

The Thirty Third  
**Annual Report**  
1432– 2011





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effective Companies Law and in accordance with the provisions of Jordan Islamic Bank Law No. 13 of 1978, which was superseded by the Banks Law No. 62 of 1985 that was abolished pursuant to the Banks Law No. 28 of 2000 effective as of 02.08.2000, which included a special chapter on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 Third Annual Report for the year 2011

Presented to the General Assembly at their ordinary meeting  
convened in Amman on Wednesday 3 Jumādā al-Ākhira 1433 AH  
Corresponding to 25/4/2012

## 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.*



## Present Board of Directors

Elected on 26/4/2011



## Present Board of Directors

### Elected on 26/4/2011

AlBaraka Banking Group Co. Represented by H.E. Mr. Adnan Ahmad Yousif Abdulmalek	Chairman, Board of Directors
H.E. Mr. Musa Abdelaziz Mohammad Shihadeh	Vice-Chairman, Board of Directors CEO/ General Manager
H.E. "Eng." Raef Yousif Mahmoud Najm	Member
H.E. Mr. Salem Mohammed Salem Massaede	Member
H.E. Mr. Kamal Sami Salman Asfour	Member
AlBaraka Banking Group Co. Represented by H.E. Mr. Hamad Abdallah Ali Eqab	Member
AlBaraka Banking Group Co. Represented by H.E. Mr. Adnan Abdallah Al-Hamad Al-Bassam	Member
AlBaraka Banking Group Co. Represented by H.E. Mr. Hood Hashem Ahmed Hashem	Member
H.E. Mr. Haidar Issa Murad Murad	Member
H.E. Mr. Ayman AbdelKareem Basheer Hatahit	Member
H.E. Mr. Noor "Mohammad Shahir" "Mohammad Lutfi" Mahayni	Member

Auditors:  
Messrs Ibrahim Abbasi & Co. and Messrs. Ernst & Young



## Preceding Board of Directors

Till 26/4/2011

## Preceding Board of Directors Till 26/4/2011

AlBaraka Banking Group Co. Represented by H.E. Mr. Adnan Ahmad Yousif Abdulmalek	Chairman, Board of Directors
H.E. Mr. Musa Abdelaziz Mohammad Shihadeh	Vice-Chairman, Board of Directors CEO/ General Manager
H.E. "Eng." Raef Yousif Mahmoud Najm	Member
H.E. Mr. Salem Mohammed Salem Massaede	Member
H.E. Mr. Kamal Sami Salman Asfour	Member
AlBaraka Banking Group Co. Represented by H.E. Mr. Othman Ahmad Suleiman Ahmad	Member
AlBaraka Banking Group Co. Represented by H.E. Mr. Abdellatif Abdallah Abdelaziz 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. Khalid "Mohammad Walid" Tawfiq Zakaria	Member
H.E. Mr. Ayman AbdelKareem Basheer Hatahit	Member

Auditors:  
Messrs Ibrahim Abbasi & Co. and Messrs. Ernst & Young

## Sharia Supervisory Board



H.E. Dr. Mahmoud AlSartawi  
Chairman



H.E. Dr. Abdelaziz AlKhayat\*  
Member



H.E. Dr. AbdelSattar Abu Ghuda  
Vice Chairman



H.E. Dr. Ibrahim Zaid AlKilani  
Member

\* Passed away on 22nd of November 2011.

## The Administration of the Bank



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



Mr. Saleh Musa AlShantir  
First Deputy General Manager



Mr. "Mohammed Majed" Allan  
Second Deputy General Manager



Dr. Hussein Said Saifan  
Second Deputy General Manager



Mr. Omar Rebhi Jabari  
Assistant General Manager



Mr. Naeem Mohammed Al-khmos  
Assistant General Manager





King Hussein Bin Talal Mosque

## Chairman's Message

Adnan Ahmad Yousif

## Chairman's Message



Peace be upon you,

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

Dear Shareholders,

Throughout 2011, Jordan Islamic Bank continued its progress to deepen the experience of the Islamic banking business while maintaining its position in the Jordanian banking industry. The Bank instilled the ability of the Sharia law to effectively deal with the age developments, enhance confidence of its clients, and keep abreast with all latest developments in the banking industry and technologies.

Jordan Islamic Bank continued its good progress in spite of the global financial crises and its negative consequences on the national economy. The Bank's total assets amounted to nearly JD (2,9) billion at a growth of about (11.3%) for the previous year. The total balances of saving schemes were about JD (2,6) billion at a growth of approximately (12.4%) for the previous year. The total assets of financial investments amounted to about JD (1,6) billion at a growth of nearly (6.0%) for the previous year, and the profits of joint investment were around JD (110) million. The Bank's profits before tax amounted to about JD (39,7) million, with a return on equity of approximately (20%), while profit after tax amounted to about JD (28,3) million, with a return on equity of approximately (14.2%). The Board of Directors recommended to the ordinary General Assembly to distribute dividends to shareholders at (15%) of the Bank's paid capital. The Board of Directors also recommended to the extraordinary General Assembly to distribute dividends to shareholders at (25%) of the Bank's paid capital by capitalizing a portion of the retained earnings, special reserve, and voluntary reserve to increase the Bank's capital from (100) million dinar / share to (125) million dinar / share.

In 2011, the Bank continued applying the new banking system in more branches and offices in parallel to the current banking system in service. Also, it developed the banking services offered via internet (I-Banking) and the use of (SMS) service, installed and operated more ATMs all over the Kingdom to provide clients with services around the clock, and activated the disasters recovery center to keep rendering the service to clients under all conditions and circumstances.

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





Rabadh Castle- Ajloun

## The Board of Directors Report for 2011

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 2011

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 global economy has deteriorated much deeper than financial crisis which the world went through before three years. The global economy entered new more dangerous stage as the crisis exceeded the banks, financial institutions, and financial markets and caused worries and concerns about the credit worthiness of the governments and their ability to fulfill their obligations as a result of the debt ratio increase from the Gross Domestic Product (GDP) of many countries, including the developed countries, to very high levels. Such countries include the United States of America, the biggest economy in the world, causing Standard and Poors to downgrade its credit rating by one notch with a negative outlook. In addition, Standard and Poors as well as other rating agencies downgraded their ratings of many countries from all over the world. Some countries in Europe, such as Greece, Ireland, and Spain sought bailout and many countries adopted austerity plan causing a trust crisis in the elected governments resulted in the resignation of the Greek and Italian prime ministers.

This stage was accompanied by panic in the financial markets from time to time, and the investors' lost trust in these markets. In addition, this was accompanied by a big fluctuation in the currency exchange rates, and increase in the gold price to record levels.

At the regional level, many Arab countries witnessed popular demonstrations called "the Arab Spring". These demonstrations toppled down political regimes in Tunisia, Egypt, and Libya. Other countries still witness demonstrations calling to topple down the regimes. Thus, the tension hot spots remained flammable in our region, accompanied with worry, fear, and waiting for the upcoming surprises.

Despite the implications of these events surrounding Jordan, the initial estimates indicate growth in the real Gross Domestic Product. During the first three quarters of 2011, the growth rate was about (2.4%) against (2.0%) during the same period of the previous year. Estimates also indicate that this growth will reach nearly (2.3%) in 2011. The inflation rate during 2011 reached (4.4%) compared to (5%) during the previous year.

The net public debt of Jordan has risen by the end of November 2011 compared with its level at the end of 2010 by JD (1604) million, or at (14%), to reach about JD (13,1) billion, or at (64%) of the Gross Domestic Product expected for 2011. If the debt indicators keep rising during the remaining period of the year, the net debt will reach JD (13,3) billion; (65%) of the Gross Domestic Product, while it was (61.1%) at the end of 2010.

During 2011, the trading volume of Amman Stock Exchange recorded JD (2,9) billion, with a decrease of around JD (3,8) billion or at (56.7%) compared to the volume of the same period in 2010. The market-value weighted index of free shares has decreased by (379) points or at (15.9%) to reach (1995) points by the end of the year.

With regard to the monetary policy, the Central Bank of Jordan (CBJ) continued 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 decreased by USD (1,7) billion during the first eleven months of 2011 to reach USD (10,5) billion beyond its level at the end of 2010.

The policy of dinar-dollar peg which began in 1995 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 2011, CBJ increased (25) base points on the monetary policy instruments as of 1/6/2011, making the rediscount rate (4.50%). Regarding the interest rate in the Jordanian banking market, the weighted average of interest rates on loans and advances decreased at the end of November 2011 by (34) base points to reach (8.67%) below its level at the end of 2010. Meanwhile, the weighted average of interest rates on time deposits for the same period increased (6) base points to reach (3.46%).

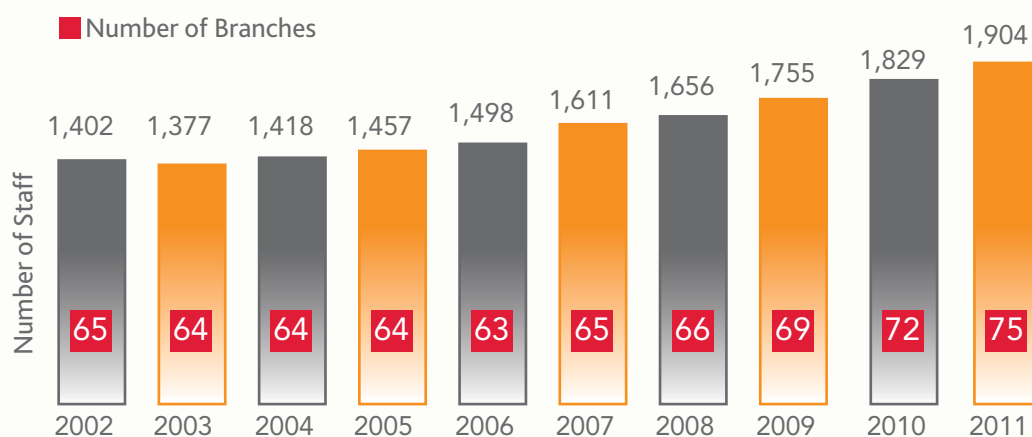
Despite the current obstacles, the Bank managed by the success granted by Allah to achieve new growth in its various activities. The Board of Directors is pleased to introduce you to the most important achievements in 2011 as well as the future ambitions.

### First: Branching

- During 2011, the branch “Wadi Al Hajar branch / Zarqa” was opened as well as the two offices “Busaira / Tafileh” and “Taibah / Irbid”. In addition, Al-Thulail office / Zarqa was turned into branch. Thus, the Bank’s network of branches currently comprises (62) branches and (13) banking offices.
- It is hoped to complete the implementation of 2011 plan to open three new branches; South Marka Branch / Amman, Salt Branch / Balqa, and a branch in Na’ur District / Amman, as well as two new offices; Free Zone Office / Zarqa, and Al-Shawbak Branch / Ma’an.
- On the other hand, Jerash Branch was relocated in the same street (King Abdullah Street), and Al Husn Office / Irbid was relocated in the same street (Main Street / Al Husn), where both locations are more convenient to clients.

### Second: Staff

- At the end of 2011, the number of the Bank’s staff reached (1904), with an increase of (75) employees compared with the end of 2010. Below is a figure showing the increase of the employees’ number over the past ten years:



- Out of its interest to improve its employees' performance, the Bank delegated (2702) employees in 2011 for training courses and seminars organized by the Bank's Training Institute and internal and external specialized parties, compared to (2190) employees in 2010 as shown in the table below:

Description	2011		2010	
	No. of courses / seminars	No. of participants	No. of courses / seminars	No. of participants
Bank's Training Institute	169	2170	141	1737
Centers in Jordan	161	510	155	433
Centers abroad	13	22	10	20
<b>Total</b>	<b>343</b>	<b>2702</b>	<b>306</b>	<b>2190</b>

- 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, in addition to courses focusing on Sharia affairs, accounting standards of Islamic financial institutions, banking risk analysis, total quality and combating 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 (946) throughout 2011, compared to (730) students in 2010.
- To retain its staff and increase their giving and loyalty, the Bank made amendments on the staff salaries and job privileges in 2011 by granting them amendments to the salaries and allowances, in addition to other job privileges.

### Third: Banking Techniques:

- During 2011, the Bank accomplished further developments and updating in the field of banking techniques, most notably:
- The Bank continued applying the new banking system in more branches and offices in parallel with the currently applied banking system, thus, the system is now applied in (25) branches and (6) offices.
- Installed and operated (22) Automated Teller Machines (ATMs) in 2011. Thus, the Bank's network of ATMs consists of (106) machines, all connected to client accounts and the Jordanian Automated Teller Machines Network (JONET) in the Kingdom, which comprises nearly (1200) 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) and the banking services via the internet (I-Banking).
- Developing and upgrading the systems, networks and devices of different banking techniques.
- Automating and upgrading the process of documenting the policies and procedures.

### Fourth: 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 a year to cover the costs of Hajj, Umra as well as other awards.
- At the beginning of 2008, the Bank introduced awards to be distributed to users of ATM cards, where the awards in 2011 were in form of providing clients the full value of his purchases, or part thereof, with a total value of JD (120) thousand.
- It is known that the Bank incurs the value of all these awards from the funds of shareholders in accordance with the legal opinion (Fatwa) issued in this regard.

### Fifth: 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 2011:

#### A. Conferences and Seminars

Throughout 2011, the Bank continued to participate in conferences and seminars organized by the Islamic Development Bank, Albaraka 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 2011 reached around JD (351) thousand distributed as follows:

Description	JD/Thousand
Direct expenditures of the Bank Training Institute	3,561
Contribution to the costs of employees' study and training	163,455
Participation in the expenses of the Banking Studies Institute affiliated to the CBJ	27,003
Donation and sponsorship of scientific conferences and educational institutions	157,037
<b>Total</b>	<b>351,056</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), Al Aman Fund for the Future of Orphans, the competitions organized by the Ministry of Awqaf and Islamic Holy Places, Associations of Holy Quran Memorization and collective wedding parties organized by Al-Afaf Charity Association.

The total donations provided by the Bank during 2011 for such events and activities reached around JD (508) thousand, distributed as follows:

Description	Number	Total (JD/Thousand)
<b>Jordanian Hashemite Fund for Human Development (JHFHD)</b>	<b>2</b>	<b>73,609</b>
Al Aman Fund for the Future of Orphans	2	48,000
Associations and competition of Holy Quran Memorization	25	58,600
Charity Associations and Organizations and Zakah committees	77	157,509
Scientific Conferences and educational and cultural programs	27	157,037
Mosque Commissions	50	13,384
<b>Total</b>	<b>183</b>	<b>508,139</b>

#### **D. Al Qard Al Hasan "the Good Loan"**

The Bank continued to receive deposits in "Al-Qard Al Hasan" from those wishing to lend such deposits through the Bank as good loans. At the end of 2011, the balance of this account reached around JD (771) thousand.

The Bank also continued to provide Al Qard Al Hasan for justified social purposes, such as education, medical treatment and marriage. The loans provided by the Bank in 2011, from the fund and the money allocated for this purpose, reached around JD (23,4) million benefiting nearly (27) thousand citizens, compared to JD (21,6) million in 2010 benefiting nearly (28) thousand citizens.

It is worth mentioning that the Bank has been granting such loans since its incorporation, where the granted loans totaled JD (154,4) million till the end of 2011, benefiting nearly (293) citizens.

In addition, some loans are granted for youth about to get married in cooperation with Al Afaf Charity Association. The total of such loans in 2011 reached about JD (235) thousand benefiting about (340) young people, compared to around JD (225) thousand in 2010 benefiting about (340) young people.

#### **E. Funding Professionals and Craftsmen:**

The Bank continued the implementation of its program of financing the projects and requirements of professionals and craftsmen by means of (Musharaka). The total finance provided for such projects reached around JD (2,2) 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 2011, the number of indemnified cases reached (169), and the compensations paid in this year amounted to nearly JD (637) thousand. Since the Fund establishment until the end of 2011, the total compensation cases reached (1368) cases, and the amount of compensations paid reached around JD (4) million. At the end of 2011, the Fund's balance amounted to around JD (31,9) million, with about (114) thousand participants and a total balance of indebtedness of around JD (482) million against the Fund's balance of around JD (29) million, with about (108) thousand participants and a total balance of indebtedness of around JD (450) million in 2010. It is worth mentioning that the Bank has expanded the umbrella of the insured people as of January 1, 2010, to include all people with indebtedness of JD (50) thousand or less, instead of JD (40) thousand or less. The Bank expanded the umbrella of the insured people on August 1, 2007 to be JD (40) thousand and less instead of JD (25) thousand and less. This insurance will be applied effectively from January 1, 2012 to all individuals whose indebtedness is JD (75) thousand and less.

