD	JD	JD	JD	JD	JD
Financial assets with market prices						
Companies' Stocks	34,271,308	29,128,515	567,082	287,307	34,838,390	29,415,822
Total financial Assets with Market Prices	34,271,308	29,128,515	567,082	287,307	34,838,390	29,415,822
Financial assets without market prices						
Companies' Stocks	1,586,620	1,586,620	5,176,038	4,668,625	6,762,658	6,255,245
Islamic Banks Portfolio	709,000	709,000	-	-	709,000	709,000
Muqarada Bonds	52,268,500	52,818,500	2,500,000	2,500,000	54,768,500	55,318,500
Participation in Investment Funds	1,380,591	1,380,591	-	-	1,380,591	1,380,591
Total Financial Assets without Market Prices	55,944,711	56,494,711	7,676,038	7,168,625	63,620,749	63,663,336
Total of Financial Assets Available for Sale	90,216,019	85,623,226	8,243,120	7,455,932	98,459,139	93,079,158

**(9) Financial Assets Held to Maturity- Net**

The details of this item are as follows:

	Joint		Total	
	2009	2008	2009	2008
	JD	JD	JD	JD
Total Financial Assets without Market Prices				
Islamic Banks Portfolio	4,176,252	3,084,027	4,176,252	3,084,027
Islamic Sukuk	5,317,500	3,545,000	5,317,500	3,545,000
Participation in Investment Funds	4,965,819	5,463,168	4,965,819	5,463,168
<b>Total of Financial Assets Held to Maturity</b>	<b>14,459,571</b>	<b>12,092,195</b>	<b>14,459,571</b>	<b>12,092,195</b>

The above assets shall be due within a period of one month to two years.

Investment funds are divided into funds whose profits and capital accrue on maturity date and funds whose profits accrue each three or six months. The profits of leasing Sukuk are received every six months.

**(10) Investments in Affiliates:**

*A. Investments in Affiliates /Joint*

	Country of Establishment	Ownership rate	Nature of Activity	Date of preparing financial statements	Year of Ownership	Cost of Investment		Fair value of Investment	
						2009	2008	2009	2008
						JD	JD	JD	JD
<b>Affiliates /Joint</b>									
						JD	JD	JD	JD
Jordan Center for International Trading Co	Jor.	28,4	Commercial	31 December	1983	1,069,932	1,069,932	1,214,640	3,152,280
AlAmin Investment Co.	Jor.	29,7	Services	31 December	1995	4,061,558	2,400,812	4,932,599	6,700,606
Islamic Insurance PLC.	Jor.	33,2	Insurance	31 December	1995	4,604,072	2,827,825	7,772,700	8,119,000
Arabian Steel Pipes Mfg. Co.	Jor.	26	Industrial	31 December	1994	5,127,585	2,665,632	5,499,000	3,352,800
<b>Total Affiliates</b>						<b>14,863,147</b>	<b>8,964,201</b>	<b>19,418,939</b>	<b>21,324,686</b>

Investments in affiliates were not stated under the equity method as they are insignificant to the financial position and as they are mainly financed by the unrestricted investment accounts holders. Investments in affiliates are carried at fair value, noting that their book value is JD 14,863,147 as of December 31, 2009 compared to JD 8,964,201 as of December 31, 2008.

*B. Investments in Affiliates /Self Constructed*

	Country of Establishment	Ownership rate	Nature of Activity	Date of preparing financial statements	Year of Ownership	Cost of Investment		Fair value of Investment	
						2009	2008	2009	2008
						JD	JD	JD	JD
<b>Affiliates /Self-Constructed</b>									
						JD	JD	JD	JD
Al Sanabel for Financial Investments Company/Syria	Syria	20	brokerage	31 December	2009	418,819	-	418,819	-
<b>Total Affiliates /Self-Constructed</b>						<b>418,819</b>	<b>-</b>	<b>418,819</b>	<b>-</b>
<b>Total Affiliates</b>						<b>15,281,966</b>	<b>8,964,201</b>	<b>19,837,758</b>	<b>21,324,686</b>

Investments in affiliates /self-constructed investment are carried at cost upon acquisition, and are revalued under the equity method. The share of profits and losses is recorded in the consolidated income statement.

### (11) Assets of Ijarah Muntahia Bittamleek- Net

The details of this item are as follows:

2009			
	Joint		
	Cost	Accumulated Depreciation	Net Value
Assets of Ijarah Muntahia Bittamleek	164,686,193	(29,734,751)	134,951,442
Total	164,686,193	(29,734,751)	134,951,442

2008			
	Joint		
	Cost	Accumulated Depreciation	Net Value
Assets of Ijarah Muntahia Bittamleek	126,589,190	(16,281,011)	110,308,179
Total	126,589,190	(16,281,011)	110,308,179

The total accrued Ijara installments amounted to JD 811,899 as of December 31, 2009 compared to JD 567,987 as of December 31, 2008.

The total non-operating Ijara installments amounted to JD 8,417,871 as of December 31, 2009 compared to JD 4,735,619 as of December 31, 2008.

### (12) Real Estate Investments

#### A. Acquired for capital appreciation:

Details of this item are as follows:

	Joint		Total	
	2009	2008	2009	2008
	JD	JD	JD	JD
Real Estate Investments	56,339,073	57,311,157	56,339,073	57,311,157
Total	56,339,073	57,311,157	56,339,073	57,311,157

The real estate investments are carried at fair value, noting that its book value (cost) is JD 43,378,511 as of December 31, 2009 compared to JD 36,525,317 as of December 31, 2008.

#### B. Acquired to earn periodic revenues :

Details of this item are as follows:

	Joint		Total	
	2009	2008	2009	2008
	JD	JD	JD	JD
Cost	5,873,526	-	5,873,526	-
Accumulated Depreciation	(204,208)	-	(204,208)	-
Net Book Value	5,669,318	-	5,669,318	-
Total Real Estate Investments	62,008,391	57,311,157	62,008,391	57,311,157

**(13) Good Loans (Al Qard Al Hassan)- Net:**

Details of this item are as follows:

	2009	2008
	JD	JD
Good Loans	11,114,382	15,806,289
Less: Assets Impairment Provision-Self Constructed *	(2,470,094)	(4,611,352)
Good Loans-Net	8,644,288	11,194,937

\*The transactions of assets impairment provision-self constructed are as follows:

2009					
Item	Year-Beginning Balance	Formed during the year	Transferred To the Provision during the Year	Transferred To Revenues	Year-End Balance
	JD	JD	JD	JD	JD
Assets Impairment provision-Self Constructed	4,611,352	-	-	(2,141,258)	2,470,094
Total	4,611,352	-	-	(2,141,258)	2,470,094

2008					
Item	Year-Beginning Balance	Formed during the year	Transferred To the Provision during the year	Transferred To Revenues	Year-End Balance
	JD	JD	JD	JD	JD
Assets Impairment provision-Self Constructed	1,414,585	3,258,079	(61,312)	-	4,611,352
Total	1,414,585	3,258,079	(61,312)	-	4,611,352



**(14) Property and Equipment- Net**

Details of this item are as follows:

	2009					
	Lands	Buildings	Equipment, Devices, Furniture	Transportation	Computers	Total
	JD	JD	JD	JD	JD	JD
Cost						
Year-Beginning Balance	4,936,007	17,306,584	19,077,873	1,127,450	6,886,484	49,334,398
Additions	-	-	5,333,611	-	1,128,787	6,462,398
Deletions	-	-	(450,365)	(40,000)	(1,030,643)	(1,521,008)
Year-End Balance	4,936,007	17,306,584	23,961,119	1,087,450	6,984,628	54,275,788
Accumulated Depreciation						
Year-Beginning Balance	-	(3,120,726)	(14,127,991)	(435,412)	(5,851,783)	(23,535,912)
Depreciation for the year	-	(278,066)	(1,461,259)	(69,149)	(382,831)	(2,191,305)
deletions	-	-	378,012	39,999	1,030,290	1,448,301
Year-End Balance	-	(3,398,792)	(15,211,238)	(464,562)	(5,204,324)	(24,278,916)
Net book value of property and equipment	4,936,007	13,907,792	8,749,881	622,888	1,780,304	29,996,872
Payments for the purchase of property and equipment	-	-	321,562	-	-	321,562
Projects in Progress	-	2,391,947	-	-	-	2,391,947
Net property and equipment at the end of the year	4,936,007	16,299,739	9,071,443	622,888	1,780,304	32,710,381

	2008					
	Lands	Buildings	Equipment, Devices, Furniture	Transportations	Computers	Total
	JD	JD	JD	JD	JD	JD
Cost						
Year-Beginning Balance	3,663,571	14,651,838	17,940,571	1,155,748	6,016,450	43,428,178
Additions	1,272,436	2,699,996	1,151,694	-	924,436	6,048,562
Deletions	-	(45,250)	(14,392)	(28,298)	(54,402)	(142,342)
Year-End Balance	4,936,007	17,306,584	19,077,873	1,127,450	6,886,484	49,334,398
Accumulated Depreciation						
Year-Beginning Balance	-	(2,848,885)	(13,158,753)	(371,396)	(5,543,146)	(21,922,180)
Depreciation for the year	-	(271,841)	(974,766)	(64,016)	(310,288)	(1,620,911)
deletions	-	-	5,528	-	1,651	7,179
Year-End Balance	-	(3,120,726)	(14,127,991)	(435,412)	(5,851,783)	(23,535,912)
Net book value of property and equipment	4,936,007	14,185,858	4,949,882	692,038	1,034,701	25,798,486
Payments for the purchase of property and equipment	-	-	209,895	-	-	209,895
Projects in progress	-	1,454,204	-	-	-	1,454,204
Net property and equipment at the end of the year	4,936,007	15,640,062	5,159,777	692,038	1,034,701	27,462,585

**(14 a) Depreciation and Amortization**

Details of this item are as follows:

	2009	2008
	JD	JD
Property & Equipment Depreciation	2,191,305	1,620,911
Intangible Assets Amortization	35,167	35,140
Goodwill allowance Amortization	98,420	75,000
<b>Total</b>	<b>2,324,892</b>	<b>1,731,051</b>

**(15) Intangible Assets**

Details of this item are as follows:

	2009	2008
	Computer Systems and Software	Computer Systems and Software
	JD	JD
Year-Beginning Balance	416,286	645,111
Additions	2,631	116,000
Deletions	(312,008)	(309,685)
Amortization for the Year	(35,167)	(35,140)
<b>Year-End Balance</b>	<b>71,742</b>	<b>416,286</b>

**(16) Other Assets**

Details of this item are as follows:

	2009	2008
	JD	JD
Receivable Revenues	1,359,053	1,232,680
Pre-paid Expenses	62,176	20,686
Temporary Debit Accounts	1,873,051	1,555,979
Stationery and Publications	515,077	468,809
Pre-paid Leases	432,165	386,210
Revenues and Mail Stamps	390,716	293,131
Credit Card Accounts	648,510	104,070
Trusts of Settlement Guarantee Funds	57,000	708,000
Unpaid Accepted Guaranteed Due Promissory Notes	669,647	61,738
Others	354,427	299,118
<b>Total</b>	<b>6,361,822</b>	<b>5,130,421</b>

**(17) Banks and Banking Institutions Accounts**

Details of this item are as follows:

	2009			2008		
	Inside the Kingdom	Outside the Kingdom	Total	Inside the Kingdom	Outside the Kingdom	Total
	JD	JD	JD	JD	JD	JD
Current and Call Accounts	-	5,197,630	5,197,630	-	8,525,718	8,525,718
Total	-	5,197,630	5,197,630	-	8,525,718	8,525,718

**(18) Client Current and Call Accounts (Trust)**

Details of this item are as follows:

	2009				
	Individuals	Major Companies	Small and Medium Enterprises	Government and Public Sector	Total
	JD	JD	JD	JD	JD
Current Accounts	367,805,088	76,877,243	51,989,169	6,915,310	503,586,810
Call Accounts	91,436,167	28,592	118,904	-	91,583,663
Total	459,241,255	76,905,835	52,108,073	6,915,310	595,170,473

	2008				
	Individuals	Major Companies	Small and Medium Enterprises	Government and Public Sector	Total
	JD	JD	JD	JD	JD
Current Accounts	361,827,400	6,710,864	70,336,388	9,336,776	448,211,428
Call Accounts	73,929,235	-	51,363	-	73,980,598
Total	435,756,635	6,710,864	70,387,751	9,336,776	522,192,026

The public sector deposits inside the Kingdom amounted to JD (6,915,310), i.e. 1, 16% of the total current and call accounts of clients as of December 31, 2009 compared to JD (9,336,776), i.e. 1.79% as of December 31, 2008.