#### **J. Descent Housing for Descent Living**

In line with the initiative of HM King Abdullah II "Descent Housing for Descent Living" aiming at providing appropriate housing for the limited income people from the public and private sectors and the free workers of the targeted categories, to enhance the Bank's social mission, and to help the qualified people obtain the funding necessary to have apartment, an amount of JD (18) million was allocated for this purpose with annual return of (5%). From the beginning of 2010, the number of funding granted to this category to buy apartments on Ijara Muntahia Bittamleek and Murabaha basis reached (683) and the total amount of funding totaled JD (17,7) million by the end of 2011.



AlTaj Branch

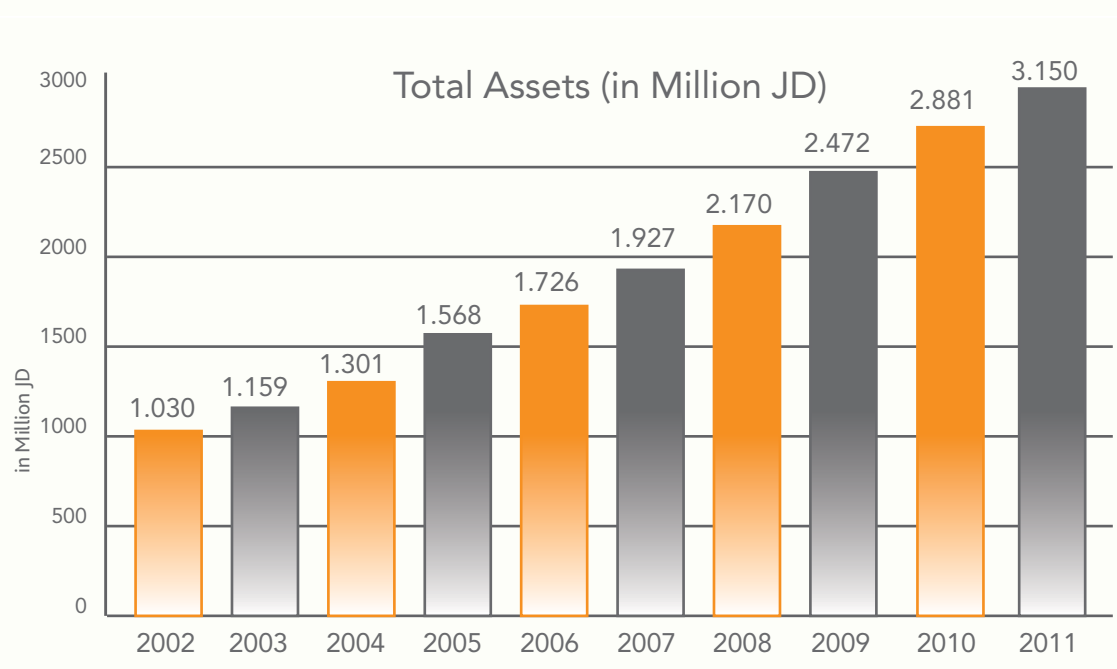
## Financial Position

## Sixth: Financial Position

### A.Total Assets:

At the end of 2011, the total assets amounted to around JD (3,150) million, compared to JD (2,881) million at the end of 2010, with a growth rate of around (9.3%). Following are the relevant details in million JD:

Year	Total Balance Sheet	Off Balance Sheet				Total
		Restricted Investments	Muqarada Bonds	Investment by Proxy	Total	
2011	2,898,3	32,6	209,4	9,5	251,5	3,149,8
2010	2,603,7	38,1	229,5	9,5	277,1	2,880,7
Increase (Decrease)	294.6	(5.5)	(20.0)	0.0	(25.5)	269.1
	11.3%	(14.4%)	(8.7%)	0.0%	(9.2%)	9.3%

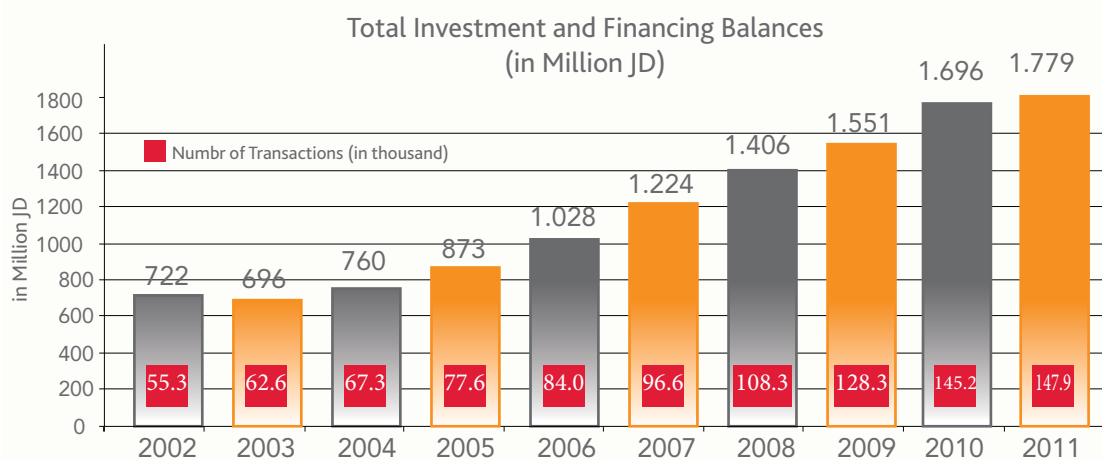


### B. Cash on Hand and at Banks

At the end of 2011, the total cash on hand and at banks amounted to about JD (1,333,8) million, compared to JD (1,124,4) million at the end of 2010, i.e., an increase of around JD (209,5) million.

### C. Financing and Investment

At the end of 2011, the total balances of financing and investment amounted to around JD (1,779) million, distributed to (147,9) thousand transactions compared to around JD (1,696) million at the end of 2010, distributed to (145,2) thousand transactions.

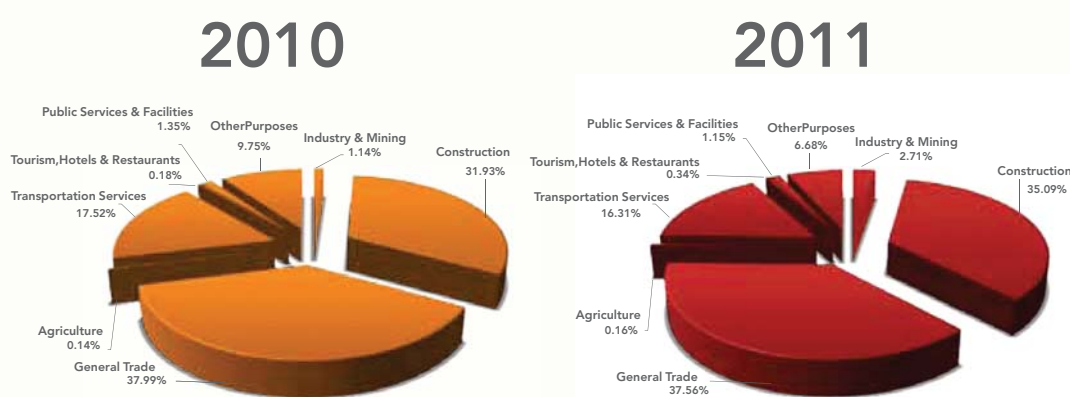




The financing operations carried out by the Bank in the domestic market during 2011 included various social and economic activities and utilities. Such finance was provided to some health facilities (hospitals, clinics and pharmaceutical companies), educational facilities (universities, schools and institutes), 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
2011	2,1	37,0	512,5	478,8	222,5	4,6	15,7	91,2	1,364,5
2010	1,8	14,2	475,1	399,3	219,0	2,2	16,8	122,0	1,250,4



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 2011 for the most significant needs:

Financed Needs of Individuals	JD (Million)	Number of beneficiaries of Financing
Land, housing and construction materials	147,4	14,042
Transportation means and construction vehicles	127,3	17,623
Furniture	15,9	3,083

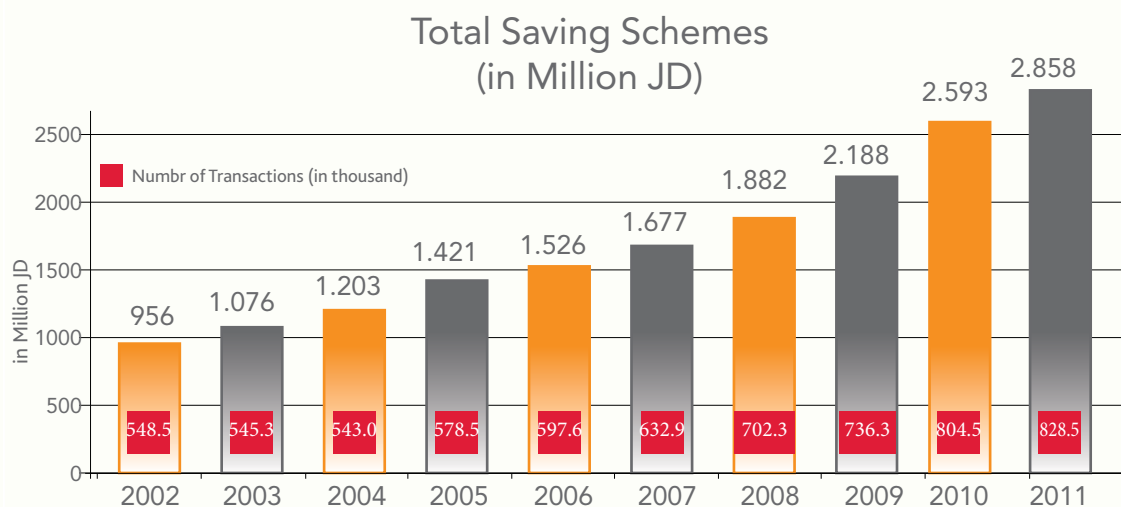
The outstanding balance of Murabaha financing allocated for such needs from the funds of joint investment and investment portfolios by the end of 2011 was as follows:

Financed Needs of Individuals	JD (Million)	Number of beneficiaries of Financing
Land, housing and building materials	439,4	50,352
Transportation means and construction vehicles	293,0	56,485
Furniture	35,2	12,753

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 2011, the number of companies whose capitals are invested in by the Bank reached (32), and the volume of such investment reached nearly JD (63,9) million.

#### D. Attracting Savings:

At the end of 2011, the total balances of saving schemes amounted to around JD (2,858) million, distributed to (828,5) thousand active accounts, compared to around JD (2,593) million at the end of 2010, distributed to (804,5) thousand active accounts.

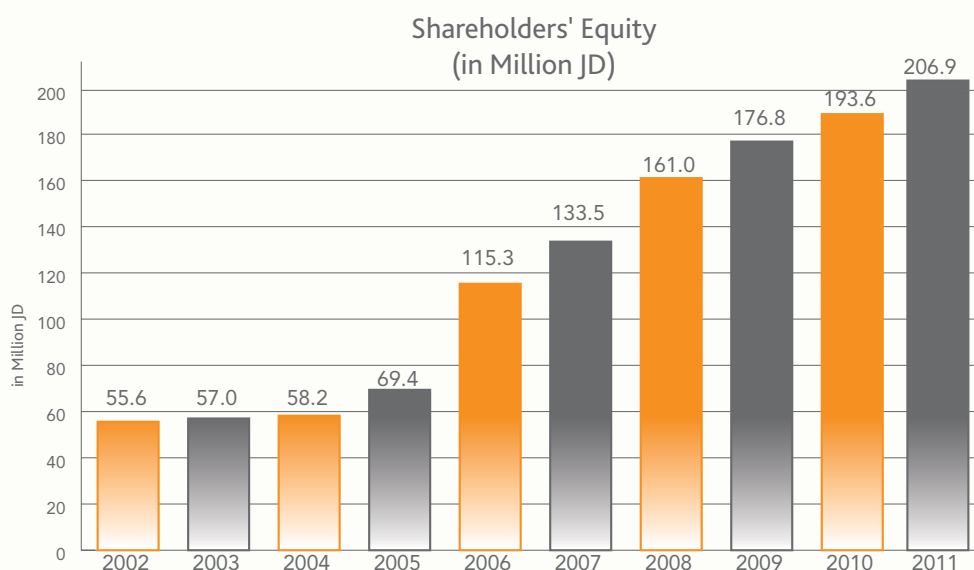


#### E. Shareholders' Equity:

By the end of 2011, the shareholders' equity reached around JD (207) million compared to JD (194) million at the end of 2010. 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
2011	100,00	34,51	13,89	3,01	0,70	0,058	54,71
2010	100,00	30,53	9,94	3,01	0,70	0,100	49,32
Increase (Decrease)	0.00	3.98	3.95	0.00	0.00	(0.042)	5.39
	0.0%	13.0%	39.7%	0.0%	0.0%	(42.3%)	10.9%

The Capital Adequacy Ratio (CAR) at the end of 2011 amounted to about (24.48%) according to the Islamic banks CAR standards issued by CBJ, compared to around (21.57%) at the end of 2010.



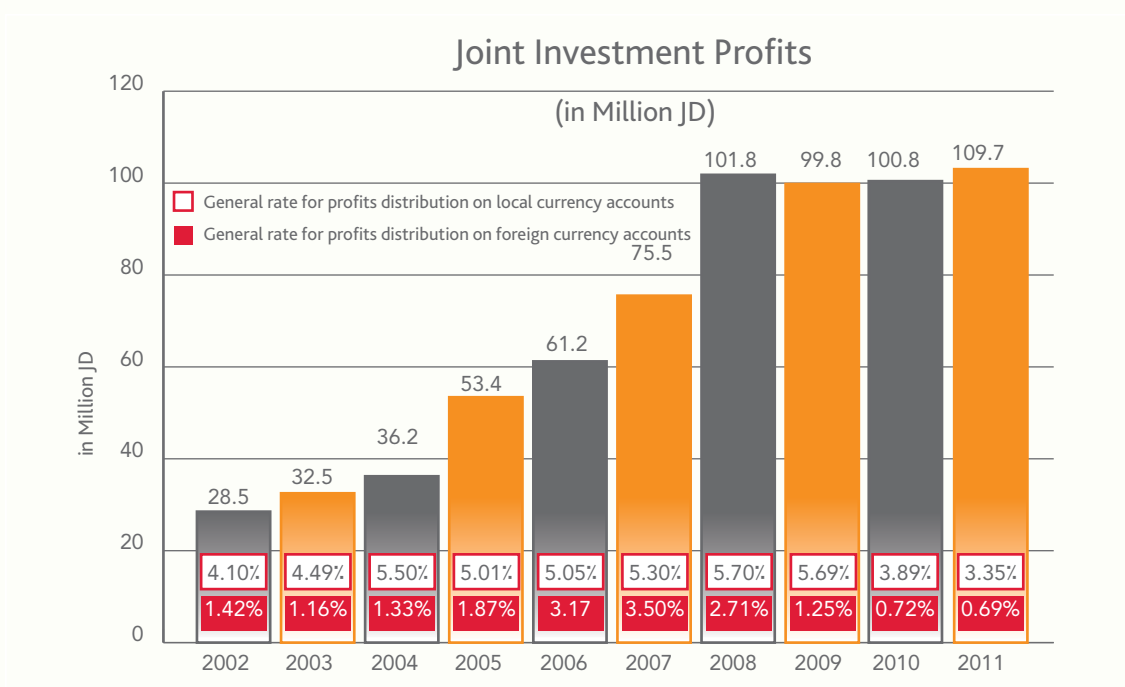
## F. Profits of Joint Investment:

The total profits of joint investment during 2011 reached around JD (110) million compared to around JD (101) million during 2010. 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
2011	107,6	16,14	48,42	6,35	36,69	2,11	0,32	0,95	0,06	0,78
2010	99,04	9,90	44,57	8,83	35,74	1,79	0,18	0,81	0,01	0,80
Increase (Decrease)	8.57	6.24	3.85	(2.48)	0.95	0.32	0.14	0.14	0.05	(0.02)
	8.6%	63.0%	8.6%	(28.1%)	2.7%	17.8%	76.8%	17.8%	454.3%	(1.6%)

The rates of profits distribution of 2011 were as follows:

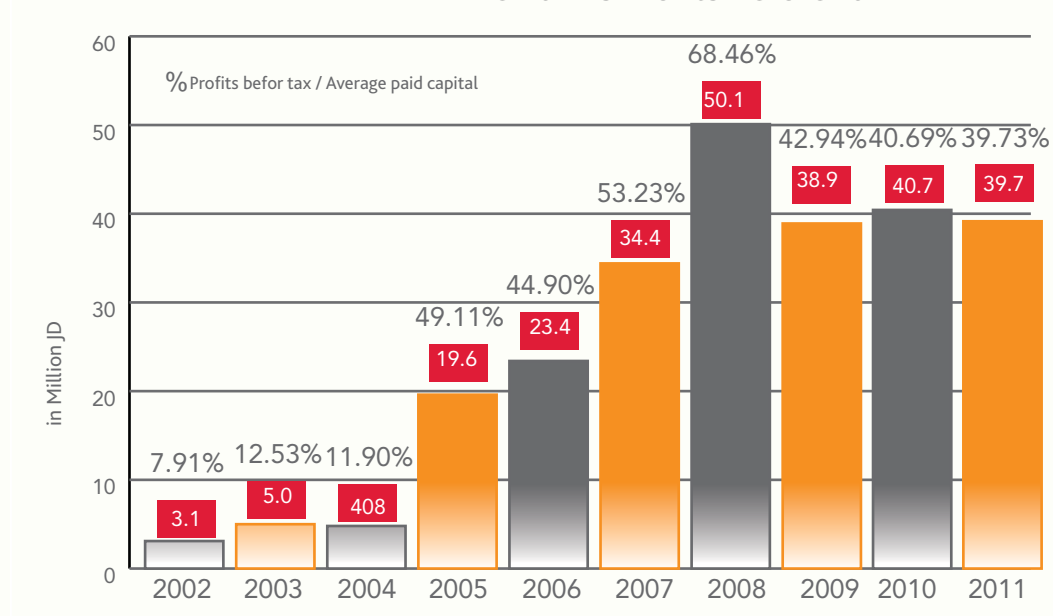
Currency	General Percentage	Term	Notice	Savings
Local Currency	3.35%	3.02%	2.35%	1.68%
Foreign Currencies	0.69%	0.62%	0.48%	0.35%



### G. Bank Profits:

In 2011, the Bank's profits before tax amounted to around JD (39,7) million, while the profits after tax amounted to around JD (28,3) million.

#### The Bank's Profits Before Tax



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

Fiscal year	Total Assets (1)	Saving Schemes (2)		Financing & Investment (3)		Paid-up Capital	Shareholders' Equity	Joint Investment Profits	Joint investment 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
		Total Balances	No. of Active Accounts (thousands)	Total Balances	Thousand transaction											
2002	1,029,7	955,5	548,5	722,2	55,3	40,0	55,6	28,5	31,0	3,1	2,1	4.10%	1.42%	5% in cash	65	1402
2003	1,159,2	1,076,4	545,3	695,8	62,6	40,0	57,0	32,5	22,1	5,0	3,3	4.49%	1.16%	5% in cash	64	1377
2004	1,301,4	1,202,5	543,0	759,8	67,3	40,0	58,2	36,2	24,0	4,8	3,4	5.50%	1.33%	5% in cash	64	1418
2005	1,568,4	1,421,1	578,5	873,4	77,6	40,0	69,4	53,4	19,2	19,6	13,1	5.01%	1.87%	25% stocks (4)	64	1457
2006	1,726,0	1,525,8	597,6	1,027,8	84,0	64,1	115,3	61,2	21,3	23,4	15,5	5.05%	3.17%	10% in cash	63	1498
2007	1,927,3	1,676,8	632,9	1,224,3	96,6	65,0	133,5	75,5	20,2	34,4	23,0	5.30%	3.50%	12% in cash 25% stocks (5)	65	1611
2008	2,170,3	1,881,7	702,3	1,405,8	108,3	81,3	161,0	101,8	22,9	50,1	35,1	5.70%	2.71%	15% in cash 23.076923% stocks (6)	66	1656
2009	2,471,5	2,187,5	736,3	1,551,2	128,3	100,0	176,8	99,8	20,7	38,9	27,9	5.69%	1.25%	12% in cash	69	1755
2010	2,880,7	2,593,0	804,5	1,695,7	145,2	100,0	193,6	100,8	14,6	40,7	29,1	3.89%	0.72%	15% in cash	72	1829
2011	3,149,8	2,858,3	828,5	1,779,1	147,9	100,0	206,9	109,7	7,3	39,7	28,3	3.35%	0.69%	15% in cash 25% stocks (7)	75	1904

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

(2) Including the balances of secretary, unrestricted investments, cash deposits, 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".

(4) Bonus shares distributed on 14 June 2006.

(5) Bonus shares distributed on 16 July 2008.

(6) Bonus shares distributed on 10 September 2009.

(7) Proposed to be distributed.



Jerash

**Future Plan of the Bank for  
the Year 2012**

### **Seventh: Future Plan of the Bank for the year 2012**

- 1- Complete the application of the new banking system in all Bank's branches and offices, and introduce new banking electronic services.
- 2- Expand individuals' financing grants on Murabaha or Ijara Muntahia Bittamleek basis.
- 3- Expand SMEs projects financing grants.
- 4- Roll out new financing products meeting the banking market demands and needs after obtaining the Sharia (legal) approval.
- 5- Branching plan:
  - A- Open three branches in "South Marka / Amman", "Salt / Balqa", and "Na'ur / Amman".
  - B- Open three offices in "the Free Zone / Zarqa", "Shawbak / Ma'an" and "Jerash".
  - C- Change Al Hosun Office / Irbid to branch.
- 6- Install and operate new ATMs and replace the old ones, develop and improve their operating management system.
- 7- Operate the customer contact center services.
- 8- Provide our clients with AlBaraka Banking Group (ABG) Banks services and products, and ABG Banks clients with our services and products, in coordination and cooperation with ABC Management.
- 9- Enhance the governance.
- 10- Continue the application of Basel II and Basel III requirements.



Khalda Branch

## **Board Recommendations For the Ordinary General Assembly**

## **Eight: 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 2011. The Board of Directors is pleased to recommend the following to the General Assembly:

- 1- Read the minutes of the General Assembly's previous ordinary meeting.
- 2- Listen to the report of the Bank's Sharia Supervisory Board for the fiscal year ended on December 31, 2011.
- 3- Read, discuss and approve the report of the company's auditors for the fiscal year ended on December 31, 2011.
- 4- Review the report of the Board for the fiscal year ended on December 31, 2011 as well as the future plan of the company.
- 5- Discuss and approve the annual balance sheet and profit and loss account, and distribute dividends at 15% of the Bank's capital to the shareholders.
- 6- Discharge the Board members for the previous fiscal year.
- 7- Appoint the Bank's Sharia Supervisory Board members.
- 8- Elect the company's auditors for the upcoming year and determine 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 grant us mercy and prepare for us from our affair right guidance, and guide us to the right path.

**Board of Directors**





Roman amphitheater

**Annexes of Board Report 2011**  
**Annex I**  
**“Disclosure Requirements in the Instructions of**  
**Financial Securities Commission”**

## Annex 1

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

1-

- a. The main activity of the Bank is the Islamic Banking Industry.
- b. The statement included at the end of the report indicates the addresses of the Head Office, branches, and the number of employees therein.
- c. By the end of 2011, the volume of the Bank’s capital investment (Shareholders’ Equity) reached about JD (206,9) million.

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

Name of Company	Legal Status	Type of Activity	Paid-in Capital (Million JD)	Percentage of the Bank's Contribution%	Number of employees	Auditing fees	Address
ALRizq Trading Company	Limited Liability	Commercial	1,0	90.0	1	1,450	Amman
ALOmariah Schools Co.	Limited Liability	Education	4,5	94.4	502	4,060	Wasfi Attal St,/ Amman
ALSamaha Real Estate Co.	Limited Liability	Real Estate	1,0	95.0	1	1,450	Amman
Future Applied Computer Technology Co.	Limited Liability	Services	5,0	99.8	23	2,610	Wasfi Attal St,/ Amman
Sanabel ALKhair For Financial Investments Co.	Limited Liability	Brokerage	5,0	100	15	3,480	Housing Bank Complex

3- A- The table below provides the names of the natural members of the Board of Directors, the representatives of the legal members, and an overview about each of them:

Name of Member	Academic Qualification	Practical Experience
H.E. Mr. Adnan Ahmad Yousif AbdelMalek Bahraini Citizen, Chairman Representative of Al-Baraka Banking Group/ Bahrain, Date of birth: 1958	Master in Business Administration, 1998	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 1st August 2004, he was reappointed as the Chief Executive Officer of Albaraka Banking Group.
H.E. Mr. Musa Abdul Aziz Mohammed Shihadeh Jordanian Citizen, Vice-Chairman/ CEO/ General Manager Date of birth: 1941	Master in Business Administration 1979, University of San Francisco, USA Bachelor of Commerce 1969, Arab University of Beirut	He joined the banking industry in 1961 and he is currently the Vice-chairman and General Manager of Jordan Islamic Bank. He is also a Board member in Al Baraka Islamic Bank, Bahrain 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, Board member Date of birth: 1926	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. Mr. Salem Mohammed Salem Massa'deh Jordanian Citizen, Board member Date of birth: 1930	Bachelor of Law, 1954	Former Minister of Finance, former Minister of Interior and Former Member of the Upper House.
H.E. Mr. Kamal Sami Salman Asfour Jordanian Citizen, Board member Date of birth: 1936	Bachelor of Commerce and Business Administration, 1960 American University of Beirut	A businessman and Board member in many companies.
H.E. Mr. Hamad Abdullah Ali Eqab Bahraini Citizen Board member, Representative of Albaraka Banking Group Date of birth: 1970	Bachelor of Accounting, University of Bahrain, 1993 Certified Public Accountant (CPA), 1996	Various banking experiences. He is currently the senior vice-Chairman and the Financial Manager at Albaraka Banking Group. He is a Board member in many of Albaraka Banking Group Banks.
H.E. Mr. Adnan Abdullah Al-Hamad Al-Bassam Bahraini citizen, Board member, Representative of Albaraka Banking Group / Bahrain Date of birth: 1968	Business degree, majoring in accounting from Southern Oregon University, USA, 1994 Certified Public Accountant (CPA), 1999	Worked in the field of accounting and auditing, He is currently a delegated member in Al- Bassam Investment Company. He is Board Chairman / member in many companies.
H.E. Mr. Hood Hashem Ahmad Hashem Bahraini citizen, Board member, Representative of Albaraka Banking Group / Bahrain Date of birth: 1965	Master in Business Administration, Britain, 2005 Bachelor in Computer Science and Engineering, Saudi Arabia, 1989 Certified International Projects Manager (CIPM), 2008 Certified Information Systems Auditor (CISA), 2006	Worked in the field of information technology management and systems analysis. He is currently the senior vice-Chairman – information technology management at Albaraka Banking Group. He is a Board member in many companies.

Name of Member	Academic Qualification	Practical Experience
H.E. Mr. Haidar Issa Murad Murad Jordanian Citizen, Board member Date of birth: 1940	Bachelor of Commerce – Accounting, 1962	Former senate in the Upper House, and former president and member of Amman Chamber of Industry and Commerce.
H.E. Mr. Ayman Abdel Kareem Basher Hatahit Jordanian Citizen, Board member Date of birth: 1962	Bachelor of Business Administration, London- 1982	Businessman, Board Chairman and member in many companies, Senior vice-Chairman of Amman Chamber of Industry and Commerce, vice-Chairman of Jordan Enterprise Development Corporation, Board member in King Hussein Cancer Center, Board member in Tkiyet Um Ali.
H.E. Mr. Noor "Mohammad Shaher" "Mohammad Lutfi" Mahayni Jordanian citizen, Board member Date of birth: 1956	Studied in the Faculty of Civil Engineering, Damascus University Diploma degree in Accounting, 1981 He currently studies in the Faculty of Islamic Studies, American Open University, Virginia	Businessman, Board Chairman and member in many companies.
H.E. Mr. Othman Ahmad Suleiman Ahmad Sudanese Citizen, Board member, Representative of Albaraka Banking Group / Bahrain till 26/4/2011 Date of birth: 1941	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. Mr. Abdullatif Abdullah Abdul Aziz AlRajhi Saudi Citizen, Board member, Representative of Albaraka Banking Group / Bahrain till 26/4/2011 Date of birth: 1966	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 Al Rajhi Co., for Industry and Commerce- Al Khat Presses. Also a Board member in Al Sharqiah Agricultural Co.
H.E. Mr. Khalid "Mohammad Waleed" Tawfeeq Zakaria Jordanian Citizen, Board member, Representative of Global Investment House till 26/4/2011 Date of birth: 1966	Bachelor of Finance and Accounting, 1987	Worked for many banks in Jordan over the period 1988 – 2010. He joined Global Investment House in 2010.

**B. Below are the names and positions of the senior management with executive authorities and an overview about each of them:**

Names of the Senior Management Members	Academic Qualification(s)	Practical Experience
H.E. Mr. Musa Abdul Aziz Mohammed Shihadeh CEO/ General Manager Date of birth: 1941	Master in Business Administration 1979, University of San Francisco, USA Bachelor of Commerce, Arab University of Beirut, 1969	He joined the banking industry in 1961 and he is currently the Vice-chairman and General Manager of 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.
Mr. Saleh Musa Saleh AlShantir Deputy General Manager Date of birth: 1944	Bachelor of Commerce/ Accounting, Ain Shams University, 1967	He joined the Central Bank of Jordan in 1967 and moved to Jordan Islamic Bank in 1979. He is currently Deputy General Manager, Board Chairman and Board member of many companies.
Mr. "Mohammed Majed" Mahmoud Rashid Allan 2nd Deputy General Manager Date of birth: 1953	Bachelor of Business Administration, Arab University of Beirut, 1986 Higher Diploma in Banking and Finance, Institute of Banking Studies, Amman, 1978	He joined the banking industry in 1974. In 1980, he joined Jordan Islamic Bank. Currently, he is holding the position of 2nd Deputy General Manager and a Board member in one of the companies.
Dr. Hussein Said "E'mar Sai'fan" 2nd Deputy General Manager Date of birth: 1963	PhD, Islamic Banks, 2006 Master in Banking and Finance Sciences / Islamic Banks, 1994 Bachelor of Accounting / Economics and Statistics, 1985	He joined the Bank in 1987 and currently holds the position of 2nd Deputy General Manager. He is also a Board member in more than one company.
Mr. Omar Rebhi "Shams Eddin" Jabari Assistant General Manager Date of birth: 1955	Bachelor of Computer Sciences and Business Administration, University of Livingston, USA, 1981	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.
Mr. Nai'm Mohammad Najem AlKhmous Assistant General Manager Date of birth: 1965	Bachelor degree in Computer Engineering, 1990	He worked for the Bank for 8 years. Then he worked for a consulting company and Al-Rajhi Bank/KSA. In 2009, he rejoined the Bank and he currently holds the position of Assistant General Manager.
Mr. Baseem Musa Younis Assi Executive Director "A" Date of birth: 1957	Bachelor of Accounting, University of Sulaimania, 1980 Certified Public Accountant (JCPA), 1989	He worked as an external auditor from 1980 to 2000. He joined the Bank in 2000. He currently holds the position of Internal Control Executive Director, and a Board member in more than one company.
Dr. Hosni Abdul Aziz Hussein Jaradat Executive Director "B" Date of birth: 1957	PhD degree in Islamic Banking, 2009 Master degree in Islamic Banking, 1995 Bachelor of Economics, 1979	He worked for investment and consulting enterprises. He joined the Bank in 1987. He currently holds the position of Executive Director of Risk Management Department. He is a Board member in more than one company.
Mr. Saadi Abdel Rahman Mahmoud Qattawi Executive Director "B" Date of birth: 1947	Bachelor of Accounting, Alexandria University, 1970	He joined the banking Industry in 1970 and the Bank in 1992. He currently holds the position of Banking Cards and Electronic Services Executive Director. He is a company Board member.
Mr. Mahmoud Mohammed Mahmoud Jarwan Executive Director "B" Date of birth: 1953	Master of Information Systems, 2009 Bachelor of information Systems, 2005 English Language Diploma, 1973	He worked for local banks for 3 years. He joined the Bank in 1983 and currently holds the position of Branches Network Executive Manager. He is a company Board member.