Dormant accounts amounted to JD (9,355,394) as of December 31, 2009 compared to JD (7,390,768 ) as of December 31, 2008.

**(19) Cash Margins**

Details of this item are as follows:

	2009	2008
	JD	JD
Deposits against Sale and Finance Receivables and Other Receivables	16,690,471	17,568,410
Deposits against Indirect Facilities	15,277,679	14,131,323
Other Deposits	603,945	1,031,127
<b>Total</b>	<b>32,572,095</b>	<b>32,730,860</b>

**(20) Accounts Payable**

Details of this item are as follows:

	2009	2008
	JD	JD
Client Accounts Payable	1,591,003	2,137,162
<b>Total</b>	<b>1,591,003</b>	<b>2,137,162</b>

**(21) Other Provisions**

Details of this item are as follows:

2009					
	Year- Beginning Balance	Formed during the year	Used during the year	Transferred during the year	Year-End Balance
	JD	JD	JD	JD	JD
End of Service Provision	1,000,000	183,328	(183,328)	-	1,000,000
Employee Leaves Provision	1,373,000	127,000	-	-	1,500,000
General Provision	1,286,312	-	-	-	1,286,312
<b>Total</b>	<b>3,659,312</b>	<b>310,328</b>	<b>(183,328)</b>	<b>-</b>	<b>3,786,312</b>

2008					
	Year- Beginning Balance	Formed during the year	Used during the year	Transferred during the year	Year-End Balance
	JD	JD	JD	JD	JD
End of Service Provision	649,280	442,845	(92,125)	-	1,000,000
Employee Leaves Provision	1,165,000	208,000	-	-	1,373,000
General Provision	1,366,941	-	(148,319)	67,690	1,286,312
<b>Total</b>	<b>3,181,221</b>	<b>650,845</b>	<b>(240,444)</b>	<b>67,690</b>	<b>3,659,312</b>



**(22) Bank's Income Tax:**
**A. Bank's Income Tax Provision**

The transactions of the Bank's income tax provision are as follows:

	2009	2008
	JD	JD
Year-Beginning Balance	16,125,462	11,381,457
Paid Income Tax	(14,036,148)	(10,176,264)
Accrued Income Tax	11,026,671	14,920,269
Year-End Balance	13,115,985	16,125,462

**B. The Income tax stated in the consolidated statement represents the following:**

	2009	2008
	JD	JD
Accrued Income Tax for the Year Profits	11,026,671	14,920,269
Total	11,026,671	14,920,269

The taxes payable on the Bank until the end of 2008 were settled.

**(23) Deferred Tax Liabilities:**

Details of this item are as follows:

	2009					2008
	Beginning-Year Balance	Released Amounts	Added Amounts	End-Year Balance	Deferred Tax	Deferred Tax
	JD	JD	JD	JD	JD	JD
<b>a. Joint deferred tax liabilities *</b>						
Securities Available-for-Sale	13,935,861	(7,936,835)	-	5,999,026	1,574,744	3,658,164
Real Estate Investments for capital appreciation	20,785,840	(7,825,278)	-	12,960,562	907,239	3,637,522
Total	34,721,701	(15,762,113)	-	18,959,588	2,481,983	7,295,686
<b>b. Bank's deferred tax liabilities **</b>						
Securities Available for Sale	2,679,885	-	191,830	2,871,715	753,825	701,762
Total	2,679,885	-	191,830	2,871,715	753,825	701,762

\* The deferred tax liabilities include an amount of JD (2,481,983) as of December 31, 2009 compared to JD (7,295,686) as of December 31, 2008 resulting from the profits of valuating financial and nonfinancial assets stated in the fair value reserve of the holders of unrestricted investment accounts.

\*\* The deferred tax liabilities include an amount of JD (753,825) as of December 31, 2009 compared to JD (701,762) as of December 31, 2008 resulting from the profits of valuating financial and nonfinancial assets which stated in the fair value reserve of equity.

Transactions in the account of deferred tax liabilities are as follows:

*A. Joint*

	2009	2008
	JD	JD
Year-Beginning Balance	7,295,686	8,393,068
Deleted	(4,813,703)	(1,097,382)
Total	2,481,983	7,295,686

*B. Self-Constructed*

	2009	2008
	JD	JD
Year-Beginning Balance	701,762	640,265
Added	52,063	61,497
Total	753,825	701,762

*C. Summary of the Accounting Profit Reconciliation with the Tax Profit*

	2009	2008
	JD	JD
Accounting Profit	38,915,617	50,060,912
Taxably Unacceptable Expenses	1,378,416	5,340,204
Non-Taxable Profits	(8,409,902)	(11,903,440)
Taxable Profit	31,884,131	43,497,676
Attributable to:		
The Bank	30,556,387	40,458,500
Subsidiaries	1,327,744	3,039,176
legal Income Tax Rate- the Bank	35%	35%
legal Income Tax Rate - Subsidiaries	25%	25%

**(24) Other Liabilities**

Details of this item are as follows:

	2009	2008
	JD	JD
Acceptable Checks	2,706,544	2,405,740
Revenues received in advance	136,011	1,035,365
Good Loans (Al Qard Al Hassan) Fund	616,490	474,339
Accrued Unpaid Expenses	-	33,723
Temporary Trusts	558,684	452,132
Various Credit Balances	1,763,066	647,597
Checks for Notes Payment	2,078,089	1,689,845
Scientific Research Provision	386,069	485,028
University Tuition	386,069	485,028
Employment, Technical and Vocational Training and Education Fund	240,432	300,867
Transactions in transit between the Head Office and branches	1,231,627	3,356,087
Manager's Checks	1,450,996	-
Others	681,722	678,453
<b>Total</b>	<b>12,235,799</b>	<b>12,044,204</b>

**(25) Unrestricted Investment Accounts**

Details of this item are as follows:

	2009					
	Individuals	Major Companies	Small and Medium Enterprises	Government and Public Sector	Banks	Total
	JD	JD	JD	JD	JD	JD
Saving Accounts	273,590,446	4,221,902	1,507,848	6,994	202,746	279,529,936
Notice Accounts	12,305,073	2,500,000	30,848	6,910,377	-	21,746,298
Time Accounts	870,214,169	16,971,989	60,188,510	6,208,375	-	953,583,043
<b>Total</b>	<b>1,156,109,688</b>	<b>23,693,891</b>	<b>61,727,206</b>	<b>13,125,746</b>	<b>202,746</b>	<b>1,254,859,277</b>
Depositors' Share in Investment Returns	37,617,340	770,949	2,008,471	427,084	1,336	40,825,180
<b>Total Unrestricted Investment Accounts</b>	<b>1,193,727,028</b>	<b>24,464,840</b>	<b>63,735,677</b>	<b>13,552,830</b>	<b>204,082</b>	<b>1,295,684,457</b>

	2008					
	Individuals	Major Companies	Small and Medium Enterprises	Government and Public Sector	Banks	Total
	JD	JD	JD	JD	JD	JD
Saving Accounts	220,364,926	441,395	3,461,932	3,984	912,595	225,184,832
Notice Accounts	16,459,892	-	31,099	6,766,578	-	23,257,569
Time Accounts	719,134,736	3,764,256	13,267,244	7,979,932	-	744,146,168
<b>Total</b>	<b>955,959,554</b>	<b>4,205,651</b>	<b>16,760,275</b>	<b>14,750,494</b>	<b>912,595</b>	<b>992,588,569</b>
Depositors' Share in Investment Returns	32,935,716	144,018	373,936	505,113	1,158	33,959,941
<b>Total Unrestricted Investment Accounts</b>	<b>988,895,270</b>	<b>4,349,669</b>	<b>17,134,211</b>	<b>15,255,607</b>	<b>913,753</b>	<b>1,026,548,510</b>

The unrestricted investment accounts share in the profits according to the following bases:

- 50% of the annual rate of saving accounts balance.
- 70% of the annual rate of notice accounts balance.
- 90% of the minimum balance of time accounts.

The unrestricted investment accounts (public sector) inside the Kingdom amounted to JD (13,552,830) i.e. 1,05% of the total unrestricted investment accounts as of December 31, 2009 compared to JD (15,255,607) i.e. 1,49% as of December 31, 2008.

**(25 A) Reserve of Investment Accounts Holders and Non Controlling Interests– Subsidiaries**

Details of this item are as follows:

	Joint	
	2009	2008
	JD	JD
Reserve of Investment Accounts Holders– Subsidiaries	3,666,356	1,815,396
Non-Controlling Interests	599,661	573,896

**(26) Fair Value Reserve**

The Details of this item are as follows:

	Joint		Self-Constructed	
	2009	2008	2009	2008
	JD	JD	JD	JD
Financial assets available for sale	4,424,282	10,277,697	2,117,890	1,978,123
Real Estate Investments	12,053,323	17,148,318	-	-
Total	16,477,605	27,426,015	2,117,890	1,978,123

The transactions in the fair value reserve are as follows:

*A. Fair Value Reserve/ within unrestricted investment accounts holders` equity:*

	2009		
	Financial Assets Available for Sale	Real Estate Investments	Total
	JD	JD	JD
Year-Beginning Balance	13,935,861	20,785,840	34,721,701
Unrealized Losses	(19,634)	(6,502,863)	(6,522,497)
Deferred Tax Liabilities	(1,574,744)	(907,239)	(2,481,983)
Profits Transferred to the Income Statement	(7,917,201)	(1,322,415)	(9,239,616)
Year-End Balance	4,424,282	12,053,323	16,477,605

	2008		
	Financial assets Available for Sale	Real Estate Investments	Total
	JD	JD	JD
Year-Beginning Balance	11,461,435	12,019,197	23,480,632
Unrealized Profits	21,872,366	9,160,538	31,032,904
Deferred Tax Liabilities	(3,658,164)	(3,637,522)	(7,295,686)
Profits Transferred to the Income Statement	(19,397,940)	(393,895)	(19,791,835)
Year-End Balance	10,277,697	17,148,318	27,426,015



*B. Fair Value Reserve/within equity*

	2009	2008
	Financial assets available for sale	Financial assets available for sale
	JD	JD
Year-Beginning Balance	2,679,885	1,798,840
Unrealized Profits	191,830	881,045
Deferred Tax Liabilities	(753,825)	(701,762)
Year-End Balance	2,117,890	1,978,123

**(27) Investment Risk Fund:**

*a. The transaction in the Investment Risk Fund is as follows:*

	2009	2008
	JD	JD
Year-Beginning Balance	37,456,768	31,849,893
Add: investment profits transferred this year	9,982,280	10,175,051
Net Tax Settlement	17,328	-
Recovered amounts from previous years losses	48,422	75,293
Less: losses amortized during the year*	(4,323,065)	(1,913,155)
Income Tax**	(2,165,825)	(2,730,314)
Year-End Balance	41,015,908	37,456,768

The balance of Investment Risk Fund is distributed as follows:

	2009	2008
	JD	JD
For deferred sale receivables	20,095,896	14,429,691
For finances	186,678	149,706
Remaining Balance***	20,733,334	22,877,371

A rate of 10% was deducted from the net investment profits realized from different transactions on December 31, 2009. The amount was transferred to the Investment Risk Fund.

The balance of the Investment Risk Fund devolves to the Zakat Fund in case of the Bank's liquidation.

\* The losses charged to the Fund represent the losses realized from selling stocks at the sum of JD (2,050,825), losses amortization of a subsidiary at JD(2,213,457) and (Losses) of debt amortization of deferred sale receivables at JD (58,783) in accordance with the provisions of Article (55) of the Banks Law and the Interpretation issued by the Bureau of Laws Interpretation.

\*\* The above item of Fund income tax represents the following:

	2009	2008
	JD	JD
Income tax payable on the amounts transferred from joint investment profits	2,165,825	2,730,314
Total Payable Tax	2,165,825	2,730,314

\*\*\* The remaining balance (undistributed portion) is attributed to the Joint Investment Accounts.

The taxes payable on the Fund for 2008 were settled, and the income tax on the Investment Risk Fund for 2009 will be paid from the Fund's balance itself when it is finally estimated at the end of the year according to the related Sharia fatwa.

## 28. Capital:

The subscribed and paid-up capital amounted to JD (100,000,000) on December 31, 2009 distributed on (100,000,000) shares. The face value per share is One JD. The subscribed and paid-up capital amounted to JD (81,250,000) on December 31, 2008 distributed on (81,250,000) shares, with a face value per share at One JD.

In its extraordinary meeting held on 27 July 2009, the General Assembly agreed to increase the Bank's capital to JD (100,000,000) divided into (100,000,000) shares as follows:

- To increase the capital by an amount of JD (8,750,000)/Share– of retained earnings.
- To increase the capital by an amount of JD (10,000,000)/Share – of voluntary reserve.

## 29. Reserves:

### *Statutory Reserve:*

The accumulated amounts in this account represent the annual pre-tax profits transferred at (10%) during the year and previous years in accordance with the Banks Law. Such reserve is non distributable to shareholders.

### *Voluntary Reserve:*

The accumulated amounts in this account represent the annual pre-tax profits transferred at (20%) during the year and previous years. The voluntary reserve is used for the purposes determined by the Board of Directors and the General Assembly has the right to distribute all or part of it as dividends.

### *Special Reserve:*

The accumulated amounts in this account represent the annual profits transferred to discharge any obligations due on the Bank, and they are distributable to shareholders.

### *General Banking Risks Reserve:*

This item represents general banking risks reserve on the deferred sale receivables as well as the Bank's finances funded by the Bank own funds according to the instructions of the Central Bank of Jordan.

### *The restricted reserves are as follows:*

	JD	Nature of Restriction
Statutory Reserve	26,409,498	Pursuant to the Banks Law
General Banking Risks Reserve	700,000	As per the Instructions of the Central Bank

### 30. Retained Earnings:

*Details of this item are as follows:*

	2009	2008
	JD	JD
Year-Beginning Balance	39,678,896	23,793,393
Net Profits after Tax for the Year	27,888,946	35,140,643
Statutory Reserve	(4,000,819)	(5,141,183)
Voluntary Reserve	(3,860,686)	(4,850,276)
General Banking Risk Reserve	(100,000)	(213,681)
Dividends	(12,187,500)	(7,800,000)
Transferred to Increase Capital	(8,750,000)	(1,250,000)
Year-End Balance	38,668,837	39,678,896

#### *Proposed Dividends:*

The rate of dividends proposed to be distributed to shareholders for the current year amounted to 12% of the capital. This rate is subject to the approval of the General Assembly of Shareholders. The rate of dividends distributed to shareholders last year amounted to 15% of the capital, in addition to bonus stock at 23, 08% of the capital.

### 31. Deferred Sales Revenues:

The details of this item are as follows:

	Joint	
	2009	2008
	JD	JD
<b>Individuals (Retail)</b>		
Murabaha to purchase-orderer	27,875,946	24,060,332
Forward Sale	51,412	68,766
Real Estate Finances	18,138,338	12,476,577
<b>Major Companies</b>		
International Murabaha	283,041	7,619,037
Murabaha to purchase-orderer	17,645,180	14,968,503
<b>Small and Medium Enterprises</b>		
Murabaha to purchase-orderer	8,891,843	4,794,504
Total	72,885,760	63,987,719

### 32. Finance Revenues:

The details of this item are as follows:

	Joint		Self-Constructed		Total	
	2009	2008	2009	2008	2009	2008
	JD	JD	JD	JD	JD	JD
Individuals (Retail)						
Diminishing Musharaka	266,780	264,657	21,379	40,483	288,159	305,140
Total	266,780	264,657	21,379	40,483	288,159	305,140

### 33. Profits of Financial Assets Held for Trading:

The details of this item are as follows:

	Joint		Self-Constructed	
	2009	2008	2009	2008
	JD	JD	JD	JD
Realized Profits				
Companies Shares	-	455,041	319	52,252
Total	-	455,041	319	52,252

### 34. Profits of Financial Assets Available for Sale:

The details of this item are as follows:

	Joint		Self-Constructed	
	2009	2008	2009	2008
	JD	JD	JD	JD
Returns of Company Stock Distributions	816,978	1,021,229	402,455	191,728
Sales Profits of Financial Assets Available for Sale	7,917,201	19,397,940	-	-
Islamic Banks Portfolio Revenues	76,254	344,683	-	-
Muqarada Bonds Revenues	2,284,448	4,908,029	-	-
Total	11,094,881	25,671,881	402,455	191,728

### 35. Revenues of Financial Assets Held to Maturity:

The details of this item are as follows:

	Joint	
	2009	2008
	JD	JD
Islamic Leasing Sukuk	170,280	61,989
Investment Funds	121,335	215,333
Total	291,615	277,322

### 36. Dividends Distributed by Affiliates and Subsidiaries:

The details of this item are as follows:

Joint	Ownership Rate	Distribution Rate	Dividends	
			2009	2008
	%	%	JD	JD
<b>Subsidiaries:</b>				
AlRezq Trading Co.	90.0	10.0	90,000	90,000
AlSamaha Real Estate Co.	95.0	10.0	95,000	95,000
<b>Affiliates</b>				
Jordanian Center for International Trading Co	28.4	8,0	77,120	67,480
AlAmin Investment Co.	29,7	25,0	805,361	288,000
Islamic Insurance Co.	33,2	15,0	529,500	-
Arabian Steel Pipes Mfg. Co.	26,0	25,0	330,000	198,000
Total			1,926,981	738,480



### 37. Real Estate Investment Revenues:

The details of this item are as follows:

	Joint	
	2009	2008
	JD	JD
Realized Profits of Real Estate Investment Held for Capital Appreciation	1,322,415	1,252,524
Realized Profits of Real Estate Investment Held to Earn Periodic Rentals	242,340	-
<b>Total</b>	<b>1,564,755</b>	<b>1,252,524</b>

### 38. Revenues of Leased Assets and Ijarah Muntahia Bittamleek

The details of this item are as follows:

	Joint	
	2009	2008
	JD	JD
Ijarah Muntahia Bittamleek	10,390,060	6,951,352
<b>Total</b>	<b>10,390,060</b>	<b>6,951,352</b>

### 39. Revenues of Other Investments

The details of this item are as follows:

	2009	2008
	JD	JD
Revenues of Investment Deposits at Islamic Financial Institutions	1,401,964	2,151,528
<b>Total</b>	<b>1,401,964</b>	<b>2,151,528</b>

### 40. Net Results of Subsidiaries

The details of this item are as follows:

	2009	2008
	JD	JD
<b>Revenues</b>		
School installments and transportation	4,378,989	3,861,977
Profits of financial assets	64,315	34,592
Muqarada Bonds Revenues	91,815	184,989
Projects Revenue	159,861	316,707
Other Revenues	161,592	380,436
<b>Total Revenues</b>	<b>4,856,572</b>	<b>4,778,701</b>
<b>Expenses</b>		
Administrative Expenses	(3,619,731)	(3,507,364)
Depreciations	(337,888)	(267,044)
Impairment of PC Software	(309,685)	(309,685)
Other expenses	(248,264)	(151,985)
<b>Total expenses</b>	<b>(4,515,568)</b>	<b>(4,236,078)</b>
<b>Net results</b>	<b>341,004</b>	<b>542,623</b>

**41. Revenues of Unrestricted Investment Accounts Holders:**

The details of this item are as follows:

	2009	2008
	JD	JD
Banks and Institutions	1,336	1,158
<b>Clients:</b>		
Saving Accounts	5,628,143	4,464,179
Notice Accounts	730,544	819,583
Time Accounts	34,465,157	28,675,021
Total	40,825,180	33,959,941

**42. The Banks' Share of the Revenues of Unrestricted Investment Accounts as a Speculator and Capital Owner:**

The details of this item are as follows:

	2009	2008
	JD	JD
As a Speculator	29,946,839	30,525,151
As a Capital Owner	19,068,497	27,090,361
Total	49,015,336	57,615,512

**43. Profits of Bank's Self-Investment:**

The details of this item are as follows:

	2009	2008
	JD	JD
Finance Revenues (Note 32)	21,379	40,483
Profits of Financial Assets Available for Sale (Note 34)	402,455	191,728
Total	423,834	232,211

**44. The Bank's Share of the Restricted Investment Revenues as Speculator and/or Agent:**

The details of this item are as follows:

	2009		2008	
	As Agent	As Speculator	As Agent	As Speculator
	JD	JD	JD	JD
Restricted Investment Revenues	47,250	646,113	47,250	3,175,568
Less: Share of Restricted investment accounts Holders	-	(529,818)	-	(2,735,212)
Net	47,250	116,295	47,250	440,356
Muqarada Bonds Profits	-	12,161,339	-	25,357,189
Less: Share of Muqarada Bonds holders	-	(9,028,199)	-	(17,222,004)
Net	-	3,133,140	-	8,135,185
Total	47,250	3,249,435	47,250	8,575,541

#### 45. Banking Service Revenues:

The details of this item are as follows:

	2009	2008
	JD	JD
Documentary Credit Commissions	940,004	1,152,636
Guarantee Commissions	1,484,430	1,412,950
Collection Policies Commissions	245,475	210,133
Transfers Commissions	544,186	437,421
Salary Transfer Commissions	2,662,890	2,414,715
Bounced Checks Commissions	595,272	508,512
Account Management Commissions	1,198,236	1,056,069
Brokerage Commissions	2,143,953	4,094,427
Other Commissions	741,758	617,154
<b>Total</b>	<b>10,556,204</b>	<b>11,904,017</b>

#### 46. Foreign Currency Profits:

The details of this item are as follows:

	Self-Constructed	
	2009	2008
	JD	JD
Resulting from Trading	655,462	808,463
Resulting from Valuation	989,390	1,096,087
<b>Total</b>	<b>1,644,852</b>	<b>1,904,550</b>

#### 47. Other Revenues:

The details of this item are as follows:

	2009	2008
	JD	JD
Received rentals	103,056	91,756
Post, Mail and Telephone	376,873	356,149
Safe box leasing	84,952	71,922
Credit Card Commissions	1,582,846	1,265,654
Other Revenues	824,362	1,355,281
<b>Total</b>	<b>2,972,089</b>	<b>3,140,762</b>

#### 48. Employee Expenses

The details of this item are as follows:

	2009	2008
	JD	JD
Employee Salaries, Benefits and Remunerations	15,345,679	13,709,785
Bank's Contribution to Social Security	1,318,460	1,243,446
Medical Expenses	1,359,379	1,257,723
Employee Training Expenses	113,049	134,069
Employee Allowances	116,628	112,595
Employee Meals Provision	152,190	145,563
Total	18,405,385	16,603,181

#### 49. Other Expenses

The details of this item are as follows:

	2009	2008
	JD	JD
Post, mail, telephone and telex	879,327	736,108
Stationery, publications and supplies	1,267,745	1,070,840
Credit cards	443,377	314,392
Paid rentals	735,856	666,567
Water, electricity and heating	702,215	652,261
Maintenance, repairs and cleaning	951,741	843,032
Insurance installments	250,497	240,357
Travel and transportation expenses	489,888	490,861
Legal fees and consultations	114,643	96,793
Auditing Fees	103,520	87,520
Subscriptions and memberships	286,471	322,056
Donations	270,090	340,859
Charges, licenses and taxes	601,825	1,691,781
Hospitality and tips	174,867	123,875
Promotion and Advertising	1,088,342	612,510
Marketing expenses	156,785	252,500
Saving accounts rewards	149,745	150,509
Board committees Remunerations	21,200	13,520
Visa accounts rewards	97,314	122,453
Jordanian Universities Charges	386,069	485,028
Scientific Research and Vocational Training	386,069	485,028
Board Members Remunerations	80,000	80,000
Employment and Technological and Vocational Training and Education Fund	240,432	300,867
Investor Protection Fund	58,298	125,513
Doubtful debts	60,630	439,370
Others	97,409	423,427
Total	10,094,355	11,168,027



## 50. Miscellaneous Provisions

The details of this item are as follows

	2009	2008
	JD	JD
Resignation Provision (Note 21)	183,328	442,845
Employee Leaves Provision ( Note 21)	127,000	208,000
<b>Total</b>	<b>310,328</b>	<b>650,845</b>

## 51. Earnings per Share

The details of this item are as follows:

	2009	2008
Profit for the Year (JD)	27,888,946	35,140,643
Weighted Average Number of Stocks (Stock)	100,000,000	100,000,000
<b>Basic Earnings per Share</b>	<b>0,279</b>	<b>0,351</b>

The diluted earnings per share are equal to the basic earnings per share.