Names of the Senior Management Members	Academic Qualification(s)	Practical Experience
Mr. Ahmad Mustafa Mohammad Bahbouh Executive Director "B" Date of birth: 1953	Bachelor degree in Business Administration/Accounting, 1975	He worked in local and foreign banks for 15 years and joined the Bank in 1991. He currently holds the position of Human Resources Executive Director. He is a Board member in more than one company.
Mr. Bashir Abde Rabo AlHaj Bashir Okasheh Executive Director "B" Date of birth: 1963	Bachelor degree in Economics and Finance, 1986	He worked in local banks for 15 years and joined the Bank in 2003. He currently holds the position of Retail Financing Executive Director. He is a Board member in more than one company.
Mr. Mohammad Ahmad Mohammad Jibril Executive Director "C" Date of birth: 1962	Bachelor of Business Administration, 2002	He worked for the Bank in the Information Technology Group for 18 years. He then moved to work for Al-Rajhi Bank / KSA. In 2009, he rejoined the Bank. He currently holds the position of Head of Strategic Planning Group.
Dr. Abdulhamid Abdullah Ahmad Abu Saqri Date of birth: 1963	PhD, Islamic Banks, 2010 Master in Islamic Banks, 2001 Bachelor of Accounting and Economics, 1986 Certified Public Accountant (JCPA), 2005	He started the banking work in 1988. He joined the Bank in 1992 and currently holds the position of Financial Control Department Manager. He is a Board member in more than one company.
Mr. Mahdi Deeb Mohammad Al-Khalili Date of birth: 1956	General Diploma in 1984	He started his work in 1977. He joined the Bank in 1979. He currently holds the position of Shareholders Unit Manager.
Mr. "Mohamamd Fahmi" "Mohammad Khalil" Fahmi Al-Ja'abari Date of birth: 1964	Master in Business Administration, 2011 Bachelor in Financial and Banking Sciences, 2007 Diploma in Financial and Banking Sciences, 1985 Certified Islamic Public Accountant (CIPA), 2009 Certified Control Systems Auditor, 2008 Certified Control Systems Developer, 2008	He joined the Bank in 1988. He currently holds the position of Internal and Sharia Auditing Department Manager. He is a Board member in more than one company.
Mr. Mohammad Jabr Hassan Mite'b Date of birth: 1967	Bachelor in Law, 1994	He practiced the attorney profession in 1995. He is a local and international arbitrator. He became the legal advisor of the Bank in 2011.
Mr. Fadi Ali Shehadeh Abdulrahim Date of birth: 1978	Diploma of Secretariat and Office Management, 1998	He joined the Bank in 1999. He currently holds the position of the Secretary-General of the Bank's Board of Directors.
Dr. Ali Mohamamd Ahmad Abu Al-Izz Date of birth: 1979	PhD., in methodologies of jurisprudence, 2010 Master in methodologies of jurisprudence, 2006 Bachelor in methodologies of jurisprudence, 2001 Certified Sharia Accountant and Auditor (CSAA), 2010 Certified Islamic Banking (CIB), 2011	He joined the Bank in 2009. He currently holds the position of Secretary-General of the Sharia Supervisory Board, and Sharia internal auditor.

**4- Following are the names of shareholders holding 5% or more:**

Name	Number of Stocks by the end of 2011		Number of Stocks by the end of 2010	
	No. of shares	%	No. of shares	%
Albaraka Banking Group Co.,/ Bahrain	66,005,000	66%	66,005,000	66%

**5- The Bank's market share of the banks' activities in Jordan at the end of 2010 and 2011 were as follows:**

Item	At the end of 2011	At the end of 2010
Total Assets at our Bank/ Total Assets of the banks	8.4%	8.2%
Total Balances of savings schemes at our Bank/ Total client deposits at banks	11.6%	11.3%
Total balances of financing and investment at our Bank/ total direct credit facilities of banks	11.2%	11.7%

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

**7- The Bank does not enjoy any government protection or privileges. It did not obtain any patent or franchise.**

**8- The Government, international organizations or any other institutions have not issued any decisions with any material impact on the Bank's business, products or competition capacity.**

- It is worth mentioning that Jordan Islamic Bank obtained a number of distinguished ratings in 2011 from many international rating agencies including:
- Standard & Poor's affirmed the Bank's rating, where the Bank obtained a BB credit rating for long term and B for short term obligations, with a negative outlook.
- Capital Intelligence affirmed the Bank's rating (BBB-) with a stable outlook.
- Fitch Rating affirmed the Bank's rating (BB-) with a stable outlook.
- The Bank also obtained many international awards in 2011, most important are:
- The award of the best Islamic bank in the retail services at the world level for the third consecutive year, the best banking group in Jordan for the second consecutive year, from London-based (World Finance) Magazine which is specialized in the field of banks and banking financial institutions.
- The award of the best Islamic bank in the retail services at the world level for the second consecutive year, the award of the best Islamic financial institution in Jordan for the third consecutive year, from New York -based (Global Finance) Magazine which is specialized in the field of banks and banking financial institutions, for the Bank's contribution in the development of the Islamic financing, meeting the clients needs, rendering products in compliance with the Islamic laws, and the keenness to keep developing in the future, which made the Bank one of the pioneer Islamic banks.

The Bank has been applying the International Specification ISO 9001:2008 since September 2006.

# Organizational Structure of Jordan Islamic Bank



9- (a) Organizational Structure of Jordan Islamic Bank



# Organizational Structure of Sanabel AlKhair for Financial Investments



Organizational Structure of Sanabel AlKhair for Financial Investments

**(b) At the end of 2011, the total number of employees was (1904) distributed by academic qualification as follows:**

PhD	Master	Bachelor	Diploma	General Secondary Certificate	Below General Secondary Certificate level					Gross
					Employees	Professionals/Technicians	Office boys/Guards	Service workers	Total	
7	57	759	461	119	4	101	293	103	501	1904

While the distribution of the subsidiaries employees in 2011 was as follows:

Company	PhD	Master	High Diploma	Bachelor	Diploma	General secondary certificate	Less than general secondary certificate	Total
AlRizq Trading Company	-	1	-	-	-	-	-	1
AlOmariah Schools Co.	2	27	20	253	67	-	133*	502
AlSamaha Real Estate Co.	-	1	-	-	-	-	-	1
Future Applied Computer Technology Co.	-	3	-	16	2	-	2	23
Sanabel AlKhair For Financial Investments Co.	-	-	-	8	3	-	4	15

\* Including the general secondary certificate and below.

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

**10- The Bank is exposed to some risks due to the nature of its work. Such risks are outlined in note No. (60) of the 2011 financial statements.**

**11- The Board's report included the achievements accomplished by the Bank supported by numbers, and a description of the important events of the Bank during the fiscal year 2011.**

**12- There is no financial effect of operations of non-recurrent nature, which are not part of the Bank's main activity.**

**13- Below are the details of the realized distributed profits, net shareholders equity as well as the prices of securities during the years 2007-2011:**

Year	Realized profits (Before Tax) (JD)	Dividends distributed for the year (JD)	Net shareholders equity at the end of the year (JD)	Prices of issued securities/closing rate at the end of the year	
				Dinar	Fils
2007	34,369,778	Distributing JD 7,800,000 at 12% the capital & Distributing bonus stocks at 25%*	133,475,836	5	750
2008	50,060,912	Distributing JD 12,187,500 at 15% of the capital & Distributing bonus stocks at 23.076923% **	160,989,384	3	700
2009	38,915,617	Distributing JD 12,000,000 in cash at 12% of the capital	176,830,597	3	170
2010	40,694,433	Distributing JD 15,000,000 in cash at 15% of the capital	193,593,941	3	000
2011	39,725,238	The BOD recommended to distribute 15% of the capital in cash & bonus stocks at 25%	206,876,009	2	750

\* Distributed on 16 July 2008

\*\* Distributed on 10 September 2009

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

Year	Shareholders Equity/ Total Deposits	Total Financing & Investment/ Total Deposits	Total Financing & Investment/ Total Assets	Total Deposits/ Total Assets	Profits before Tax/ Average Total Assets	Profits before Tax/ Average Shareholders Equity	Profits after Tax/ Average Shareholders Equity	Profits after Tax/ Average Paid-up Capital
2011	7.24%	62.24%	56.84%	90.74%	1.32%	19.84%	14.15%	28.32%
2011	7.47%	65.39%	58.86%	90.01%	1.52%	21.97%	15.71%	29.09%

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

16- (a) The auditing fees of the Bank in 2011 reached JD (120) thousand, while the auditing fees of subsidiaries are disclosed in item (2) above.

(b) The total remunerations of the Sharia Supervisory Board reached JD (46,7) thousand in 2011.

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 2011	Number of shares at the end of 2010
Albaraka Banking Group represented by:		Bahraini	66,005,000	66,005,000
H.E. Mr. Adnan Ahmad Yousif Abdelmalek	Chairman	Bahraini	-	-
H.E. Mr. Hamad Abdullah Ali Eqab	Member	Bahraini	-	-
H.E. Mr. Adnan Abdullah Al-Hamad Al-Bassam	Member	Bahraini	-	-
H.E. Mr. Hood Hashem Ahmad Hashem	Member	Bahraini	-	-
H.E. Mr. Othman Ahmad Suleiman Ahmad, till 26/4/2011	Member	Sudanese	-	-
H.E. Mr. Abdullatif Abdullah Abdul Aziz Al Rajhi	Member	Saudi	-	-
H.E. Mr. Musa Abdul Aziz Mohammed Shihadeh	Vice Chairman CEO / General Manager	Jordanian	100,000	100,000
Spouse of Mr. Musa Abdul Aziz Mohammed Shihadeh	-	Jordanian	6,153	6,153
H.E. Eng. Raef Yousif Mahmoud Najm	Member	Jordanian	48,358	48,358
H.E. Mr. Salem Mohammed Salem Massaedah	Member	Jordanian	60,000	40,769
H.E. Mr. Kamal Sami Salman Asfour	Member	Jordanian	34,088	34,088
H.E. Mr. Haidar Issa Murad Murad	Member	Jordanian	7,692	7,692
H.E. Mr. Ayman Abdulkareem Hatahit	Member	Jordanian	10,769	10,769
H.E. Mr. Noor "Mohammad Shafer" "Mohammad Lutfi" Mahayni	member	Jordanian	10,000	-
Global Investment House Company, up to 26/4/2011 represented by:		Kuwaiti	-	5,000
H.E. Mr. Khalid "Mohammad Walid" Tawfiq Zakaria	member	Jordanian	-	-

(b) Below is a statement in the 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	Nationality	Number of shares at the end of 2011	Number of shares at the end of 2010
1- H.E. Mr. Musa Abdul Aziz Mohammed Shihadeh	CEO/ General Manager	Jordanian	100,000	100,000
- Spouse of H.E. Mr. Musa Abdul Aziz Mohammed Shihadeh	-	Jordanian	6,153	6,153
2- Mr. Saleh Musa AlShantir	Deputy Manager General	Jordanian	43,252	43,252
Spouse of Mr. Saleh Musa AlShantir	-	Jordanian	1,833	1,833
3- Mr. "Mohammed Majed" Mahmoud Rashid Allan	2nd Deputy General Manager	Jordanian	369	369
4- Dr. Hussein Said "Aamar Saeifan"	2nd Deputy General Manager	Jordanian	-	-
5- Mr. Omar Ribhi "Shams Eddin" Al Jabari	Assistant General Manager	Jordanian	107	107
Spouse of Mr. Omar Ribhi "Shams Eddin" Al Jabari	-	Jordanian	123	107
Sons of Mr. Omar Ribhi "Shams Eddin" Al Jabari	-	Jordanian	-	83
6- Mr. Nai'm Mohammad Najem AlKhmous	Assistant General Manager	Jordanian	1,000	1,000
7- Mr. Baseem Musa Younis Assi	Executive Director "A"	Jordanian	-	-
8- Dr. Hosni Abdel Aziz Hussein Jaradat	Executive Director "B"	Jordanian	-	-
9- Mr. Saadi Abdelrahman Mahmoud Qattawi	Executive Director "B"	Jordanian	-	-
10- Mr. Mahmoud Mohammed Mahmoud Jarwan	Executive Director "B"	Jordanian	-	-
11- Mr. Ahmad Mustafa Mohammad Bahboh	Executive Director "B"	Jordanian	-	-
12- Mr. Bashir Abde Rabo AlHaj Bashir Okasheh	Executive Director "B"	Jordanian	-	-
13- Mohammad Ahmad Mohammad Jebri	Executive Director "C"	Jordanian	-	-
14- Dr. Abdulhamid Abdullah Ahmad Abu Saqri	Financial Control Department Manager	Jordanian	-	-
15- Mr. Mahdi Theeb Mohammad Al-Khalili	Shareholders Unit Manager	Jordanian	123	123
16- Mr. "Mohammad Fahmi" "Mohammad Khalil" Fahmi Al Jabri	Internal and Sharia Auditing Department Manager	Jordanian	-	-
17- Mr. Mohammad Jabr Hassan Meti'b	Legal advisor	Jordanian	-	-
18- Mr. Fadi Ali Shehadeh Abddulrahim	BOD Secretary- General	Jordanian	-	-
19- Dr. Ali Mohammad Ahmad Abu Al Izz	Sharia Supervisory Board Secretary-General	Jordanian	-	-

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

Name	Board Membership Remuneration (JD)	Board Committees Membership Remuneration (JD)	Transportation Allowances (JD)	Travel Expenses (JD)	Allowances (JD)	Total
Albaraka Banking Group Co. represented by four members:	-	-	-	-	-	-
H.E. Mr. Adnan Ahmad Yousif AbdelMalek / Chairman	5,000	1,600	4,800	4,320	4,154	19,874

18- (A) Bellow are the benefits and remunerations that the Board Chairman and members received as salaries, fees and remunerations...etc, and the amounts paid for each as travel and transportation expenses inside and outside the Kingdom during the fiscal year 2011:

H.E. Mr. Hamad Abdullah Ali Eqab / member	5,000	1,200	4,800	4,320	3,834	19,154
H.E. Mr. Adnan Abdullah Al Hamad Al Bassam / member *	-	800	3,267	3,490	3,515	11,072
H.E. Mr. Hood Hashem Ahmad Hashem / member *	-	400	3,267	3,490	3,195	10,352
H.E. Mr. Othman Ahmad Suleiman Ahmad **	5,000	400	1,533	830	639	8,402
H.E. Mr. Abdullatif Abdullah Abdul Aziz AlRajhi / member **	5,000	-	1,533	1,460	1,598	9,591
H.E. Mr. Musa Abdul Aziz Mohammed Shihadeh / Vice-Chairman	5,000	1,600	4,800	-	-	11,400
H.E. Eng. Raef Yousif Mahmoud Najm / member	5,000	2,800	4,800	-	-	12,600
H.E. Mr. Salem Mohammed Salem Massaedah / member		2,800	4,800	-	-	12,600
H.E. Mr. Kamal Sami Salman Asfour / member		2,000	4,800	-	-	11,800
H.E. Mr. Haidar Issa Murad Murad / member		1,200	4,800	-	-	11,000
H.E. Mr. Ayman Abdulkareem Baheer Hatahit / member		1,200	4,800	-	-	11,000
H.E. Mr. Noor "Mohammad Shafer" "Mohammad Lutfi" Mahayni / member *		-	3,267	-	-	3,267
Messers, Global Investment House Co. represented by:		-	-	-	-	-
H.E. Mr. Khalid "Mohammad Walid" Tawfeeq Zakaria / member ***		-	1,533	-	-	3,478
H.E. Mr. Ali Suhail Ahmad Al-Shanti / member****		-	-	-	-	3,055

\* Effectively from 26/4/2011,

\*\* Until 26/4/2011,

\*\*\* From 12/8/2010 till 26/4/2011

\*\*\*\* Until 11/8/2010

(B) The benefits and remunerations paid to the senior management staff with executive authorities as wages, remunerations, salaries, and bonuses ...etc, and the amounts paid for each as travel and transportation expenses inside and outside the Kingdom in 2011 totaled JD, (1,636,578).

19- The Board's report included a statement of donations and grants paid by the Bank during the fiscal year 2011.