## 52. Cash and Cash Equivalent

The details of this item are as follows:

	2009	2008
	JD	JD
Cash and balances with Central Banks that are due within Three Months	771,251,223	577,031,989
Add: balances with Banks and Banking Institutions that are due within Three Months	101,622,408	103,138,295
Less: Accounts with Banks and Banking Institutions that are due within Three Months	(5,197,630)	(8,525,718)
<b>Total</b>	<b>867,676,001</b>	<b>671,644,566</b>

**53. Restricted Investments**

The details of this item are as follows:

	Real Estate Trading		International Murabaha		Cash Balances		Others		Total	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Year-Beginning Investments	310,005	310,005	83,431,440	94,825,715	2,741,288	3,629,609	1,536,354	2,445,324	88,019,087	101,210,653
Deposits	-	-	34,510,831	82,694,885	5,518,240	13,595,161	1,720,572	7,553,510	41,749,643	103,843,556
Drawings	-	-	(69,825,171)	(96,368,168)	(7,276,525)	(14,483,482)	(929,156)	(8,478,328)	(78,030,852)	(119,329,978)
Investment Profits	-	-	523,491	2,683,929	-	-	6,328	51,283	529,819	2,735,212
Bank's Fees as Speculator or Agent	-	-	(90,930)	(404,921)	-	-	(25,365)	(35,435)	(116,295)	(440,356)
Year-End Investments	310,005	310,005	48,549,661	83,431,440	983,003	2,741,288	2,308,733	1,536,354	52,151,402	88,019,087

**54. Muqarada Bonds:**

This item represents the following:

	Assets held for Trading		Real Estate Trading		Murabahha		Cash Balances		Others		Total	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Year-Beginning Balance	54,130,537	43,158,272	16,225,281	12,386,194	99,306,006	102,513,307	42,472,131	50,886,839	12,366,187	9,541,573	224,500,142	218,486,185
Number of Investment Units at Year-Beginning	-	-	-	-	-	-	-	-	-	-	394,452	388,450
Value of Investment Units at Year-Beginning	-	-	-	-	-	-	-	-	-	-	197,226,000	194,225,000
Deposits	40,158,162	163,721,724	10,315,671	5,140,104	46,224,465	1,698,650	10,993,876	16,758,380	2,428,215	2,656,233	110,120,389	189,975,091
Drawings	(30,743,790)	(203,913,730)	(3,298,978)	(7,584,730)	(46,432,771)	(13,420,153)	(36,128,380)	(25,173,088)	(1,088,108)	(358,255)	(117,692,027)	(250,449,956)
Investment Profits	2,368,250	58,107,887	283,393	6,612,223	9,704,286	9,353,802	-	-	714,695	550,095	13,070,624	74,624,007
Bank's Fees as Speculator or Agent	(673,142)	(6,943,616)	(68,735)	(328,510)	(2,227,817)	(839,600)	-	-	(163,446)	(23,459)	(3,133,140)	(8,135,185)
Year-End Balance	65,240,017	54,130,537	23,456,632	16,225,281	106,574,169	99,306,006	17,337,627	42,472,131	14,257,543	12,366,187	226,865,988	224,500,142
Number of Investment Units at Year-End	-	-	-	-	-	-	-	-	-	-	394,452	388,450
Value of Investment Units at Year-End	-	-	-	-	-	-	-	-	-	-	197,226,000	194,225,000
Profits Reserve	909,285	683,000	-	-	-	-	-	-	-	-	909,285	683,000
Portfolio Profits at Maturity Date	-	-	-	-	18,384,187	17,671,585	-	-	4,525,285	3,797,350	22,909,472	21,468,935
Investment Risk Provision	-	-	-	-	5,331,025	6,782,269	-	-	-	-	5,331,025	6,782,269
Cash Margins	-	-	-	-	-	-	2,118,500	1,919,500	-	-	2,118,500	1,919,500
Profits Received in Advance	-	-	-	5,832	4,038	740,140	-	-	486,168	594,966	490,206	1,340,938
Year- End Balance	909,285	683,000	-	5,832	23,719,250	25,193,994	2,118,500	1,919,500	5,011,453	4,392,316	31,758,488	32,194,642

**55. Investment by Proxy Accounts:**

The details of this item are as follows:

	2009	2008
	JD	JD
Investment by Proxy Accounts	9,451,500	9,445,750
Total	9,451,500	9,445,750

The investment by proxy accounts represent cash amounts deposited at the Bank which manages and invests them according to the investment modes (compliant with the principles of Islamic Sharia) it deems appropriate and as agreed upon with the depositor in return for a lump sum or a ratio of the invested funds on the basis of commission agency contract. In case of any losses, the depositor shall incur them unless arising from the Bank's negligence or violation. The Bank's fees reached 1.5% of the invested capital, of which 1% is to be paid for once and 0.5% is to be paid annually as reservation fees.

**56. Transactions with related Parties:**

*a. The consolidated financial statements include the financial statements of the Bank and the following subsidiaries:*

Company	Ownership Rate	Company's Capital	
		2009	2008
Al Rizq Trading Company Ltd.	90%	1,000,000	1,000,000
Omariah Schools Company Ltd.	94.8%	4,500,000	4,500,000
AlSamaha Real Estate Company Ltd.	100%	1,000,000	1,000,000
Future Applied Computer Technology Company Ltd	100%	5,000,000	4,000,000
Sanabel Al-Khair for Financial Investments	100%	5,000,000	5,000,000

The Bank entered into transactions with the parent company, affiliates, senior shareholders, Board members and senior management within the ordinary activities of the Bank using Murabaha ratios and commercial commissions. All deferred sale receivables and finances granted to related parties are considered operational and no provisions were allocated for them.



b. Below is a summary of transactions with related parties during the year:

	Related Parties				Total	
	Parent	Affiliates	Subsidiaries	Board Members and Senior Management	2009	2008
	JD	JD	JD	JD	JD	JD
<b>Items within the Statement of Financial Position</b>						
Deferred Sale Receivables	-	1,351,266	-	141,878	1,493,144	2,388,214
Musharaka Financing	-	-	284,659	-	284,659	332,659
Financing of Employee Residence /Musharaka	-	-	-	300,970	300,970	356,272
Deposits	3,401	9,806,690	10,659,943	1,720,753	22,190,787	36,029,219
<b>Items beyond the Statement of Financial Position</b>						
Guarantees	-	9,000	1,000,000	-	1,009,000	1,085,605
<b>Items of Consolidated Income Statement</b>						
Received Revenues	-	107,637	55,840	2,682	166,159	189,817
Paid Profits	-	52,975	110,801	10,998	174,774	859,876

c. Following is the summary of the Bank's Senior Executive Management Benefits (Salaries, Rewards and other Benefits):

	2009	2008
	JD	JD
Salaries, Remunerations and Transportation	1,506,711	1,213,070
Total	1,506,711	1,213,070

### 57. Fair Value of Financial Instruments

The Bank uses the following order of valuation methods and alternatives to determine and present fair value of financial instruments:

**First Level:**

market prices quoted in effective markets for the same assets and liabilities.

**Second Level:**

Other techniques where all inputs with significant impact on the fair value is directly or indirectly observable from market information.

**Third Level:**

Other techniques where inputs with significant impact on the fair value are used but not based on observable market information.

The following table shows the analysis of financial instruments carried at fair value according to the above hierarchical order:

December 31, 2009	First Level	Second Level	Third Level	Total
Financial Assets	JD	JD	JD	JD
Financial Assets Available for Sale	34,838,390	-	-	34,838,390

December 31, 2008	First Level	Second Level	Third Level	Total
Financial Assets	JD	JD	JD	JD
Financial Assets Available for Sale	29,415,822	-	-	29,415,822

**58. Fair Value of Financial Assets and Liabilities not Stated at Fair Value in the Financial Statements.**

As shown in note 8, the financial assets available for sale include the financial assets not listed in the financial markets at an amount of JD (63,620,749) that are carried at cost because the Bank’s was unable to estimate their fair value.

**59. Risk Management**

The Bank manages its different banking risks through following comprehensive measures of risk management, including the proper control by the Board of Directors and the senior Management, in order to determine, measure, follow-up, control and report relevant categories of risks, and to maintain an adequate capital to face such risks. These measures take into consideration the appropriate steps to comply with the Sharia principles.

The Bank’s organizational structures complement each other in risk management, each according to its competences. This helps in developing and controlling policies and regulations at an appropriate level for each type of risk the Bank faces with a view to realizing the acceptable level of returns to shareholders without compromising the financial solvency of the Bank. In this framework, the work of the Risk Management Department at the Bank complements with the committees emanating from the Board of Directors and the Executive Management (Risk Management Committee and Assets and Liabilities Management Committee).

**Qualitative and Quantitative Disclosures:**

**1- Credit Risk and Concentration in Assets and Liabilities:**

The daily practice of banking activities involves the Bank’s exposure to many risks including the credit risk resulting from the other party’s default or failure to fulfill its obligations towards the Bank, which consequently results in losses. On its part, the Bank ensures that these risks do not surpass the already specified general framework in the Bank’s credit policy and seeks to maintain their levels within the balanced relationship between risks, returns and liquidity.

In addition to the Risk Management Department, a number of committees in the Board of Directors and Executive Management manage the credit risks at the Bank associated, by determining the ceilings of credit facilities that can be granted to a single client (individual or institution) and relevant accounts in consistence with the instructions issued by the Central Bank of Jordan.

The Bank controls the credit risks through assessing the credit position of clients on a periodic basis according to the Clients Risk Assessment System at the Bank, which is based on the assessment of credit risk elements and default possibilities for administrative, financial or competitive reasons. Furthermore, the Bank receives proper assurances from clients in the necessary cases and according to the risk levels of each client and each process of granting additional facilities.

The Bank’s policy of credit risks management comprises the following:

1. An available clear credit and investment policy and strategy approved by the Board of Directors.
2. Identifying the credit concentrations and ceilings:  
The credit policy includes specific and clear rates of the maximum limit of credit that can be granted to any client. Moreover, there are ceilings for the credit that can be granted by each administrative level.

### 3. Identifying Methods of Risk Mitigation:

The risk management process in the Bank depends on a number of methods to mitigate risks, including:

- Distributing and diversifying credit investments to various sectors and geographical locations.
- The availability of clear credit and investment ceilings those are consistent with the instructions of the Central Bank of Jordan for each type of investment.
- Guarantees based on their liquidity and their coverage of the granted credit.
- The authorities of approving credits differ from an administrative level to the other and depend on the financing volume and the degree of risk.

### 4. Restricting the Risks of Assets and Liabilities Concentration:

The Bank operates effectively to manage this aspect of risks. The annual plan of the Bank involves a targeted distribution of credits to a number of sectors while concentrating on the promising sectors at the same time. Further, the plan also consists of distributing credits to the geographical areas inside the Kingdom.

### 5. Studying, Monitoring and Following- up Credit:

The Bank develops the required procedures and policies to determine the method of reviewing credits and maintaining the impartiality and integration of the decision making process, ensuring that the credit risks are accurately assessed, properly approved, continually followed-up, and continually monitored.