20- Note No, (57) 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 Board's report included details on the Bank's contribution to protect the environment and local community through its different activities.

## Acknowledgement

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

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

Member H.E. Mr. Kamal Sami Asfour	Vice-Chairman CEO/ General Manager H.E. Mr. Musa Abdul Aziz Mohammad Shihadeh	Chairman of the Board Albaraka Banking Group Co. Represented by H.E. Mr. Adnan Ahmad Yousif Abdulmalek
Member Albaraka Banking Group Co. Represented by H.E. Mr. Hamad Abdullah Ali Eqab	Member H.E. Mr. Salem Mohammed Salem Massaeth	Member H.E. Mr. Raef Yousif Mahmoud Najm
Member H.E. Mr. Haidar Issa Murad Murad	Member Albaraka Banking Group Co. Represented by H.E. Mr. Hood Hashem Ahmad Hashem	Member Albaraka Bank ing Group Co. Represented by H.E. Mr. Adnan Abdullah Al Hamad Al Bassam
Member H.E. Mr. Noor "Mohammad Shaheer" "Mohamamd Lutfi" Mahayni		Member H.E. Mr. Ayman Abdul Karim Basheer Hatahit

## Acknowledgement

We, the undersigned, hereby acknowledge the validity, accuracy and completeness of the information and data contained in the annual report.

Financial Manager Dr. Abdelhamid Abdullah Ahmad Abu Saqri	Vice-Chairman CEO / General Manager H.E. Mr. Musa Abdul Aziz Mohammad Shihadeh	Chairman Albaraka Bank ing Group Co. Represented by H.E. Mr. Adnan Ahmad Yousif AbdelMalek
---	---	--







Shmisani Branch

**Annexes of Board Report 2011**  
**Annex 2**  
**“Disclosure Requirements in**  
**Corporate Governance Guide of the Bank”**

## Annex 2

# "Disclosure Requirements in Corporate Governance Guide of the Bank"

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

Jordan Islamic 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 six meetings in 2011.

Details of the Board Committees are as follows:

Description	Present members names *	Formation	Tasks and responsibilities	No. of meetings in 2011
Corporate Governance Committee	Adnan Ahmad Yousif Abdelmalek Haidar Issa Murad Murad Noor "Mohammad Shaher" "Mohammad Lutfi" Mahayni	It was formed on 30/10/2007 in response to the requirements of the Corporate Governance Guide which came in force on 31/12/2007	Ensure the application of the Corporate Governance Guide	1
Audit Committee	Raef Yousif Mahmoud Najm Hamad Abdullah Ali Eqab Ayman Abdul Karim Bashir Hatahet	Already formed in accordance with the Bank's external and internal auditing, the Law and the instructions of Jordan Securities Commission	Ensure the adequacy of the control systems, and the internal control, and the compliance with the financial regulations	4
Credit Facilities Committee	Adnan Ahmad Yousif Abdelmalek Musa Abdul Aziz Mohammed Shihadeh Kamal Sami Salman Asfour	Was formed in the first years of the Bank's establishment	Approve the banking facilities, financing and investment agreements within the authorities delegated to it by the Board	5
Nominations and Remunerations Committee	Haidar Issa Murad Murad Salem Mohammed Salem Massaedah Adnan Ahmad Yousif Abdelmalek Raef Yousif Mahmoud Najm	It was formed on 30/10/2007 in response to the requirements of the Corporate Governance Guide which came in force on 31/12/2007	Defining the capacity of the independent member, evaluate the Board efficiency and the committees thereof, provide the Board members with information on the important subjects of the Bank, and ensure the availability of sufficient remunerations policy	3
Risk Management Committee	Salem Mohammed Salem Massaedah, Adnan Abdullah Al Hamad Al Bassam, Kamal Sami Salman Asfour, Musa Abdulaziz Mohammad Shihadeh, Hood Hashem Ahmad Hashem**, Dr. Hussein Said Mohammad "Aamar Saeifan", Dr. Hosni Abdulaziz Hussein Jaradat***, Dr. Abdulhamid Abdullah Ahmad Abu Saqri	It was formed on 30/10/2007 in response to the requirements of the Corporate Governance Guide which came in force on 31/12/2007	Ensure that policies and strategies for risks and compliance management in place	4

\* The committees were re-formed on 26/4/2011.

\*\* As of 27/7/2011.

\*\*\* As of 1/11/2011.

### 3- Risk Management Department

- A. The Risk Management Department directly reports to the General Manager.
- B. The Bank's risks have been stated in Note No. (60) of the Bank's closing statements of 2011.

### 4- Transparency and Disclosure

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

### 5- Internal Control Systems:

The Bank's executive management acknowledges the following:

- 1- It is responsible for developing and maintaining internal control systems for financial reporting at the Bank to ensure the quality and transparency of financial information and statements.
- 2- It has used the following framework to evaluate and review the internal control systems:
  - Understanding, handling and mitigating the main risks encountering the Bank through the Risk Management Department and risk management committee, developing and updating the regulations and procedures necessary to manage risks on ongoing basis.
  - Setting up and developing the strategies and policies, and implementing the same after the approval of the Board of Directors.
  - 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 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.
  - A detailed job description for the tasks and responsibilities of each position and the activity of 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 2011.
- 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.





Amman Branch

## **Annexes of Board Report 2011**

### **Annex 3**

**The entire text of the Corporate  
Governance Guide for The Bank**

## "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 preferred 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 nonexecutive 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- Credit Facilities 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 CCG 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 committee 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- Credit Facilities 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 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.
12. 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;
  - 4- A report by the Bank's external auditor on the Executive Management's assessment and the effectiveness of internal controls;
  - 5- 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 Department:

- 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 emerges 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.iting
  - 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 Account Holders' Equities**

- 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

1. 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.

2. 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.
3. 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.
4. 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;
  - 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.
5. 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.
6. 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.



Kerak castle

**Annexes of Board Report 2011**  
**Annex 4**  
**The Guidelines of Corporate Governance Guide**  
**for Public Shareholding Companies Listed in**  
**Amman Stock Exchange**

## 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.

Accordingly, the Bank applies all guidelines contained in “Corporate Governance Guide for public shareholding companies listed in Amman Stock Exchange, save the following items:

### Section Two: The Shareholding Company Board of Directors.

1. Item (1): The Board of Directors shall be elected in accordance with the Companies Law.

### Section Two: The Shareholding Company Board of Directors

Chapter one: Board of Directors Tasks and Responsibilities

- 1-Item (6): The financial statements shall not be disclosed at least three days prior to the date of their announcement, rather, to comply with the law.
- 2-Item (14): To receive the complaints and suggestions of the shareholders and others.
- 3-Item (14): To include item in the General Assembly agenda reading “any other issues the General Assembly proposes to include in the agenda”, in accordance with the Companies Law. This item allows inclusion of shareholders suggestion about certain issued on the General Assembly agenda.

### Section Two: The Shareholding Company Board of Directors

Chapter Two: Committees formed by the Board of Directors

1. Item (5): The Auditing Committee and the Nominations and Remunerations Committee shall provide reports on their work to the Board of Directors, not to the General Assembly. However, any shareholder may inquire in the General Assembly meeting about the work of the aforesaid two committees.

### Section Three: The Company’s General Assembly Meeting

- 1-Item (3): The Banks articles of association and the Companies Law shall apply to the invitation of the shareholder to attend the General Assembly meeting by normal mail, not by e-mail.
- 2-Item (4): To comply with the Companies Law regarding the inclusion of any new issues not listed on the General Assembly agenda provided to the shareholders.
- 3-Item (5): The shareholder interested to apply to the Board of Directors membership has not sent his biography before the end of the Company’s fiscal year preceding the year of holding the General Assembly meeting to elect the board of directors. Therefore, such biography shall not be attached to the invitation of the shareholders to attend the General Assembly meeting, where the Companies Law is applied on this regard.
- 4-Item (6): The General Assembly meeting time and venue have not been announced on the Company’s website as this is not provided for in the Companies Law. The meeting time and venue are announced as provided for in the Bank’s articles of association and the Companies Law.

## Section Four: Shareholders Equity

### Chapter One: General Rights

Item (11): The Company complies with the rate provided for in the Companies Law as regards the request of extraordinary General Assembly meeting to remove the Board of Directors and any Board of Directors member, noting that such request has not been made by shareholders holding (20%) of the company's shares.

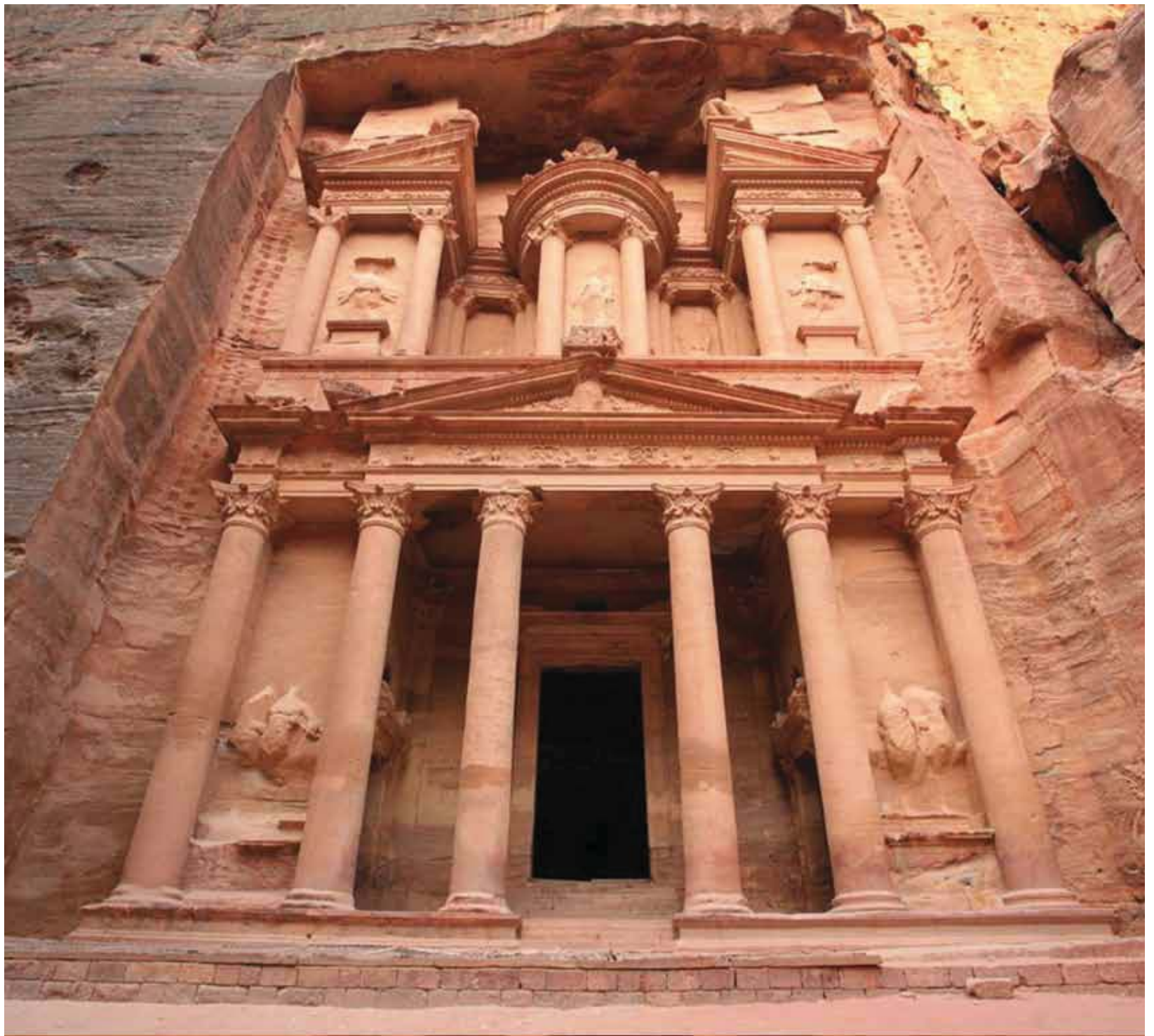
Item (12): The Company complies with the rate provided for in the Companies Law as regards the auditing of the Company's works and books, noting that such request has not been made by shareholders holding (10%) of the company's shares.

## Section Five: Disclosure and Transparency

### Chapter Four: The External Auditor

1. Item (2): The Company has two external auditors who have been auditing the Company's works for more than four consecutive years as this does not violate the Companies Law.





Petra

**Annual Report of  
Sharia Supervisory Board  
for the Fiscal Year ended on 31 December 2011**

**Annual Report of Sharia Supervisory Board  
for the Fiscal Year ended on 31 December 2011**

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 2011. 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 2011, 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.

The Sharia Supervisory Board extends its thanks to the Bank's management and staff for their compliance with the Islamic Sharia Principles, their good management, and the Bank's good results.

Thanks be to Allah, the Lord of the Worlds

Date: 9 Rabee Awal 1433 AH corresponding to 1 February 2012

Chairman  
Dr. Mahmoud Al Sartawi

Vice-Chairman  
Dr. Abdel Sattar Abu Ghuda

Member  
Dr. Ibrahim Zaid Al-Kilani





Amra Castle

## Auditor's Report

**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 2011, 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 Al Qard Al Hasan 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 2011, and its consolidated financial performance, consolidated cash flows and the consolidated statement of the sources and uses of Al Qard Al Hasan 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  
Mohammad Ibrahim Al-Karki  
License No. 882

Ibrahim Al-Abbasi & Co.  
Dr. Ibrahim Abbasi  
License No. 116

Amman- The Hashemite Kingdom of Jordan  
7 February 2012

# Jordan Islamic Bank

A Public Shareholding Limited Company  
Amman – Jordan

Table of Contents

Auditor's Report

Item	Statement
Consolidated Financial Position Statement	A
Consolidated Income Statement	B
Consolidated Other Comprehensive Income Statement	C
Consolidated Changes in ownership Equities Statement	D
Consolidated Cash Flows Statement	E
Consolidated Al Qard Al Hasan Fund Sources and Uses Statement	F
	Page
Notes on Consolidated Financial Statements	1 - 68



Sweifiya Branch

**Consolidated Statement of  
Financial Statements**  
of December 31, 2011

**Consolidated Statement of Financial Position**  
**As of December 31, 2011**  
**Statement (A)**

Assets	Notes	2011	2010
		JD	JD (Amended Note 2)
Cash and balances at Central Banks	4	1,216,010,070	988,066,675
Balances at Banks and Banking Institutions	5	111,520,291	127,728,630
Investment Accounts at Banks and Banking Institutions	6	6,310,100	8,578,900
Financial assets at fair value through the income statement – self constructed	7	-	2,827,032
Deferred Sale and Other Receivables –Net	8	1,080,996,393	1,039,338,553
Ijara Muntahia Bittamleek Assets–Net	9	222,921,648	168,539,668
Finances –Net	10	17,990,442	15,725,050
Financial assets at fair value through the ownership equity – self constructed	11	5,063,098	5,123,300
Financial assets at fair value through the joint investment accounts holders equity	12	96,415,729	113,450,795
Investments in Affiliates	13	14,494,151	15,245,288
Real Estate Investments	14	67,625,208	64,748,934
Al Qard Al Hasan -Net	15	7,578,722	7,704,178
Property and Equipment- Net	16	43,889,618	38,524,302
Intangible Assets	18	560,767	287,893
Other Assets	19	6,924,517	7,794,729
<b>Total Assets</b>		<b>2,898,300,754</b>	<b>2,603,683,927</b>
Liabilities, Joint Investment Accounts Holders' Equities, non-controlling Equities and Ownership Equities			
Liabilities			
Banks and Banking Institutions Accounts	20	19,547,794	44,041,901
Client Current and Call Accounts	21	782,173,448	668,659,082
Cash Margins	22	30,355,669	35,919,125
Accounts Payable	23	1,170,830	1,640,033
Other Provisions	24	3,100,000	3,886,312
Income Tax Provision	25	13,743,992	13,907,183
Deferred Tax Liabilities	26	24,640	766,088
Other Liabilities	27	16,260,113	12,022,895
<b>Total Liabilities</b>		<b>866,376,486</b>	<b>780,842,619</b>



Assets	Notes	2011	2010
		JD	JD
			(Amended Note 2)
Joint investment Accounts Holders' Equities			
Unrestricted Investment Accounts	28A	1,803,606,700	1,596,216,211
Investment Account Holders' Reserve in Subsidiaries and Affiliates	28B	4,216,439	4,510,738
Fair Value Reserve	29	4,001,357	7,349,973
Deferred Tax Liabilities	26	1,714,868	3,149,988
Total Joint Investment Accounts Holders' Equity		1,813,539,364	1,611,226,910
Non-Controlling Equities	28B	660,677	648,428
Total Joint Investment Accounts Holders' Equity & Non-Controlling Equities		1,814,200,041	1,611,875,338
Investment Risks Fund	30	7,321,757	14,551,983
Income Tax Provision of Investment Risks Fund	30	3,526,461	2,820,046
Ownership Equity			
Shareholders' Equity			
Paid-up Capital	31	100,000,000	100,000,000
Statutory Reserve	32	34,507,433	30,527,109
Voluntary Reserve	32	13,886,384	9,939,249
Special Reserve	32	3,011,895	3,011,895
General Banking Risks Reserve	32	700,000	700,000
Fair Value Reserve	29	57,494	99,635
Retained Earnings	33	54,712,803	49,316,053
Total Ownership Equity –Shareholders' Equity		206,876,009	193,593,941
Total Liabilities, Joint Investment Accounts Holders' Equities, Non-Controlling Equities, and Ownership Equities		2,898,300,754	2,603,683,927
Accounts Managed for Others			
Restricted Investments	54	32,615,085	38,106,909
Muqaradah Bonds	55	209,449,009	229,490,267
Investment by Proxy Accounts	56	9,453,000	9,453,000

**Consolidated Income statement**  
**For the Year Ended December 31, 2011**  
**Statement (B)**

	Notes	2011	2010
		JD	JD
			(Adjusted Note 2)
Deferred Sale Revenues	34	85,909,590	80,518,232
Finance Revenues	35	324,499	291,865
Profits of financial assets at fair value through the joint investment accounts holders equity	36	3,175,293	4,078,157
Share of Money Involved in Investment from Dividends Distributed by Affiliates and Subsidiaries	37	1,349,679	802,573
Real Estate Revenues	38	1,762,542	1,388,336
Revenues of Leased Assets and Ijara Muntahia Bittamleek	39	16,269,087	12,941,163
Revenues of other Investments	40	923,288	809,246
Revenues of Joint Investment Accounts		109,713,978	100,829,572
Net Business Results of Subsidiaries	41	1,042,308	850,096
Share of Money Involved in Investment from the Profits of Affiliates		473,685	378,521
Total Revenues of Joint Investment Accounts		111,229,971	102,058,189
Return of Unrestricted Investment Accounts Holders	42	(37,471,648)	(36,533,180)
Unrestricted Investment Accounts Holders' Share of the Net Business Results of Subsidiaries		(990,747)	(788,329)
Non-Controlling Equities Share of the Net Business Results of Subsidiaries		(51,561)	(61,767)
Share of Money Involved in Investment from the (profits) of Affiliates		(473,685)	(378,521)
Share of the Investment Risk Fund	30	(16,457,097)	(10,082,957)
Bank's Share of the Joint Investment Accounts	43	55,785,233	54,213,435
Bank's Self-Profits	44	4,020,090	418,692
Bank's Share of Restricted Investment Revenues as a Speculator	45	1,653,507	2,308,377
Bank's Share of Restricted Investment Revenues as an Agent	45	47,250	47,265
Banking Services Revenues	46	10,401,827	10,134,655
Foreign Currency Profits	47	1,759,524	1,651,519
Other Returns	48	4,596,760	3,090,774
Gross Income		78,264,191	71,864,717
Employee expenditures	49	(23,770,416)	(18,797,202)
Depreciation and Amortization	17	(3,165,990)	(2,869,391)
Other expenses	50	(10,546,642)	(9,520,835)
(Losses) Surplus of Assets Impairment- self constructed	15	(555,905)	117,144
Miscellaneous Provisions	51	(500,000)	(100,000)
Total Expenses		(38,538,953)	(31,170,284)
Profit before Tax		39,725,238	40,694,433
Income Tax	25	(11,401,029)	(11,600,739)
Profit after Tax		28,324,209	29,093,694
		JD/Fils	JD/Fils
Basic Earnings per Share	52	0/283	0/291

**Consolidated Statement of Comprehensive Income**  
**For the Year Ended December 31, 2011**  
**Statement (C)**

	2011	2010
	JD	JD
Profits after tax	28,324,209	29,093,694
Other Comprehensive Income Items After Tax		
Change in fair value reserve of the financial assets – Net	(42,141)	(330,350)
<b>Total Comprehensive Income for the Year</b>	<b>28,282,068</b>	<b>28,763,344</b>

**Consolidated Statement of Changes in Equity  
For the Year Ended December 31, 2011  
Statement (D)**

	Paid-up Capital	Statutory Reserve	Voluntary Reserve	Special Reserve	General Banking Risks Reserve*	Fair Value Reserve***	Retained Earnings	Total
For the Year Ended December 31, 2011	JD	JD	JD	JD	JD	JD	JD	JD
Year-Beginning Balance before adjustment	100,000,000	30,527,109	9,939,249	3,011,895	700,000	1,787,539	47,628,149	193,593,941
Impact of applying the accounting standard No. 25****	-	-	-	-	-	(1,687,904)	1,687,904	-
Beginning adjusted balance	100,000,000	30,527,109	9,939,249	3,011,895	700,000	99,635	49,316,053	193,593,941
Profit after tax	-	-	-	-	-	-	28,324,209	28,324,209
Other Comprehensive Income Items	-	-	-	-	-	(42,141)	-	(42,141)
Total Comprehensive Income for the Year	-	-	-	-	-	(42,141)	28,324,209	28,282,068
Transferred to (from) Reserves	-	3,980,324	3,947,135	-	-	-	(7,927,459)	-
Dividends	-	-	-	-	-	-	(15,000,000)	(15,000,000)
<b>Balance as at December 31, 2011</b>	<b>100,000,000</b>	<b>34,507,433</b>	<b>13,886,384</b>	<b>3,011,895</b>	<b>700,000</b>	<b>57,494</b>	<b>54,712,803</b>	<b>206,876,009</b>

\* It shall be prohibited to dispose of the balance of the General Banking Risks Reserve amounting to JD 700,000 as of December 31, 2011 without the prior approval of the Central Bank of Jordan.

\*\* It shall be prohibited to dispose of the fair value reserve balance amounting to JD 57,494 as of December 31, 2011 without the prior approval of the Central Bank of Jordan.

\*\*\* This amount represents the impact of applying the accounting standards No. (25) issued by the Accounting and Auditing Organization for Islamic Financial Institutions and the instructions of the Central Bank of Jordan regarding the rating and measuring the Bank's financial assets where a study was conducted on the classification of the Bank's financial assets portfolio and the adjustments thereto. This amount represents unrealized profits resulting from the revaluing the financial assets which were reclassified from financial assets available for sale to financial assets at fair value through the income statement (note 2).

### Consolidated Statement of Changes in Equity For the Year Ended December 31, 2010

	Paid-up Capital	Statutory Reserve	Voluntary Reserve	Special Reserve	General Banking Risks Reserve*	Fair Value Reserve**	Retained Earnings	Total
For the Year Ended December 31, 2010	JD	JD	JD	JD	JD	JD	JD	JD
Year-Beginning Balance before adjustment	100,000,000	26,409,498	5,922,477	3,011,895	700,000	2,117,889	38,668,838	176,830,597
Impact of applying the accounting standard No. 25***	-	-	-	-	-	(1,687,904)	1,687,904	-
Beginning adjusted balance	100,000,000	26,409,498	5,922,477	3,011,895	700,000	429,985	40,356,742	176,830,597
Profit after tax	-	-	-	-	-	-	29,093,694	29,093,694
Other Comprehensive Income Items	-	-	-	-	-	(330,350)	-	(330,350)
Total Comprehensive Income for the Year	-	-	-	-	-	(330,350)	29,093,694	28,763,344
Transferred to (from) Reserves	-	4,117,611	4,016,772	-	-	-	(8,134,383)	-
Dividends	-	-	-	-	-	-	(12,000,000)	(12,000,000)
<b>Balance as at December 31, 2010</b>	<b>100,000,000</b>	<b>30,527,109</b>	<b>9,939,249</b>	<b>3,011,895</b>	<b>700,000</b>	<b>99,635</b>	<b>49,316,053</b>	<b>193,593,941</b>

\* It shall be prohibited to dispose of the balance of the General Banking Risks Reserve amounting to JD 700,000 as of December 31, 2010 without the prior approval of the Central Bank of Jordan.

\*\* It shall be prohibited to dispose of the fair value reserve balance amounting to JD 99,635 as of December 31, 2011 without the prior approval of the Central Bank of Jordan.

\*\*\* This amount represents the impact of applying the accounting standards No. (25) issued by the Accounting and Auditing Organization for Islamic Financial Institutions and the instructions of the Central Bank of Jordan regarding the rating and measuring the Bank's financial assets where a study was conducted on the classification of the Bank's financial assets portfolio and the amendments thereto. This amount represents unrealized profits resulting from the reevaluating the financial assets which were reclassified from financial assets available for sale to financial assets at fair value through the income statement (note 2).

**Consolidated Statement of Cash Flows**  
**For the Year Ended December 31, 2011**  
**Statement (E)**

	Notes	2011	2010
		JD	JD
<b>Cash Flows from Operating Activities</b>			
Profit before Tax		39,725,238	40,694,4333
Amendments to Non-Cash Items:			
Depreciations and Amortizations		3,165,990	2,869,391
Investment Risk Fund		(4,783,736)	6,425,380
Employee Leaves Provision		500,000	100,000
Transferred from the General Provision		(1,286,312)	-
(Losses) Surplus of Assets Impairment- Self-Constructed		555,905	(117,144)
Exchange Rates Effect on Cash and Cash Equivalent		(940,606)	(1,032,382)
Profit before Change in Assets and Liabilities		36,936,479	48,939,678
<b>Change in Assets and Liabilities</b>			
Decrease (Increase) in investment Accounts at Banks and Banking Institutions for more than 3 Months		2,268,800	(3,970,400)
Increase in Deferred Sales and Other Receivables		(41,657,840)	(126,232,232)
Increase in Finances		(2,265,392)	(755,096)
Increase in Ijara Muntahia Bittamleek Assets		(54,381,980)	(33,588,226)
(Increase) Decrease in Al Qard Al Hasan		(430,449)	940,110
Decrease (Increase) in Other Assets		870,212	(1,432,907)
Increase in Current and Call Accounts		113,514,366	73,488,609
(Decrease) Increase in Accounts Payable		(469,203)	49,030
Decrease (Increase) in Cash Margins		(5,563,456)	3,347,030
Increase (Decrease) in Other Liabilities		4,237,218	(212,904)
Net Change in Assets and Liabilities		16,122,276	(88,366,986)
Net Cash Flows Used in Operating Activities before Tax		53,058,755	(39,427,308)
Paid Taxes		(11,564,220)	(12,975,366)
Net Cash Flows Used in Operating Activities		41,494,535	(52,402,674)
<b>Cash Flows from Investment Activities</b>			
Sale of Financial Assets at Fair Value Through the Income Statement		415,740	-
Sale of Financial Assets at Fair Value Through the Equity of the Joint Investment		31,214,572	17,001,572
Acquisition of Financial Assets at Fair Value Through the Joint Investment Accounts Holders' Equities		(17,257,166)	(29,956,857)
Sale of Real Estate Investments		925,438	1,576,051
Purchase of Real Estate Investments		(5,122,054)	(5,237,604)
Sale of Equipment and Properties		2,065	151,587
Purchase of Equipment and Properties		(8,400,340)	(8,992,056)
Purchase of Intangible Assets		(374,722)	(11,507)
Net Cash Flows Used in Investment Activities		1,402,533	(25,468,814)
<b>Cash Flow from Financing Activities</b>			
Increase in Unrestricted Investment Accounts Holders' Equities		207,390,489	292,916,509
Dividends Distributed to Shareholders		(15,000,000)	(12,000,000)
Net Cash Flow from Financing Activities		192,390,489	280,916,509
Exchange Rates Effect on Cash and Cash Equivalent		940,606	1,032,382
Net Increase in Cash and Cash Equivalents		236,229,163	204,077,403
Cash and Cash Equivalent at Year-Beginning	53	1,071,753,404	867,676,001
<b>Cash and Cash Equivalent at Year-End</b>	<b>53</b>	<b>1,307,982,567</b>	<b>1,071,753,404</b>

**Statement of Sources and Uses of the Amounts of Al Qard Al Hasan Fund  
For the Year Ended December 31, 2011  
Statement (F)**

	2011	2010
	JD	JD
Year Beginning Balance	10,057,128	11,114,382
Sources of the Fund Money from:		
The amounts that the Bank is authorized to use	22,216,654	22,058,363
Outside the Bank	770,537	611,374
Total Sources of the Fund money during the Year	22,987,191	22,669,737
Uses of the Fund's Money for:		
Education	1,569,172	1,462,499
Medical Treatment	660,946	572,636
Marriage	936,204	874,266
Overdraft Accounts	18,425,321	16,900,359
Social Advances for the Bank Employees	1,825,997	1,802,723
Total Uses During the Year	23,417,640	21,612,483
Year-End Balance	10,487,577	10,057,128
Less: Assets Impairment Provision – Self-Constructed	(2,908,855)	(2,352,950)
<b>Year-End Balance</b>	<b>7,578,722</b>	<b>7,704,178</b>







Cars ATM / Alrawdha Suburb

**Notes to the  
Consolidated Financial Statements**  
For the year ended December 31, 2011

## Notes to the Consolidated Financial Statements For the year ended December 31, 2011

### 1. General Information

- 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 in Amman.
- 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, 62 branches and 13 banking offices in the Kingdom as well as its subsidiaries. The Bank's transactions are governed by the applied Banks Law.
- Jordan Islamic Bank shares are listed in Amman Stock Exchange -Jordan.
- The consolidated financial statements were approved by the Bank's Board of Directors in its session No. (1) held on February 7, 2012 and are subject to the approval of the General Assembly of Shareholders and the Central Bank of Jordan.
- 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, under a decision of the General Assembly of Shareholders, Sharia Supervisory Board of no less than 3 members. The opinion of Sharia Supervisory Board shall be 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 give Sharia opinion (Fatwa) on the wording of the contracts necessary 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 preparing of the consolidated financial statements correspond to those followed in the preparation of the consolidated financial statements for the year ended at December 31, 2010, except the impact of applying the following:

### Financial Accounting Standard (25): Investment in Sukuk, shares, and similar instruments

- The Bank applied the financial accounting standard (25) issued by the Accounting and Auditing Organization for Islamic Financial Institutions, which includes recognition, measurement, presentation, and disclosure of investment sukuk, shares, and similar instruments representing the debentures and equity in the Islamic financial institutions. This standard shall come into force retroactively on the first of January 2011.
- The financial accounting standard (25) effected the classification and measurement of the Bank's financial assets where a study was conducted on the classification and adjustment of the financial assets portfolio. The effect on the opening balance of the retained profits and the reserve of the fair value for 2011 and 2010 amounted JD 1,687,904, as shown below:

As at 1st January 2011	Balance before adjustment (JD)	Adjustments (JD)	Balance after adjustment (JD)
Provision for fair value	1,787,539	(1,687,904)	99,635
Retained profits	47,628,149	1,687,904	49,316,053
<b>Total</b>	<b>49,415,688</b>	<b>-</b>	<b>49,415,688</b>
As at 1st January 2010	Balance before adjustment (JD)	Adjustments (JD)	Balance after adjustment (JD)
Provision for fair value	2,117,889	(1,687,904)	429,985
Retained profits	38,668,838	1,687,904	40,356,742
<b>Total</b>	<b>40,786,727</b>	<b>-</b>	<b>40,786,727</b>

As at 31st December 2010	Note	Balance before adjustment (JD)	Adjustments (JD)	Balance after adjustment (JD)
Financial asset for sale	11 + 12	110,075,578	(110,075,578)	-
Financial assets held till the maturity date – net	12	11,325,549	(11,325,549)	-
Financial assets in fair value through the income statement – self constructed	7	-	2,827,032	2,827,032
Financial assets in fair value through the ownership equities – self constructed	11	-	5,123,300	5,123,300
Financial assets in the fair value through the joint investment accounts holders equities	12	-	113,450,795	113,450,795
The year ended 31st December 2010				
Financial asset for sale – joint	36	3,935,584	(3,935,584)	-
Financial assets held till the maturity date	36	142,573	(142,573)	-
Financial assets in the fair value through the joint investment accounts holders equity	36	-	4,078,157	4,078,157

### Financial Accounting Statement (1) : Concept of Financial Reports Framework for the Islamic Financial Institutions

- The concept of the amended framework provides basic for the financial accounting standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions where it illustrates that the concept for the substance and form of the framework should deal with the information, transactions, and other issues on an accounting basis, and present the same in conformity with their economical essence and reality, in addition to the legal form.