The general framework of the credit policy involves the authorities of approving credits, clarifying the credit limits and the method of specifying the degree of risk.

Within the organizational structure of the bank, there is a segregation of the business units in charge for granting credits and those in charge for overseeing credit in terms of granting terms, the soundness of the credit decision, ensuring that all terms of granting the credit are fulfilled, committing by the limits and restrictions mentioned in the credit policy in addition to other relevant instructions.

**1-Exposure to Credit Risks (after the impairment provision and before guarantees and other risk mitigants)**

	Joint		Self-Constructed	
	2009	2008	2009	2008
	JD	JD	JD	JD
<b>Items within the Statement of Financial Position</b>				
Balances with Central Banks	771,251,223	577,031,989	-	-
Balances with Banks and Banking Institutions	101,622,408	103,138,295	-	-
Investment Accounts with Banks and Banking Institutions	4,608,500	9,320,403	-	-
<b>Deferred Sales and Other Receivables</b>				
Individuals	323,647,894	340,057,029	4,932,991	1,893,757
Real Estate Finances	202,211,994	175,269,228	-	-
<b>Companies:</b>				
Major Companies	265,180,586	221,649,930	-	-
Small and Medium Enterprises (SMEs)	117,132,856	67,352,528	-	-
<b>Finances</b>				
Musharakah				
Individuals	14,441,567	13,796,636	528,387	543,679
<b>Items beyond the Statement of Financial Position</b>				
Guarantees	76,855,724	76,691,824	-	-
Credits	37,367,029	29,369,419	-	-
Acceptances	5,652,313	5,601,493	-	-
Unutilized Limits	67,512,627	67,504,918	-	-
<b>Total</b>	<b>1,987,484,721</b>	<b>1,686,783,692</b>	<b>5,461,378</b>	<b>2,437,436</b>

**Guarantees and Other Credit Risk Mitigants against Credit Exposures:**

The quantity and quality of required guarantees depend on the credit risk assessment of the counterparty. It is also possible to adjust or reduce the volume of risk exposure related to the debtor, concerned party or any other obligor using the methods of credit risk mitigation applicable in the Islamic banks. These include (asset mortgage, third party guarantee, earnest money, cash margin, stock mortgage).

As for the types of credit exposures mentioned in the table above, they are as follows:

- Cash Margins.
- Accepted Bank Guarantees.
- Real Estate Guarantees
- Vehicles and Machinery mortgage.

**2. The Credit Exposure of Deferred Sales and other Receivable and Finances are distributed according to the**



**risk degree as in the following table:**

	Joint						Self-Constructed																		
	Individuals		Real Estate Finances		Enterprises		Banks and Banking Institutions		Total		Individuals		Real Estate Finances		Enterprises		Government and Public Sector		Banks and Banking Institutions		Total				
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD			
<b>2009-</b>																									
Low Risk	13,745,042	-	47,140,097	-	771,251,223	832,136,362	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Acceptable Risk	311,701,450	248,171,593	182,623,055	102,704,757	101,622,408	946,823,263	5,961,378	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,961,378		
Accrued *																									
Until 30 days	343,138	151,788	-	-	-	494,926	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
From 31 to 60 Days	14,450,621	2,500,972	29,012,562	10,323,679	-	56,287,834	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Under-control	23,267,320	7,968,407	25,306,734	11,560,053	-	68,102,514	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Non-operating	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Below Standard	2,990,002	147,191	-	-	-	3,137,193	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Doubtful	4,584,781	1,449,768	-	-	-	6,034,549	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Depreciated	15,021,832	4,131,951	6,156,801	3,104,049	-	28,414,633	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total	386,104,186	264,521,670	290,239,249	127,692,538	872,873,631	1,941,431,274	5,961,378	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,961,378	
Less: Deferred Revenues	49,788,339	42,861,643	20,733,758	7,930,190	-	121,313,930	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Less: Outstanding Revenues	2,126,368	1,023,801	420,125	775,948	-	4,346,242	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Less: Impairment provision	10,541,585	3,982,665	3,904,780	1,853,544	-	20,282,574	500,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	500,000
Net	323,647,894	216,653,561	265,180,586	117,132,856	872,873,631	1,795,488,528	5,461,378	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,461,378

\* The whole receivable balance is considered payable when one of the installments is due.

	Joint						Self-constructed														
	Individuals		Real Estate Finances		Enterprises		Banks and Banking Institutions		Total		Individuals		Real Estate Finances		Enterprises		Banks and Banking Institutions		Total		
	JD		JD		Major Companies		Small and Medium Enterprises		JD		JD		JD		Major Companies		Small and Medium Enterprises		JD		
2008-																					
Low Risk	15,475,993	-	13,001,012	-	577,031,989	605,508,994	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Acceptable Risk	334,967,591	176,053,080	205,504,877	59,235,076	103,138,295	878,898,919	2,876,806	-	-	-	-	-	-	-	-	-	-	-	-	-	2,876,806
Accrued*																					
Until 30 days	136,921	45,192	-	655,141	-	837,254	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
From 31 to 60 Days	15,735,274	6,323,359	17,812,784	7,641,515	-	47,512,932	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Under Control	19,071,154	8,885,332	12,003,684	5,822,789	-	45,782,959	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-operating																					
Below Standard	3,423,898	683,101	-	1,094,496	-	5,201,495	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Doubtful	5,178,199	1,717,027	2,722,210	1,456,083	-	11,073,519	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciated	8,146,231	6,625,561	2,301,207	1,512,858	-	18,585,857	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	402,135,261	200,332,652	253,345,774	77,417,958	680,170,284	1,613,401,929	2,876,806	-	-	-	-	-	-	-	-	-	-	-	-	-	2,876,806
Less: Deferred Revenues	42,356,550	30,219,736	18,615,267	5,569,327	-	96,760,880	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Less: Outstanding Revenues	2,256,081	916,394	343,316	250,226	-	3,766,017	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Less: Impairment provision	6,574,104	5,079,951	2,084,120	841,222	-	14,579,397	439,370	-	-	-	-	-	-	-	-	-	-	-	-	-	439,370
Net	350,948,526	164,116,571	232,303,071	70,757,183	680,170,284	1,498,295,635	2,437,436	-	-	-	-	-	-	-	-	-	-	-	-	-	2,437,436

\* The whole receivable balance shall be considered payable when one of the installments is due

The following is the distribution of the fair value of the guarantees presented against the Deferred sales receivables , other receivables, and finances.

	Joint						Self-Constructed								
	Individuals		Real Estate Finances		Enterprises		Total		Individuals		Real Estate Finances		Enterprises		
	JD		JD		Major Companies	Small and Medium Enterprises	JD		JD		JD		Major Companies	Small and Medium Enterprises	
					JD	JD	JD	JD					JD	JD	Total
Guaranties against:															
Low risk	13,745,042		-		47,140,097	-	60,885,139						-	-	-
Acceptable risk	381,850,562		178,941,777		136,796,875	96,473,464	794,062,678		5,961,378				-	-	5,961,378
Under-control	16,186,295		4,244,860		12,443,178	7,414,705	40,289,038						-	-	-
Non-operating													-	-	-
Below standard	1,846,595		123,861		-	-	1,970,456						-	-	-
Doubtful	3,708,669		1,315,771		-	-	5,024,440						-	-	-
Depreciated	11,861,764		1,571,873		3,451,420	2,527,561	19,412,618						-	-	-
Total	429,198,927		186,198,142		199,831,570	106,415,730	921,644,369		5,961,378				-	-	5,961,378
Including															
Cash Margins	7,775,055		3,378,187		3,620,003	1,917,224	16,690,469						-	-	-
Acceptable Banks Guarantees	187,383		81,416		47,227,341	46,207	47,542,347						-	-	-
Real Estate	162,237,529		183,037,640		138,821,317	87,537,343	571,633,829						-	-	-
Cars and Vehicles	260,173,083		10,613,161		7,540,423	21,948,369	300,275,036		5,961,378				-	-	5,961,378
2008-															
Guaranties against:															
Low risk	15,475,993		-		13,001,012	-	28,477,005						-	-	-
Acceptable risk	334,967,591		176,053,080		205,504,877	59,235,076	775,760,624		2,876,806				-	-	2,876,806
Under-control	12,148,540		6,992,289		4,314,131	2,246,542	25,701,502						-	-	-
Non-operating													-	-	-
Below standard	2,079,758		675,618		-	1,094,497	3,849,873						-	-	-
Doubtful	4,301,895		1,187,384		1,794,975	1,266,699	8,550,953						-	-	-
Depreciated	6,472,001		3,740,195		943,821	1,276,535	12,432,552						-	-	-
Total	375,445,778		188,648,566		225,558,816	65,119,349	854,772,509		2,876,806				-	-	2,876,806
Including															
Cash Margins	7,801,784		3,920,128		4,687,125	1,351,076	17,760,113						-	-	-
Acceptable Banks Guarantees	96,843		48,660		13,059,193	16,771	13,221,467						-	-	-
Real Estate	205,194,625		105,571,256		126,226,920	36,385,263	473,378,064						-	-	-
Cars and Vehicles	82,088,305		42,233,881		50,497,200	14,555,959	189,375,345		2,876,806				-	-	2,876,806

**The scheduled deferred sales receivables and other receivables and financings:**

These are those receivables which have already been classified as non-operating receivables/Finances and were set aside in terms of the non-operating receivables and finances in accordance with a legal scheduling under monitoring and were classified as receivables/ finances under monitoring which amounted to JD (11,697,268) on December 31,2009 against JD (7,598,493) on December 31,2008.

**The restructured deferred sales and other receivables and finances:**

Restructuring means rearranging the statuses of receivables/ financings in terms of amending the installments or extending the span of receivables/ finances, deferring some installments or extending the grace period, etc. and reclassifying them as receivables/ finances under monitoring. The total amount of these receivables/ finances was JD (19,824,263) as on December 31, 2009. Taking in consideration that there are no restructured receivables and they were reclassified as receivables/finances under monitoring as of December 31, 2008.

**Sukuk:**

The following table explains the Sukuk ratings within the financial assets held to maturity date in relation with external rating standards:

Rating	Rating Institution	2009 JD	2008 JD
A	S&P	5,317,500	3,545,000
Total		5,317,500	3,545,000

**3- Concentration in credit exposures according to geographical distribution is as follows:**

	Inside the Kingdom JD	Other Middle East Countries JD	Europe JD	Asia* JD	America JD	Total JD
Accounts Balances at Central Banks	771,251,223	-	-			771,251,223
Account Balances at Banks and Banking Institutions	15,400,279	42,426,130	24,356,344	733,699	18,705,956	101,622,408
Joint Investment Accounts at Banks and Banking Institutions	-	4,608,500	-	-	-	4,608,500
Deferred Sales and other Receivables and Finances	-	-	-	-	-	-
Individuals	329,109,272	-	-	-	-	329,109,272
Real Estate Finances	216,653,561	-	-	-	-	216,653,561
Enterprises		-	-	-	-	-
Major Companies	218,040,489	41,411,331	5,728,766	-	-	265,180,586
Small and Medium Enterprises (SMEs)	117,132,856	-	-	-	-	117,132,856
Sukuk:						
Within the financial assets held to maturity	-	5,317,500	-	-	-	5,317,500
Total as on December 31, 2009	1,667,587,680	93,763,461	30,085,110	733,699	18,705,956	1,810,875,906
Total as on December 31, 2008	1,408,219,850	54,939,420	18,456,567	383,911	31,598,726	1,513,598,474

\*Except the Middle East countries



**4- The concentration in credit exposures according to the economic sector is as follows:**

	Financial	Industrial	Commercial	Real Estate	Agriculture	Stocks	Individuals	Government and Public Sector	Total
	JD	JD	JD	JD	JD	JD	JD	JD	JD
Account Balances with Central Banks	-	-	-	-	-	-	-	771,251,223	771,251,223
Account Balances with Banks and Banking Institutions	101,622,408	-	-	-	-	-	-	-	101,622,408
Joint Investment Accounts at Banks and Banking Institutions	4,608,500	-	-	-	-	-	-	-	4,608,500
Deferred Sales and other Receivables and Finances	-	14,288,236	379,572,806	222,625,146	3,930,754	80,981	307,578,352	-	928,076,275
Sukuk:									-
Within the financial assets held to maturity	5,317,500	-	-	-	-	-	-	-	5,317,500
Total as on December 31, 2009	111,548,408	14,288,236	379,572,806	222,625,146	3,930,754	80,981	307,578,352	771,251,223	1,810,875,906
Total as on December 31, 2008	117,897,455	53,440,273	425,004,915	175,269,228	12,535,190	-	152,419,424	577,031,989	1,513,598,474

## 2. Liquidity Risks

The liquidity risks consist in the bank's inability to afford the required financing to fulfill its obligations on their maturity dates. To manage such risks, the Bank shall:

1. Analyze liquidity (maturity gaps)
2. Maintain a reasonable percentage of liquidity to face issued cash flows.
3. Diversify sources of financing.
4. A committee is available to manage assets and liabilities.
5. Distribute finances on different sectors and geographical areas to minimize the risks of concentration.
6. Liquidity is measured, monitored and managed on the basis of the natural and contingent circumstances. This includes using and analyzing the maturity dates of assets and the different financial ratios.