#### 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 (57) 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.
- The non-controlling equity represent the portion not owned by the Bank or by the unrestricted investment accounts from the equity rights in the subsidiaries.
- In case of preparing separate financial statements for the Bank as an independent entity, the investments in subsidiaries shall be reflected in the fair value.

Company Name	Paid up Capital (JD)	Bank's Ownership %	Company Nature of Work	Place of Work	Ownership Date
Omaria Schools Company Ltd.	4,500,00	94.4%	Education	Amman	1987
Al Rizq Trading Company Ltd.	1,000,000	90%	Trading	Amman	1995
AlSamaha Real Estate Company Ltd.	1,000,000	95%	Real estates	Amman	1998
Future Applied Computer Technology Company Ltd.	5,000,000	100%	Services	Amman	1998

#### 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.
- 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:

- 15% shall be allocated to the Investment Risks Fund pursuant to Article (55) of the Jordanian Banks Law (2010: 10%).
- The Bank's share as speculator was deducted this year at 45% 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 investment portfolio and restricted investment accounts are managed under speculation contracts.

- The investment by proxy accounts are managed under brokerage contract.
- The Bank's share as a speculator was deducted at a rate of 20% from the total profits of the Muqarada bonds. The percentage of the profits distributed to Muqarada bonds holders reached 3.20% as on 31 December 2011 (4.22% in 2010).
- The Bank's share as a speculator was deducted at a rate of 25% from the restricted investment accounts profits in the Jordanian Dinar and 45% from the restricted investment accounts profits in foreign currencies. The percentage of the profits distributed to the foreign restricted investment accounts reached 0.15% as on 31 December 2011 (0.15% in 2010).
- The profit shall be distributed after deducting the Bank's share as speculator on the investment portfolios and the restricted investment accounts participating in the investment, each per its participation percentage.

#### 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 (investment portfolios) once the required conditions are satisfied.

#### 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 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.
- 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 at fair value through the income statement:

- They are the financial assets acquired by the Bank to sell them in the near future and make profits from the short term market prices fluctuations or the trading profit margin.
- These assets are carried at fair value at the time of purchase (the acquisition expenses are carried at the consolidated income statement at the time of purchase). They are reevaluated at fair value and the change is reflected at fair value in the consolidated income statement, including the change in the fair value resulting from the differences of exchanging the non-cash assets with foreign currencies. In case of selling such assets, or part thereof, the resulting profits and losses are reflected in the income statement. The distributed or realized profits are reflected in the consolidated income statement.

#### Financial assets at fair value through the ownership equity– self constructed:

- They represent the investments in the equity instruments financed by the Bank's own funds to be held for a long term.
- Such assets shall be carried at fair value upon purchase in addition to the acquisition expenses and are subsequently revalued at fair value. The change in fair value shall be stated in the fair value reserve item within the equity equity.
- In case these assets or part thereof is sold, resulting profits and losses shall be recorded in the retained profits in accordance with the instructions of the Central Bank of Jordan.
- In case the value of these assets is impaired, the resulting profits or losses shall be recorded in the consolidated income statement.
- 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 the recordation of the impairment losses through fair value reserve reflected in the equity accounts.
- The profits resulting from these financial assets shall be recorded 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. The impairment test of such assets shall be conducted at the end of each financial period, and any impairment in their value shall be recorded in the consolidated income statement. The impairment loss of such assets is unrecoverable in subsequent periods.

#### Financial Assets at fair value through joint investment account holders equities:

They represent the investments in the equity instruments financed by the joint investment account to be held for a long term.

- Such assets shall be carried at fair value upon purchase in addition to the acquisition expenses and are subsequently revalued at fair value. The change in fair value shall be stated in the fair value reserve item within the joint investment accounts holders equity.
- In case these assets or part thereof is sold, or in case their value is impaired, the resulting profits and losses shall be recorded in the consolidated income statement, including the amounts previously reflected in the joint investment accounts holders equity.
- 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 the recordation of the impairment losses through fair value reserve reflected in the joint investment accounts.
- The profits resulting from these financial assets shall be recorded 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. The impairment test of such assets shall be conducted at the end of each financial period, and any impairment in their value shall be recorded in the consolidated income statement. The impairment loss of such assets is unrecoverable in subsequent periods.

#### 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 equity.
- Investment in Affiliates shall be carried in accordance with the ownership equity method.
- In case of preparing separate financial statements for the Bank as an independent entity, the investments in subsidiaries shall be reflected in the fair value.

#### Ijara and Ijara Muntahia Bittamleek:

- Ijara 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.

#### Ijara Muntahia Bittamaleek:

- A lease contract which ends in the lessee's ownership of the leased assets. It takes different forms as mentioned in the Ijara and Ijara Muntahia Bittamleek Standard issued by the Accounting and Auditing Organization for Islamic Financial Institutions.
- The assets acquired for Ijara 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 Ijara 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.
- Ijara revenues shall be distributed in consistence with the financial periods covered by the Ijara contract.
- The expenses of leased assets maintenance shall be stated in the financial period where they occur.

#### Real Estate Investments:

- It is acquisition of real estates or lands, or part thereof, to earn periodic revenue, or to hold them for the purpose of an increase in their future value, 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 equity 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 consolidated 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 consolidated 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 consolidated 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 consolidated 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, and Furniture	2.5% - 15%
Transportation Means	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 consolidated 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 consolidated statement of financial position as a result of previous events, the fulfillment of obligations is probable and their value can be reliably measured.

#### (1) End of Service Indemnity Provision:

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

#### (2) Employees 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 consolidated financial statements, as declared profits include non-taxable revenues, non-deductable expenses in the fiscal year but rather in subsequent years, accumulated taxably accepted losses or non-deductable items for tax purposes.
- The Bank deducted income tax provision pursuant to the Interim Income Tax Law No. (28) of 2009 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 consolidated 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 the consolidated 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 consolidated statement of financial position only when the legal binding equity 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 15% 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:

	December 31, 2011	December 31, 2010
	JD	JD
Cash in Treasury	50,026,377	44,160,711
Balances at the Central Bank of Jordan:		
Current Accounts	990,296,171	790,594,759
Mandatory Cash Reserve	175,687,522	153,311,205
Total Balances at the Central Bank of Jordan	1,165,983,693	943,905,964
<b>Total</b>	<b>1,216,010,070</b>	<b>988,066,675</b>

- 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 amount of JD 4,912,429 and JD 17,060,083 was added/ deducted as of December 31, 2011 and December 31, 2010 consecutively, representing cash balances of restricted investment accounts and Muqarada Bonds accounts not yet invested.
- There are no due amounts for more than three months as on December 31, 2011 and December 31, 2010.
- There are no restricted withdrawing amounts except the mandatory cash reserve as on December 31, 2011 and December 31, 2010.

#### (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	
	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2011	Dec. 31, 2010
	JD	JD	JD	JD	JD	JD
Current and Call Accounts (Trust)	9,341,862	13,302,946	50,234,762	46,529,517	59,576,624	59,832,463
Barter operations due within 3 months or less	12,053,000	36,868,000	1,143,817	1,143,817	13,196,817	38,011,817
Unrestricted Investment Accounts that are due within 3 months or less	-	-	38,746,850	29,884,350	38,746,850	29,884,350
<b>Total</b>	<b>21,394,862</b>	<b>50,170,946</b>	<b>90,125,429</b>	<b>77,557,684</b>	<b>111,520,291</b>	<b>127,728,630</b>

- 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.
- There are no restricted withdrawing amounts at the local and foreign banks and banking institutions as on December 31, 2011 and December 31, 2010.

#### (6) Investment accounts at Banks and Banking Institutions

The details of this item are as follows:

	Foreign Banks and Banking Institutions	
	December 31, 2011	December 31, 2010
	JD	JD
Accounts due within (36-) months	6,310,100	5,742,900
Accounts due (9-12) months	-	2,836,000
<b>Total</b>	<b>6,310,100</b>	<b>8,578,900</b>

- There are no restricted withdrawing amounts at the local and foreign banks and banking institutions as on December 31, 2011 and December 31, 2010.

## (7) Financial assets at fair value through the income statement – self constructed

The details of this item are as follows:

Financial assets without market price	December 31, 2011	December 31, 2010
	JD	JD
		(Note 2 Amended )
Companies shares		2,827,032

The balance of the above financial assets as on December 31,2010 before the adjustment was part of the financial assets available for sale (note 2)

## (8) Deferred Sale Receivables and Other Receivables –Net

The details of this item are as follows:

	Joint		Self-Constructed		Total	
	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2011	Dec. 31, 2010
	JD	JD	JD	JD	JD	JD
Individuals (Retail)						
Murabaha to the Purchase-Orderer	430,539,240	395,211,572	-	-	430,539,240	395,211,572
Forward Sale	2,776,183	2,499,339	-	-	2,776,183	2,499,339
Client Receivables	-	-	7,171,197	4,347,428	7,171,197	4,347,428
Property Financing	287,503,285	260,272,536	-	-	287,503,285	260,272,536
Major Companies:						
International Murabaha	55,502,745	49,347,166	-	-	55,502,745	49,347,166
Murabaha	-	-	-	-	-	-
Murabaha to the Purchase-Orderer	315,038,378	282,752,606	-	-	315,038,378	282,752,606
Small and Medium Enterprises (SMEs)						
Murabaha to the Purchase-Orderer	146,065,221	136,448,577	-	-	146,065,221	136,448,577
Client Receivables	651,648	578,045	-	-	651,648	578,045
Government and public sector	23,523,960	70,571,882	373,847	1,913,603	23,897,807	72,485,485
Total	1,261,600,660	1,197,681,723	7,545,044	6,261,031	1,269,145,704	1,203,942,754
Less: Deferred Revenues*	(127,442,803)	(125,180,873)	-	-	(127,442,803)	(125,180,873)
Less: Outstanding Revenues**	(10,303,247)	(6,236,757)	-	-	(10,303,247)	(6,236,757)
Less: Impairment Provision	(49,773,261)	(32,686,571)	(630,000)	(500,000)	(50,403,261)	(33,186,571)
Net Deferred Sales & Other Receivables	1,074,081,349	1,033,577,522	6,915,044	5,761,031	1,080,996,393	1,039,338,553

\* 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.

Below the movement of the impairment provision for deferred sale receivables and finances – self constructed:

December 31, 2011	Individuals	Property Financing	Major Companies	Small & Medium Enterprises	Government and public sector	Total
	JD	JD	JD	JD	JD	JD
Beginning Balance	500,000	-	-	-	-	500,000
(Surplus) Deducted During the Year from the Revenue	130,000	-	-	-	-	130,000
Used from the Provision During the Year						
Written-off Receivables and Finances	-	-	-	-	-	-
<b>End Year Balance</b>	<b>630,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>630,000</b>

December 31, 2010	Individuals	Property Financing	Major Companies	Small & Medium Enterprises	Government and public sector	Total
	JD	JD	JD	JD	JD	JD
Beginning Balance	500,000	-	-	-	-	500,000
(surplus) deducted during the year from the revenue	-	-	-	-	-	-
Used from the provision during the year	-	-	-	-	-	-
Written-off receivables and finances	-	-	-	-	-	-
<b>End year balance</b>	<b>500,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>500,000</b>

There are no dispensable provisions due to settlements or debt payments and transferred to other receivables, finances, and Ijara as on December 31, 2011 and December 31, 2010.

The movement on the forward sale receivables as on December 31, 2011 was as follow:

	Forward sale Receivables	Deferred revenues
	JD	JD
Beginning Balance	2,499,339	157,843
Additions	1,162,865	796,810
Disposals	(886,021)	(98,434)
<b>End year balance</b>	<b>2,776,183</b>	<b>856,219</b>

Below is the movement on the outstanding revenues:

	Joint December 31, 2011				
	Individuals	Property Financing	Major Companies	Small & Medium Enterprises	Total
	JD	JD	JD	JD	JD
Beginning Balance	2,979,697	1,218,220	897,694	1,141,146	6,236,757
Add: Outstanding Revenues During the Year	2,469,035	992,186	1,729,356	1,246,095	6,436,672
Less: Outstanding Revenues Transferred to the Revenues	(1,327,569)	(615,691)	(158,941)	(267,981)	(2,370,182)
<b>End Year Balance</b>	<b>4,121,163</b>	<b>1,594,715</b>	<b>2,468,109</b>	<b>2,119,260</b>	<b>10,303,247</b>

	Joint December 31, 2010				
	Individuals	Property Financing	Major Companies	Small & Medium Enterprises	Total
	JD	JD	JD	JD	JD
Beginning Balance	2,126,367	1,023,802	420,125	775,948	4,346,242
Add: Outstanding Revenues During the Year	2,066,707	854,546	717,306	807,980	4,446,539
Less: Outstanding Revenues Transferred to the Revenues	(1,213,377)	(660,128)	(239,737)	(442,782)	(2,556,024)
<b>End Year Balance</b>	<b>2,979,697</b>	<b>1,218,220</b>	<b>897,694</b>	<b>1,141,146</b>	<b>6,236,757</b>

### (9) Assets of Ijara Muntahia Bittamleek- Net

The details of this item are as follows:

	Joint December 31, 2011		
	Cost	Accumulated Depreciation	Net Value
	JD	JD	JD
Assets of Ijara Muntahia Bittamleek / real estates	285,484,212	(62,562,564)	222,921,648

	Joint December 31, 2010		
	Cost	Accumulated Depreciation	Net Value
	JD	JD	JD
Assets of Ijara Muntahia Bittamleek / real estates	212,545,541	(44,005,873)	168,539,668

- The total unpaid accrued Ijara installments amounted to JD 1,658,016 as of December 31, 2011 compared to JD 1,230,215 as of December 31, 2010.
- The total non-operating Ijara installments amounted to JD 12,829,487 as of December 31, 2011 compared to JD 8,533,542 as of December 31, 2010.

### (10) Finances –Net

The details of this item are as follows:

	Joint		Self-Constructed		Total	
	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2011	Dec. 31, 2010
	JD	JD	JD	JD	JD	JD
Individuals (Retail):						
Diminishing Musharaka	17,378,023	15,251,518	841,194	676,266	18,219,217	15,927,784
Less: Impairment Provision	(228,775)	(202,734)	-	-	(228,775)	(202,734)
<b>Net Finances</b>	<b>17,149,248</b>	<b>15,048,784</b>	<b>841,194</b>	<b>676,266</b>	<b>17,990,442</b>	<b>15,725,050</b>

- Deferred sales and other receivables and non-operating Al Qard Al Hasan amounted to JD 94,032,864 as of December 31, 2011, i.e. 7.24% of the balance of deferred sales and other receivables, finances and Al Qard Al Hasan compared to JD 69,305,103 as of December 31, 2010, i.e. 5.63% of the balance utilized at the end of the previous year.
- Deferred sales and other receivables and non-operating Al Qard Al Hasan amounted to JD 83,729,617 as of December 31, 2011, i.e. 6.45% of the balance of deferred sales and other receivables and non-operating Al Qard Al Hasan after deducting the outstanding revenues compared to JD 63,068,346 as of December 31, 2010, i.e. 5.13% of the balance utilized at the end of the previous year.



- Deferred sales, other receivables, and financed granted to the Government of Jordan amounted to JD 23,897,807 as of December 31, 2011, i.e. 1.86% of the balance of deferred sales, other receivables and finances compared to JD 72,485,485 as of December 31, 2010, i.e. 5.94% of the balance utilized at the end of the previous year.