### First:

The below table summarizes the distribution of (not discounted) liabilities on the basis of the remaining period of contractual maturity on the date of financial statements:

Item	Less than month	1 to 3 months	3 to 6 months	6 months till one year	1 to 3 years	More than 3 years	Without maturity	Total
	JD	JD	JD	JD	JD	JD	JD	JD
2009-								
Liabilities								
Accounts of Banks and Banking Institutions	5,197,630	-	-	-	-	-	-	5,197,630
Client's Current Accounts	214,563,000	87,383,921	69,218,310	51,052,699	172,952,543	-	-	595,170,473
Other Provisions	-	-	-	-	-	-	3,786,312	3,786,312
Income Tax Provision	13,115,985	-	-	-	-	-	-	13,115,985
Deferred Tax liabilities	-	-	-	-	-	-	753,825	753,825
Other liabilities	3,756,828	11,965,859	-	32,842,035	599,661	-	20,733,334	69,897,717
Unrestricted Investment Accounts	177,499,964	107,963,087	128,843,151	169,229,803	715,814,808	-	18,959,588	1,318,310,401
<b>Total</b>	<b>414,133,407</b>	<b>207,312,867</b>	<b>198,061,461</b>	<b>253,124,537</b>	<b>889,367,012</b>	<b>-</b>	<b>44,233,059</b>	<b>2,006,232,343</b>
Total Assets (according to their Expected Maturity Date)	975,164,171	69,014,201	58,013,928	87,496,417	199,331,897	734,728,522	59,313,804	2,183,062,940
2008-								
Liabilities								
Accounts of Banks and Banking Institutions	8,525,718	-	-	-	-	-	-	8,525,718
Client's Current Accounts	187,575,099	76,303,042	60,340,178	197,973,707	-	-	-	522,192,026
Other Provisions	-	-	-	-	-	-	3,659,312	3,659,312
Income Tax Provision	16,125,462	-	-	-	-	-	-	16,125,462
Deferred Tax liabilities	-	-	-	-	-	-	701,762	701,762
Other liabilities	5,851,798	10,763,667	-	33,027,075	-	-	22,877,371	72,519,911
Unrestricted Investment Accounts	179,117,385	247,065,847	159,188,355	441,176,923	-	-	37,110,993	1,063,659,503
<b>Total</b>	<b>397,195,462</b>	<b>334,132,556</b>	<b>219,528,533</b>	<b>672,177,705</b>	<b>-</b>	<b>-</b>	<b>64,349,438</b>	<b>1,687,383,694</b>
Total Assets (according to their Expected Maturity Date)	760,160,660	151,641,075	142,340,895	190,197,709	302,016,370	211,411,459	90,604,910	1,848,373,078

**Second:**

## Items beyond the Financial Position Statement

	2009			
	Till one year	One to five years	More than five years	Total
	JD	JD	JD	JD
Credits and Acceptances	43,019,342	-	-	43,019,342
Unutilized Ceilings	67,512,627	-	-	67,512,627
Guarantees	76,855,724	-	-	76,855,724
Total	187,387,693	-	-	187,387,693

	2008			
	Till one year	One to five years	More than five years	Total
	JD	JD	JD	JD
Credits and Acceptances	34,970,912	-	-	34,970,912
Unutilized Ceilings	67,504,918	-	-	67,504,918
Guarantees	76,691,824	-	-	76,691,824
Total	179,167,654	-	-	179,167,654

**3. Market Risks:**

The market risks result from fluctuations in the value of marketable assets or renting, exchange rates, stocks rates, commodity rates and leased assets. The Bank works to mitigate these risks through:

1. Diversifying investments and distributing them on a number of sectors and geographical areas.
2. Studying the orientation of future investment rates, exchange rates and investment in light of such studies.
3. Setting limits to investments on the level of the country, currency, market, instrument and the other party.
4. Examining the credit position of the other party before starting an investment.
5. Adapting the currency positions with the instructions of the Central Bank.

The bank uses sensitivity analysis to measure the market risks for each type of market risks (returns Rates Risks, Foreign Currency Risks, Risks of Stock Rates Change and of Concentration of Currency Rates Risks) A number of indicators were used to determine the impact of the income sensitivity to change in the non-trading financial assets, retained financial liabilities, the sensitivity of ownership equities and the investment accounts holders to the change in the steady state of the financial assets available for sale financed by the joint funds. Also, the bank relied on a number of assumptions related to the change of Murabaha rates, Amman Stock Exchange indexes and the currency rates, etc.

**A. Rate of Return Risks**

The average returns risks are induced by the overall risks included in the lists of the financial position. Any rise in the comparative standard rates may lead to the investment accounts holders expectation of a higher return rate. The return rate risks differ from the interest rates risks in that the companies are interested in the results of their investment activities by the end of the investment term and these results cannot be accurately predetermined.

The bank is exposed to the returns rate risks as a result of a gap in the amounts of assets and liabilities according to the different maturity dates or the re-pricing of the return rates accrued to subsequent transactions within a specific period of time. The bank manages these risks by specifying the future rates of profits according to market expectations and developing new instruments that comply with the Islamic Sharia through the risk management strategy at the bank.

*The bank manages these risks through:*

1. Managing the gaps of return rates and cost of assets and liabilities according to the different maturity dates.
2. Studying the orientation of investment rates and the future exchange rates and investments in light of this study.

2009				
	Change (Increase) in Rate of Return (1%)	Rate of Return Sensitivity (Profits & Losses)	Ownership Equities Sensitivity	Investment Accounts Holders Equities Sensitivity
	JD	JD	JD	JD
JD	1,875,139	-	1,046,444	828,695

2009				
	Change (decrease) in Rate of Return (1%)	Rate of Return Sensitivity (Profits & Losses)	Ownership Equities Sensitivity	Investment Accounts Holders Equities Sensitivity
	JD	JD	JD	JD
JD	1,875,139	-	1,046,444	828,695

2008				
	Change (Increase) in Rate of Return (1%)	Rate of Return Sensitivity (Profits & Losses)	Ownership Equities Sensitivity	Investment Accounts Holders Equities Sensitivity
	JD	JD	JD	JD
JD	1,474,358	-	825,640	648,718

2008				
	Change (decrease) in Rate of Return (1%)	Rate of Return Sensitivity (Profits & Losses)	Ownership Equities Sensitivity	Investment Accounts Holders Equities Sensitivity
	JD	JD	JD	JD
JD	1,474,358	-	825,640	648,718



### b. Foreign Currency Risks

The foreign currency risks are risks associated with a change in the value of financial instruments as a result of a change in the foreign currency rates. The Jordanian Dinar is considered the primary currency of the bank. The foreign currencies are managed on the basis of spot trading and not forward basis so that the foreign currencies are monitored daily and the position limits of each currency. The Bank's policy in managing foreign currencies is based on liquidating position continually and covering the required positions according to the clients' needs. The Board of Directors sets the limits for the financial position for each currency at the bank. The foreign currencies position is monitored daily and a number of strategies are followed to ensure maintaining of a foreign currency position within the approved limits.

The investment policy of the bank states that the maximum limit of the foreign currencies positions shall not exceed 15% of the total shareholders' equities or 50% of the bank's total obligations in foreign currencies - whichever is greater- (with a maximum limit of 5% of the shareholders' equities for each currency) in order to cover the clients' needs of the letters of credit, transfers and demand policies and not for speculation or trading.

Currency	2009		
	Change in the Exchange Rate (5%)	Impact on Profits and Losses	Impact on Ownership Equities
USD	12,874,734	643,737	643,737
EURO	599,366	29,968	29,968
GBP	(44,292)	(2,215)	(2,215)
JPY	87,269	4,363	4,363
Other Currencies	757,011	37,851	37,851

Currency	2008		
	Change in the Exchange Rate (5%)	Impact on Profits and Losses	Impact on Ownership Equities
USD	32,942,824	1,647,141	1,647,141
EURO	417,778	20,889	20,889
GBP	17,464	873	873
JPY	100,917	5,046	5,046
Other Currencies	575,191	28,760	28,760

**Concentration in Foreign Currency Risks:**

2009	USD	Euro	GBP	JPY	Others	Total
<b>Assets:</b>						
Cash on hand & Cash at Central Banks	39,499,903	1,629,963	614,394	-	533,433	42,277,693
Cash at Banks & Banking Institutions	82,086,934	10,787,970	1,186,846	436,384	3,984,510	98,482,644
Deferred Sale Receivables and other Receivables	80,050,575	13,857,108	2,280,420	-	12,381,465	108,569,568
Financial Assets Available for Sale	18,203,571	-	-	-	-	18,203,571
Other Assets	12,850	-	-	-	-	12,850
<b>Total Assets</b>	<b>219,853,833</b>	<b>26,275,041</b>	<b>4,081,660</b>	<b>436,384</b>	<b>16,899,408</b>	<b>267,546,326</b>
<b>Liabilities:</b>						
Deposits in Banks and Banking Institutions	161,385,012	17,540,948	2,945,931	349,115	4,860,818	187,081,824
Cash Margins	3,556,116	1,160,050	59,787	-	-	4,775,953
Unrestricted Investment Accounts	38,749,593	6,611,646	1,167,651	-	11,222,119	57,751,009
Other liabilities	3,288,378	363,032	(47,416)	-	59,460	3,663,454
<b>Total liabilities</b>	<b>206,979,099</b>	<b>25,675,676</b>	<b>4,125,953</b>	<b>349,115</b>	<b>16,142,397</b>	<b>253,272,240</b>
Net Concentration in the Financial Position Statement 2009	12,874,734	599,365	(44,293)	87,269	757,011	14,274,086
Possible obligations beyond the Financial Position Statement 2009	41,155,302	-	-	-	-	41,155,302

2008	USD	Euro	GBP	JPY	Others	Total
Total Assets	172,388,641	13,220,357	1,476,970	166,472	5,861,302	193,113,742
Total Liabilities	139,445,817	12,802,579	1,459,506	65,555	5,286,111	159,059,568
Concentration in the financial position statement 2008- Net	32,942,824	417,778	17,464	100,917	575,191	34,054,174
Possible obligations beyond the Financial Position Statement 2008	33,390,404	-	-	-	-	33,390,404

### C. Stock Rates Risks

The stock rates risks result from a change in the fair value of investments in stocks. The bank works to manage these risks through diversifying investments in different geographical locations and economic sectors. Most stock investments owned by the bank are listed in Amman Stock Exchange.

	Change in the Statement Index (5%)	Impact on Losses and Profits	Impact on Equity	Impact on Investment Account Holders Equities
	JD	JD	JD	JD
2009				
Amman Stock Exchange	310,272	-	169,270	141,002
2008				
Amman Stock Exchange	585,075	-	327,642	257,433

### d. Commodity Risks:

Commodity risks are induced by the fluctuations in the value of marketable assets or renting. They are related to the current and future fluctuations and market values of specific assets. The bank is exposed to fluctuations of purchase commodity prices that are paid in whole after signing the Salam Contracts through the takeover period and to fluctuations in the remaining value of the leased out assets as in the end of the lease term.

### 4. Compliance Risks

These are the legal or supervisory punishments, the material losses or reputation risks that the bank might be exposed to as a result of not complying with the laws, regulations, instructions, directives, codes of conduct and the sound banking standards and practices. Among the most serious of these risks are those associated with risks of legal and supervisory punishments, reputations risks, financial loss risks, money laundering risks as well as fraud and corruption risks. To protect the bank against such risks, the Compliance Department ensures the compliance of the bank and its policies with all laws, regulations, instructions, directives, codes of conduct and the sound banking standards and practices issued by the domestic and international supervisory bodies through setting up the developing a policy of compliance and a compliance guide as well as drawing up and developing the general policy of combating money laundering and preparing procedures and work testimonies regarding the internal and external laws, regulations and instructions and preparing a work ethics charter and organizing the required training courses.

### 5. Operation Risks

These are risks resulting from the failure or unsuitability of one or more of the internal procedures, human element and systems or the failure or unsuitability caused by external events. This definition encompasses the legal risks, noncompliance risks and those risks of noncompliance with the Sharia standards. The bank works to manage these risks through:

- The availability of applicable instructions and documented work procedures to be followed by the employees and help minimize the possibility of the occurrence of any operational risks.
- The bank's preparation of a plan to ensure the continuity of work that minimizes exposure to risks the bank faces as well as the plan of recovery from the effects of losses resulting from crises.
- The Legal Department ensures the validity of the contracts and documents of the bank while the

follow-up department follows up the faltering under-settlement accounts and proceeding with the procedures of collecting debts.

- The Computer Department, in coordination and cooperation with the Internal and Sharia Auditing Department, sets up the required policies and procedures to protect the security and confidentiality of the information in the bank.

## 6-Goodwill Risks

These are risks resulting from a bad impression on the bank which may lead to the occurrence of losses in the sources of financing or may lead to clients' movement to competitive banks. This impression might be induced by the conduct of the managers or employees of the bank or as a result of not providing client services with the required quality. Moreover, it can be triggered by a weakness in the systems of confidentiality at the bank which in turn shakes the trust of clients in the bank, or because of the bank's involvement in illegal activities like money laundering or financing unacceptable sectors.

It might also develop as a result of repeated burglary crimes. The bank works to manage these risks through a number of procedures that enhance the clients' trust in the bank like providing good banking services, preserving the banking confidentiality and not practicing illegal activities or financing undesirable sectors.

## 60. Information on the Bank's Sectors:

### A. Information on the bank's activities:

The bank is organized for administrative purposes through four main business sectors:

#### *Individuals' Accounts:*

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

#### *Institutions' Accounts:*

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

#### *Investment in Assets:*

This sector includes investing in real estate, renting.

#### *Treasury:*

This sector is responsible for providing trading, budget and bank's funds management services.



Below is information on the bank's business sectors distributed according to the activities:

						Total	
	Individuals	Enterprises	Investment in Assets	Treasury	Others	2009	2008
	JD	JD	JD	JD	JD	JD	JD
Total Returns (Joint + Self Constructed)	40,233,897	32,918,643	25,268,292	1,401,964	18,893,983	118,716,779	127,607,087
Subsidiary Net Results	-	341,004	-	-	-	341,004	542,623
Share of the Investment Risks Fund from the revenues of Joint Investment Accounts Holders	(4,023,390)	(3,291,864)	(2,526,830)	(140,196)	-	(9,982,280)	(10,175,051)
Share of the Unrestricted Investment Accounts and Non-Controlling Interests from the Net Results of Subsidiary Companies	(22,453,849)	(18,371,331)	(275,783)	-	(65,221)	(41,166,184)	(34,502,564)
Sector Work results	13,756,658	11,596,452	22,465,679	1,261,768	18,828,762	67,909,319	83,472,095
Undistributed Expenses	-	-	-	-	(28,993,702)	(28,993,702)	(33,411,183)
Profits before Taxes	13,756,658	11,596,452	22,465,679	1,261,768	(10,164,940)	38,915,617	50,060,912
Income Tax	-	-	-	-	(11,026,671)	(11,026,671)	(14,920,269)
Net Profit of the Year	13,756,658	11,596,452	22,465,679	1,261,768	(21,191,611)	27,888,946	35,140,643
Other Information							
Sector Assets	537,805,253	408,416,515	298,638,129	877,482,110	-	2,122,342,007	1,794,093,827
Investment in Affiliate Companies	-	-	19,837,758	-	-	19,837,758	21,324,686
Assets not Distributed to Sectors	-	-	-	-	40,883,175	40,883,175	32,954,565
Total Assets	537,805,253	408,416,515	318,475,887	877,482,110	40,883,175	2,183,062,940	1,848,373,078
Sector Liabilities	1,073,698,236	881,999,282	-	5,197,630	-	1,960,895,148	1,625,180,613
Liabilities not Distributed to Sectors	-	-	-	-	222,167,792	222,167,792	223,192,465
Total Liabilities	1,073,698,236	881,999,282	-	5,197,630	222,167,792	2,183,062,940	1,848,373,078
Capital Expenses	-	-	-	-	7,514,439	7,514,439	8,030,324
Depreciations	-	-	-	-	(2,324,892)	(2,324,892)	(1,731,051)

**b. Geographical Distribution Information:**

This sector represents the geographical distribution of the bank's works. The bank practices its activities mainly inside the Kingdom, which forms the domestic works. Below is the distribution of the bank's revenues and assets as well as its capital expenses according to the geographical sector:

	Inside the Kingdom		Outside the Kingdom		Total	
	2009	2008	2009	2008	2009	2008
	JD	JD	JD	JD	JD	JD
Total Revenues	98,110,926	99,586,955	2,052,874	2,706,172	100,163,800	102,293,127
Total Assets	1,915,516,614	1,594,587,757	267,546,326	253,785,321	2,183,062,940	1,848,373,078
Capital Expenses	7,514,439	8,030,324	-	-	7,514,439	8,030,324

**61. Capital Management**

The capital of the bank consists of the paid-in capital, reserves- including the statutory, voluntary, general banking risks reserves- and other reserves, and retained earnings.

Pursuant to the instructions of the Central Bank of Jordan that are based on the decisions of Basel Committee, the bank has to keep an adequate capital to face the risks that are associated with its transactions which consist in the credit risks, market risks and operational risks. The capital adequacy ratio should not be less than 12% according to the established instructions.

The bank determines the capital adequacy ratio according to the Islamic banks standard issued by IFSB. This ratio is not considered a requirement of the Central Bank of Jordan.

The bank works to achieve the objectives of the capital through the follows:

- Realizing an acceptable return on capital without compromising the financial stability as well as realizing acceptable return on equity.
- Achieving the required level of capital in pursuance of the requirements of Basel Committee of Banking Supervision and the trends of the supervisory bodies.
- Providing an adequate capital to expand the granting of financings and large investments in consistency with the instructions of the Central Bank as well as facing any future risks.

The following table represents the amount the bank considers as a capital and a capital adequacy ratio according to Basel II as of December 31, 2009 and December 31, 2008:

	2009	2008
	JD	JD
Principal Capital Items		
Paid-up Capital	100,000,000	81,250,000
Statutory Reserve	26,409,498	22,408,679
Voluntary Reserve	5,922,477	12,061,791
Special Reserve	3,011,895	3,011,895
Retained earnings	26,668,837	27,491,396
50% of Investments in Bank's Capitals and other Financial Companies	(884,000)	(884,000)
Intangible Assets	(71,742)	(416,286)
Total Principal Capital Items	161,056,965	144,923,475
Additional Capital Items		
Fair Value Reserve of the Financial Assets Available for Sale	1,292,272	1,205,948
General Banking Risks Reserve	13,347,328	12,545,654
50% of Investments in Bank's Capitals and other Financial Companies	(884,001)	(884,001)
Total Additional Capital Items	13,755,599	12,867,601
Total Regulatory Capital	174,812,564	157,791,076
Total Assets and risk-weighted off-balance-sheet Items	1,208,107,000	1,149,375,000
Capital Adequacy Ratio (%)	14,47%	13,73%
Principal Capital Ratio (%)	13,33%	12,61%

The Capital Adequacy Ratio is calculated according to the standards issued by the IFSB. This ratio is not considered a requirement of the Central Bank of Jordan and amounted to (33%) as of December 31, 2009.

## 62. Accounts Managed for Clients:

The Accounts managed for clients amounted to JD (288,468,890) as of December 31, 2009 compared to JD (321,964,979) as of December 31, 2008. These accounts are not shown within the bank's liabilities in the financial statements.

### 63. Assets and Liabilities Maturity Analysis:

The table below shows the analysis of assets and liabilities according to the expected period of their recovery or settlement:

Assets	2009		
	Till One Year	More Than One Year	Total
	JD	JD	JD
Cash and account balances at central banks	771,251,223	-	771,251,223
Account balances at banks and banking institution	101,622,408	-	101,622,408
Unrestricted investment accounts at banks and banking institutions	4,608,500	-	4,608,500
Deferred Sales and other receivables –net	384,787,625	528,318,696	913,106,321
Finances –Net	2,288,192	12,681,762	14,969,954
Financial Assets Available for sale	98,459,139	-	98,459,139
Assets held to maturity - Net	-	14,459,571	14,459,571
Investments in affiliate and subsidiary companies	-	19,837,758	19,837,758
Ijara Muntahia Bittamleek Assets –Net	14,225,854	120,725,588	134,951,442
Real Estate Investments	-	62,008,391	62,008,391
Good Loans-Net	2,650,091	5,994,197	8,644,288
Property and Equipment –Net	-	32,710,381	32,710,381
Intangible Assets	-	71,742	71,742
Other Assets	5,182,192	1,179,630	6,361,822
<b>Total Assets</b>	<b>1,385,075,224</b>	<b>797,987,716</b>	<b>2,183,062,940</b>
<b>Liabilities and Unrestricted Investment Accounts Holders' Equities</b>			
<b>Liabilities</b>			
Banks and Banking Institutions Accounts	5,197,630	-	5,197,630
Clients' current and call accounts - Trust	422,217,929	172,952,544	595,170,473
Cash Margins	17,607,849	14,964,246	32,572,095
Receivables	1,591,003	-	1,591,003
Other provisions	-	3,786,312	3,786,312
Income Tax Provision	13,115,985	-	13,115,985
Deferred tax liabilities	-	753,825	753,825
Other liabilities	12,235,799	-	12,235,799
Unrestricted investment accounts	579,869,650	715,814,807	1,295,684,457
Fair Value Reserve	-	16,477,605	16,477,605
Investment Accounts Holders – Subsidiaries	-	3,666,356	3,666,356
Non-controlling Equity	-	599,661	599,661
Investment Risks Fund	-	20,733,334	20,733,334
Deferred tax liabilities	-	2,481,983	2,481,983
Income tax provision- Investment risks fund	2,165,825	-	2,165,825
<b>Total unrestricted investment accounts holders' equities and Assets</b>	<b>1,054,001,670</b>	<b>952,230,673</b>	<b>2,006,232,343</b>
<b>Net</b>	<b>331,073,554</b>	<b>(154,242,957)</b>	<b>176,830,597</b>



Assets	2008		
	Till One Year	More Than One Year	Total
	JD	JD	JD
Cash and account balances at central banks	577,031,989	-	577,031,989
Account balances at banks and banking institution	103,138,295	-	103,138,295
Unrestricted investment accounts at banks and banking institutions	9,320,403	-	9,320,403
Deferred Sales and other receivables –net	273,324,187	532,898,285	806,222,472
Finances –Net	2,200,946	12,139,369	14,340,315
Financial Assets Available for Sale	93,079,158	-	93,079,158
Assets held to maturity - Net	-	12,092,195	12,092,195
Investments in affiliate and subsidiary companies	-	21,324,686	21,324,686
Ijara Muntahia Bittamleek Assets –Net	19,855,472	90,452,707	110,308,179
Real Estate Investments	-	57,311,157	57,311,157
Good Loans-Net	9,627,646	1,567,291	11,194,937
Property and Equipment –Net	-	27,462,585	27,462,585
Intangible Assets	-	416,286	416,286
Other Assets	3,481,920	1,648,501	5,130,421
<b>Total Assets</b>	<b>1,091,060,016</b>	<b>757,313,062</b>	<b>1,848,373,078</b>
<b>Liabilities and Unrestricted Investment Accounts Holders' Equities</b>			
<b>Liabilities</b>	<b>593,755,432</b>	<b>4,361,074</b>	<b>598,116,506</b>
Banks and Banking Institutions Accounts	8,525,718	-	8,525,718
Clients' current and Call accounts - Trust	522,192,026	-	522,192,026
Cash Margins	32,730,860	-	32,730,860
Receivables	2,137,162	-	2,137,162
Other provisions	-	3,659,312	3,659,312
Income Tax Provision	16,125,462	-	16,125,462
Deferred tax liabilities	-	701,762	701,762
Other liabilities	12,044,204	-	12,044,204
Unrestricted investment accounts	1,026,548,510	-	1,026,548,510
Fair Value Reserve	-	27,426,015	27,426,015
Investment Accounts Holders – Subsidiaries	-	1,815,396	1,815,396
Non-controlling Equity	-	573,896	573,896
Investment Risks Fund	-	22,877,371	22,877,371
Deferred tax liabilities	-	7,295,686	7,295,686
Income tax provision- Investment risks fund	2,730,314	-	2,730,314
<b>Total unrestricted investment accounts holders' equities and Assets</b>	<b>1,623,034,256</b>	<b>64,349,438</b>	<b>1,687,383,694</b>
<b>Net</b>	<b>(531,974,240)</b>	<b>692,963,624</b>	<b>160,989,384</b>

#### 64. Potential Obligations (Beyond the Financial Position Statement)

##### *a. Credit Obligations*

	2009	2008
	JD	JD
L/Cs	37,367,029	29,369,419
Acceptances	5,652,313	5,601,493
Guarantees	76,855,724	76,691,824
-Paying	21,870,190	21,888,364
-Well Performance	31,964,216	32,282,996
-others	23,021,318	22,520,464
-Unutilized Limits	67,512,627	67,504,918
Total	187,387,693	179,167,654

##### *b. Contractual Obligations*

	2009	2008
	JD	JD
Contracts of Purchasing properties and equipment( systems)	-	1,500,000
Construction projects contracts	2,391,947	1,023,462
Total	2,391,947	2,523,462

The above contractual obligations are matured during one year since effective date.

#### 65. Lawsuits Lodged against the Bank

The value of the lawsuits against the bank amounted to JD( 711,467 ) as of December 31, 2009 compared to JD (641,380) as of December 31, 2008 within the normal activity of the bank. In the opinion of the bank's senior management and lawyers, the consequences incurred by the cases of joint investment accounts are booked on the Investment Risks Fund and that incurred on the bank is covered by the general provision.

#### 66. Comparative Figures

Some of 2008 figures were reclassified to correspond to 2009 presentation

## Head Office and Branches

Head Office, Branches and Offices	Address	Telephone	Fax	P.O. Box	Postal Code	Number of Employees
Head Office	Shmeisani/ Amman	5677377 5666325 5623801	5666326 5684755	926225	11190	328
Shmeisani Branch	Shmeisani/ Amman	5677107 5623613 5650436	5623612 5691700	925997	11190	75
Amman Branch	King Faisal St./ Amman	4638306 4653306 4627315	4652400 4614299	7987	11118	40
Jabal AlHussein Branch	Khaled Bin AlWalid St./ Amman	5694403 5673408 5686977	5624184 5693866	921047	11110	43
Zarqaa Branch	King Hussein St./ Amman	3981401 3984667 3961886	3984646 3930911	1973	13110	45
Wehdat Branch	Prince Hassan St./ Amman	4778101 4744361 4744362	4789144 4751645	16165	11152	32
Irbid Branch/ Baghdad St.	Baghdad St./ Irbid	7245151 7240728 7247655	7247051 7240730	1950	21110	55
Wadi AlSeer Branch	Main Street/ AlBayader	5816152 5859662 5824161	5824162	140223	11814	34
Aqaba Branch	AlHammamat St./ Aqaba	2014315 2014317 2014961	2014313	1048	77110	24
Madaba Branch	Petra St./ Madaba	3242802 3248898 3248896	3244702	695	17110	26
Sweileh Branch	King Hussein St./ Sweileh	5341563 5359879 5346104	5349461	717	11910	25
Maan Branch	King Hussein St./ Maan	2132235 2131799 2133048	2131733	204	71111	19
Karak Branch	Itali Street/ Karak	2353513 2352636 2352638	2353508 2353484	220	61110	40
Jarash branch	King Abdallah St./ Jarash	6352652 6352653 6352268	6352654 6352264	32	26110	29

Mafrq Branch	Ali Abdin St./ AlMafrq	6231974 6230381 6236367	6232212	68	25110	23
Salt Branch	AlBayadah St./ Saltt	3553790 3557985 3556795	3553792	1035	19110	20
Tafilah Branch	AlBaladiyah St./Tafilah	2242647 2242648 2242649	2242650	42	66110	24
Dahiat AlRawdah Branch *	AlRawdah St./ Amman	5159721 5152774 5161628	5151773	961155	11196	29*
Ruseifah Branch	King Hussein St./ Ruseifah	3744756 3743698 3743692	3744758	1138	13710	22
Saqf Alseil Branch	Saqf Alseil/ Amman	4614801 4615974 4616257	4614805 4616256	182059	11118	34
Irbid Branch/ Hashmi St.	Hashmi St./ Irbid	7279401 7276821 7279404	7279405 7276437	501	21101	53
Ajloun Branch	Opp. Consumer Est./ Ajloun	6420777 6421004 6420787	6420700	167	26810	23
El-Weibdeh Branch	Abdali/ Opp. Garages	4616420 4616340 4616470	4616450	927988	11190	17
Deer Abi Said Branch	King Hussein St./ Deer Abi Said	6521551 6521654 6521653	6521553	45	21710	20
Yarmouk Branch	Yarmouk St./ Amman	4757160 4757161 4757167	4757169	620823	11162	25
Abu Alanda Branch	AlHizam AlDaeri/ Amman	4162001 4162973 4163900	4162971	742	11592	18
Sahab Branch	Behind the Grocery Market/ Sahab	4023801 4023804 4029111	4023803	647	11511	23
Marka Branch	King Abdallah St./ Amman	4889311 4894399 4872413	4886633	340965	11134	25
Mutah Branch	University St./ Mutah	2370001 2370285 2370345	2371804	50	61621	23



Ghweirieh Branch	King Ghazi St./ Zarqa	3930901 3930902 3984658	3930903	150266	13115	19
Ramtha Branch	Bunuk St./ Ramtha	7380490 7380493 7380497	7380489	546	21410	18
Hashmi AlShemali Branch	Jabal AlHashmi Alshemali/ Amman	5052111 5051117 5051119	5055114	230693	11123	16
Hashmieh Branch	Hashmieh/ Zarqa	3811701 3811705 3811708	3811709	185	13125	18
Irbid Branch/ Hakma St.	Hakma St./ Irbid	7401352 7401357 7401360	7401361	230101	21110	26
Buqaa Branch	Mukhayam AlBuqaa/ Buqaa	4726333 4726335 4726915	4726334	825	19381	21
Jabal AlTaj Branch	Hawooz St./ Amman	4752300 4755644 4789981	4752302	410676	11141	18
Kufranja Branch	Main Street/ Kufaranjah	6454501 6454609 6454610	6454510	61	26873	14
Jabal AlNasr Branch	Sabra and Shatelah St./ Amman	4921400 4921406 4921407	4921409	425838	11140	18
Yajouz Branch	Yajouz main St./ Yajouz	3745150 3745152 3745154	3745153	120032	13712	17
Nazal Branch	Dustour St./ Amman	4397930 4397931 4397936	4397937	710999	11171	21
Telaa AlAli Branch	Telaa AlAli/ Amman	5333184 5340255 5333618	5342744	1582	11953	17
Hai Maasoum Branch	AlFarouq St./ Zarqa	3935401 3935418 3935422	3935427	11897	13118	16
Abdallah Ghousha St. Branch	Um AlSumaq/ Amman	5857520 5857521 5857527	5857529	709	11821	14
Irbid Branch/ Idoun St.	Idoun/ Irbid	7254756 7254760 7254764	7254763	620595	21162	19

Wasfi AlTal St. Branch	Wasfi AlTal St./ Amman	5528102 5528095 5528073	5528075	961021	11196	22
Jabal AlNuzha Branch	Jabal AlNuzha/ Amman	5673325 5673397 5633522	5673635	240448	11124	16
Marj AlHamam Branch	Marj AlHamam St./ Amman	5714077 5714556 5749987	5715538	1093	11732	17
Wadi Mousa Branch	Main Street/ Wadi Mousa	2157919 2157920 2157921	2157922	53	71810	13
Jubeiha Branch	Jubeiha Main Street/ Amman	5344261 5344237 5344228	5344239	874	11941	17
Tareq Branch/ Tabarbour	Shehab AlHubari St./ Amman	5060436 5060541 5060547	5060548	295	11947	18
Irbid Branch/ Palestine St.	Palestine St./ Irbid	7262101 7262105 7262108	7262109	3922	21110	17
New Zarqaa Branch	Mecca AlMukarama St./ Zarqa	3852402 3852405 3852409	3852410	150472	13115	16
Deer Ala Branch	Main Street/ Deer Ala	3573520 3573521 3573524	3573525	44	18210	15
Sweifieh Branch	Sweifieh/ Amman	5812226 5812227 5812072	5812029	142643	11844	16
Abu Nussair	Abu Nussair/ Amman	5236325 5236326 5236327	5236329	541405	11937	14
Thanieh Branch	AlThanieh/ Karak	2386626 2386627 2386671	2386632	15	61151	15
Khraibat AlSouq Branch	Khraibat AlSouq/ Amman	4120846 4120928 4120932	4120894	987	11621	18
Khalda Branch	Amer Bin Malek Street/ Amman	5545948 5546296	5542813	4428	11953	14
AlShounah AlShamalia Branch**	Main street/AlShounah AlShamalia	6580301 6580275 6580282	6580298	15	28110	15

Industrial City office/ Sahab	Sahab	4029720 4029722 4029724	4029725	259	11512	2
C Town Office	Amman Mall/ Amman	5528394 5528395 5528396	5528397	1582	11953	3
Mukhayam Hiteen Office	Mukhayam Hiteen	3611253 3611254 3611327	3611328	2720	13713	4
Al Qasr Office***	Al Qasr/ Karak	2315050 2315590 2315591	2315524	32	61210	4
Islamic Hospital Office	Islamic Hospital/ Amman	5657261 5657262 5657263	5657264	928430	11190	5
Jabal Amman Office	Jabal Amman/ Amman	4633016 4633017 4633019	4633048	840610	11180	4
Awjan Office	Main Street/ Awjan	3656663 3656664 3656665	3655029	8545	13162	4
AlDhalil Office	Tareq Complex/ AlDhalil	3825179 3825180 3825182	3825181	190	13136	4
AlHisn Office	AlHisn/ Irbid	7012401 7012402 7012403	7012404	357	21510	4
Al-Istiklal Mall Office	Al-Nuzha – Istiklal Street	5683936 5683937 5683938	5683897	922503	11192	3
Dahiyat Al Yasmin Office	Dahiyat Alyasmin	4205413 4205347 4205439	4205386	710068	11117	5
AlHuriyah Street Office *	Al-Muqablain- AlHuriyah Street	4205617 4205682 4205645	--	606	11623	4
AlBonded Office/ Sahab	Sahab Industrial city	4029727 4029728	4029729	259	11512	13
Sama AlRousan Office**	Sama AlRousan triangle/ Irbid	7585450 7585152 7585153	7585124	25	21129	5

\* Comprehensive of the Dahiat AlRawdah Branch employees

\*\* Inaugurated on 11/1/2010

\*\*\* It was decided to be changed into a branch on 1/2/2010

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