### (11) Financial Assets at fair value through the ownership equity – self constructed

The details of this item are as follow:

Financial assets with market prices:	December 31, 2011	December 31, 2010
	JD	JD
Companies shares	1,700,626	1,480,011
Total financial assets with market prices	1,700,626	1,480,011
Financial assets without market prices:		
Companies shares	862,472	1,143,289
Muqarada bonds	2,500,000	2,500,000
Total financial assets without market prices	3,362,472	3,643,289
Total financial assets at fair value through the ownership equity – self constructed	5,063,098	5,123,300

- The total financial assets reflected at cost due to the impossibility of determining their fair value as on December 31, 2011 amounted to JD 2,500,000 compared to JD 2,500,000 as on December 31, 2010.
- The balance of the above financial assets as on December 31, 2010 before the adjustment was part of the financial assets available for sale (note 2).

### (12) Financial assets in the fair value through the joint investment accounts holders equities

The details of this item are as follow:

Financial assets with market prices:	December 31, 2011	December 31, 2010
	JD	JD
Companies shares	34,671,268	37,611,126
Total financial assets with market prices	34,671,268	37,611,126
Financial assets without market prices:		
Companies shares	2,086,620	1,586,620
Islamic banks portfolio	4,013,341	4,254,000
Islamic Sukuk	9,926,000	5,317,500
Participation in investment funds	-	2,463,049
Muqarada bonds	45,718,500	62,218,500
Total financial assets without market prices	61,744,461	75,839,669
Total financial assets at fair value through the joint investment accounts holders equities	96,415,729	113,450,795

- The total financial assets reflected at cost due to the impossibility of determining their fair value as on December 31, 2011 amounted to JD 61,744,461 compared to JD 75,839,669 as on December 31, 2010.
- The balance of the above financial assets as on December 31, 2010 before the adjustment was part of the financial assets available for sale and the financial assets held till the maturity date (note 2).

**(13) Investments in Affiliates / Joint:**

The details of this item are as follow:

Affiliates/ Joint	Country of incorporation	Ownership Percentage %	Nature of activity	Date of preparing financial statements	Year of ownership	Investment cost		Value under the ownership equity method	
						Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2011	Dec. 31, 2010
						JD	JD	JD	JD
Jordan Center for International Trading Co	Jordan	28.4	Commercial	Dec. 31	1983	1,069,932	1,069,932	1,370,099	1,336,875
AlAmin Investment Co.	Jordan	29.7	Services	Dec. 31	1995	4,061,558	4,061,558	4,090,569	4,747,994
Islamic Insurance PLC.	Jordan	33.2	Insurance	Dec. 31	1995	4,607,692	4,607,692	5,104,101	5,288,442
Arabian Steel Pipes Mfg. Co.	Jordan	26.0	Industry	Dec. 31	1994	5,127,585	5,127,585	3,929,382	3,871,977
Total affiliates / Joint						14,866,767	14,866,767	14,494,151	15,245,288

Investments in affiliates / joint under the ownership equity method noting that their fair value on December 31, 2011 amounted to JD 15,523,830 compared to JD 18,662,323 on December 31, 2010.

#### (14) Real Estate Investments

##### Acquired for capital appreciation:

Details of this item are as follows:

	Joint	
	December 31, 2011	December 31, 2010
	JD	JD
Real Estate investments	62,328,128	59,260,700
Net Assets	62,328,128	59,260,700

- The real estate investments are carried at fair value, noting that its book value (cost) is JD 53,699,012 as of December 31, 2011 compared to JD 49,311,242 as of December 31, 2010.

##### Acquired to earn periodic revenues :

Details of this item are as follows:

2011	Joint		
	Cost JD	Accumulated Depreciation JD	Net value JD
Real estate investments	5,890,683	(593,603)	5,297,080
Total	5,890,683	(593,603)	5,297,080

2010	Joint		
	Cost JD	Accumulated Depreciation JD	Net value JD
Real Estate investments	5,886,873	(398,639)	5,488,234
Total	5,886,873	(398,639)	5,488,234

- The real estate investments amounted to JD 67,625,208 as of December 31, 2011 compared to JD 64,748,934 as of December 31, 2010.

#### (15) Al Qard Al Hasan (Good Loans)- Net:

Details of this item are as follows:

	December 31, 2011	December 31, 2010
	JD	JD
Al Qard Al Hasan	10,487,577	10,057,128
Less: Assets Impairment Provision-Self Constructed *	(2,908,855)	(2,352,950)
Al Qard Al Hasan-Net	7,578,722	7,704,178

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

Item	Year beginning balance	Formed during the year	Utilized during the year	Transferred during the year	Transferred to revenues	Year end balance
	JD	JD	JD	JD	JD	JD
2011						
Assets Impairment provision-Self Constructed	2,352,950	555,905	-	-	-	2,908,855
Total	2,352,950	555,905	-	-	-	2,908,855

Item 2010	Year beginning balance	Formed during the year	Utilized during the year	Transferred during the year	Transferred to revenues	Year end balance
	JD	JD	JD	JD	JD	JD
Assets Impairment provision-Self Constructed	2,470,094	-	-	-	(117,144)	2,352,950
<b>Total</b>	<b>2,470,094</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(117,144)</b>	<b>2,352,950</b>

### (16) Property and Equipment- Net

Details of this item are as follows:

	December 31, 2011					
	Lands	Buildings	Equipment, machines and furniture	Transportation means	Computers	total
	JD	JD	JD	JD	JD	JD
Cost						
Year-Beginning Balance	9,187,975	20,000,321	25,948,797	1,485,955	7,621,809	64,244,857
Additions	1,951,596	1,650,779	2,445,976	62,389	459,292	6,570,032
Disposals	-	(109,206)	(153,221)	(130,959)	(18,678)	(412,064)
Year-End Balance	11,139,571	21,541,894	28,241,552	1,417,385	8,062,423	70,402,825
Accumulated Depreciation	-	(3,705,074)	(16,646,960)	(468,422)	(6,116,130)	(26,936,586)
Depreciation for the year	-	(339,646)	(2,057,265)	(96,595)	(570,186)	(3,063,692)
Disposals	-	-	43,705	-	-	43,705
Accumulated depreciation at the end of the year	-	(4,044,720)	(18,660,520)	(565,017)	(6,686,316)	(29,956,573)
Net book value of property and equipment	11,139,571	17,497,174	9,581,032	852,368	1,376,107	40,446,252
Payments for acquisition of property and equipment	-	-	878,240	-	-	878,240
Projects in Progress	-	2,565,126	-	-	-	2,565,126
Net property and equipment at the end of the year	11,139,571	20,062,300	10,459,272	852,368	1,376,107	43,889,618

	December 31, 2010					
	Lands	Buildings	Equipment, machines and furniture	Transportation means	Computers	total
	JD	JD	JD	JD	JD	JD
Cost						
Year-Beginning Balance	4,936,007	17,306,584	23,961,119	1,087,450	6,984,628	54,275,788
Additions	4,251,968	2,693,737	2,372,645	516,008	655,176	10,489,534
Disposals	-	-	(384,967)	(117,503)	(17,995)	(520,465)
Year End Balance	9,187,975	20,000,321	25,948,797	1,485,955	7,621,809	64,244,857
Accumulated Depreciation	-	(3,398,792)	(15,211,238)	(464,562)	(5,204,324)	(24,278,916)
Depreciation for the year	-	(306,282)	(1,515,812)	(75,357)	(911,806)	(2,809,257)
Disposals	-	-	80,090	71,497	-	151,587
Accumulated depreciation at the end of the year	-	(3,705,074)	(16,646,960)	(468,422)	(6,116,130)	(26,936,586)
Net book value of property and equipment	9,187,975	16,295,247	9,301,837	1,017,533	1,505,679	37,308,271
Payments for acquisition of property and equipment	-	-	898,601	-	23,670	922,271
Projects in Progress	-	293,760	-	-	-	293,760
Net property and equipment at the end of the year	9,187,975	16,589,007	10,200,438	1,017,533	1,529,349	38,524,302

The cost of completely depreciated properties and equipment amounted to JD 13,565,881 as on 31 December 2011.

### (17) Depreciation and Amortization

Details of this item are as follows:

	December 31, 2011	December 31, 2010
	JD	JD
Fixed Assets Depreciation	3,063,692	2,809,257
Intangible Assets Amortization	54,798	35,134
Goodwill Allowance Amortization	47,500	25,000
<b>Total</b>	<b>3,165,990</b>	<b>2,869,391</b>

### (18) Intangible Assets

Details of this item are as follows:

	December 31, 2011	December 31, 2010
	JD	JD
Computer systems and software	48,115	71,742
Additions	92,466	11,507
Amortization for the year	(54,798)	(35,134)
Payments for purchasing software and programs	474,984	239,778
Year – End balance	560,767	287,893

### (19) Other Assets

Details of this item are as follows:

	December 31, 2011	December 31, 2010
	JD	JD
Receivable Revenues	1,608,946	1,582,425
Pre-paid Expenses	9,942	12,240
Temporary Debit Accounts	1,942,918	2,357,814
Stationery and Publications	546,195	568,656
Pre-paid Leases	466,391	393,663
Revenue and Mail Stamps	459,608	421,497
Credit Card Accounts	573,229	603,850
Trusts of Settlement Guarantee Fund	25,000	25,000
Unpaid Accepted Guaranteed Due Promissory Notes	159,501	772,778
Center JONET account	728,235	405,235
Provisions for income tax	3,896	503,285
Others	400,656	148,286
<b>Total</b>	<b>6,924,517</b>	<b>7,794,729</b>

## (20) Banks and Banking Institutions Accounts

Details of this item are as follows:

	December 31, 2011			December 31, 2010		
	Inside the Kingdom	Outside the Kingdom	Total	Inside the Kingdom	Outside the Kingdom	Total
	JD	JD	JD	JD	JD	JD
Current and Call Accounts	106,008	6,230,263	6,336,271	100,000	5,915,378	6,015,378
Barter operations	12,053,000	1,158,523	13,211,523	36,868,000	1,158,523	38,026,523
<b>Total</b>	<b>12,159,008</b>	<b>7,388,786</b>	<b>19,547,794</b>	<b>36,968,000</b>	<b>7,073,901</b>	<b>44,041,901</b>

## (21) Client Current and Call Accounts (Trust)

Details of this item are as follows:

	December 31, 2011				
	Individuals	Major Companies	Small and Medium Enterprises	Government and Public Sector	Total
	JD	JD	JD	JD	JD
Current Accounts	533,320,888	47,705,596	67,614,313	9,131,225	657,772,022
Call Accounts	124,245,350	53,229	102,847	-	124,401,426
<b>Total</b>	<b>657,566,238</b>	<b>47,758,825</b>	<b>67,717,160</b>	<b>9,131,225</b>	<b>782,173,448</b>

	December 31, 2010				
	Individuals	Major Companies	Small and Medium Enterprises	Government and Public Sector	Total
	JD	JD	JD	JD	JD
Current Accounts	407,728,664	87,305,001	55,631,930	11,300,283	561,965,878
Call Accounts	106,645,091	371	47,742	-	106,693,204
<b>Total</b>	<b>514,373,755</b>	<b>87,305,372</b>	<b>55,679,672</b>	<b>11,300,283</b>	<b>668,659,082</b>

- The public sector deposits inside the Kingdom amounted to JD 9,131,225, i.e. 1.17% of the total current and call accounts of clients as of December 31, 2011 compared to JD 11,300,283, i.e. 1.69% as of December 31, 2010.
- Dormant accounts amounted to JD 17,422,851 as of December 31, 2011 compared to JD 13,181,572 as of December 31, 2010.
- There are no attached deposits (restricted withdrawal) as on December 31, 2011 and December 31, 2010.

## (22) Cash Margins (Deposits)

Details of this item are as follows:

	December 31, 2011	December 31, 2010
	JD	JD
Deposits against Sale and Finance Receivables and Other Receivables	13,416,827	17,034,196
Deposits against Indirect Facilities	15,839,615	18,071,331
Other Deposits	1,099,227	813,598
<b>Total</b>	<b>30,355,669</b>	<b>35,919,125</b>

## (23) Accounts Payable

Details of this item are as follows:

	December 31, 2011	December 31, 2010
	JD	JD
Client Accounts Payable	1,170,830	1,640,033
<b>Total</b>	<b>1,170,830</b>	<b>1,640,033</b>

## (24) Other Provisions

Details of this item are as follows:

	2011				
	Year-Beginning Balance	Formed during the year	Utilized during the year	Transferred during the year	Year-End Balance
	JD	JD	JD	JD	JD
End of Service Provision	1,000,000	-	-	-	1,000,000
Employee Leaves Provision	1,600,000	500,000	-	-	2,100,000
General Provision	1,286,312	-	(1,286,312)	-	-
<b>Total</b>	<b>3,886,312</b>	<b>500,000</b>	<b>(1,286,312)</b>	<b>-</b>	<b>3,100,000</b>
	2010				
	Year-Beginning Balance	Formed during the year	Utilized during the year	Transferred during the year	Year-End Balance
	JD	JD	JD	JD	JD
End of Service Provision	1,000,000	-	-	-	1,000,000
Employee Leaves Provision	1,500,000	100,000	-	-	1,600,000
General Provision	1,286,312	-	-	-	1,286,312
<b>Total</b>	<b>3,786,312</b>	<b>100,000</b>	<b>-</b>	<b>-</b>	<b>3,886,312</b>

## (25) Bank's Income Tax:

Bank's Income Tax Provision

The transaction of the Bank's income tax provision is as follows:

	December 31, 2011	December 31, 2010
	JD	JD
Year-Beginning Balance	13,907,183	13,115,985
Paid Income Tax	(11,564,220)	(10,809,541)
Accrued Income Tax	11,401,029	11,600,739
<b>Year-End Balance</b>	<b>13,743,992</b>	<b>13,907,183</b>

The Income tax stated in the consolidated income statement represents the following:

	December 31, 2011	December 31, 2010
	JD	JD
Accrued Income Tax for the Year Profits	11,401,029	11,600,739

- The accrued income tax for the financial year ending at December 31, 2011 and December 31, 2010 was calculated in accordance with the income tax law No. 28 of 2009.

The taxes payable on the Bank until the end of 2009 were settled.

- A presentation was made to the Bank's self-assessment statements and the payment of the announced tax. They are reviewed by the Income and Sales Tax Department. No final report has been issued as of the date of preparing these consolidated financial statements.
- A settlement was made to the tax due from Sanabel Al-Khair for Financial Investments Company till the end of 2009.
- A settlement was made to the taxes due from Al Rizq Trading Company, and Omariah Schools Company till the end of 2009, as well as Al Samaha Real Estate Company till the end of 2008. The tax due from Future Applied Computer Technology Company for the years 2006, 2007, 2008, 2009, and 2010 is under settlement.

## (26) Deferred Tax Liabilities:

Details of this item are as follows:

	December 31, 2011					December 31, 2010
	Beginning-Year Balance	Released Amounts	Added Amounts	End-Year Balance	Deferred Tax	Deferred Tax
	JD	JD	JD	JD	JD	JD
a. Joint deferred tax liabilities *						
Financial assets at fair value through the Joint Investment Accounts holders equities	550,503	(3,403,033)	-	(2,852,530)	(855,759)	165,151
Real Estate Investments for capital appreciation	9,949,458	(1,380,703)	-	8,568,755	2,570,627	2,984,837
Total	10,499,961	(4,783,736)	-	5,716,225	1,714,868	3,149,988
b. Self deferred tax liabilities **						
Financial assets at fair value through the ownership equity – self constructed	2,553,628	(2,471,494)	-	82,134	24,640	766,088
<b>Total</b>	<b>2,553,628</b>	<b>(2,471,494)</b>	<b>-</b>	<b>82,134</b>	<b>24,640</b>	<b>766,088</b>

\* The deferred tax liabilities include an amount of JD 1,714,868 as of December 31, 2011 compared to JD 3,149,988 as of December 31, 2010 resulting from the profits of valuating financial and non-financial assets stated in the fair value reserve of the holders of unrestricted investment accounts.

\*\* The deferred tax liabilities include an amount of JD 24,640 as of December 31, 2011 compared to JD 766,088 as of December 31, 2010 resulting from the profits of valuating financial and non-financial assets which stated in the fair value reserve of ownership equity.



Transaction in the account of deferred tax liabilities is as follows:

**A. Joint**

	December 31, 2011	December 31, 2010
	JD	JD
Year-Beginning Balance	3,149,988	2,481,983
Additions		668,005
Disposals	(1,435,120)	
<b>Total</b>	<b>1,714,868</b>	<b>3,149,988</b>

**B. Self-Constructed**

	December 31, 2011	December 31, 2010
	JD	JD
Year-Beginning Balance	766,088	753,825
Additions	-	12,263
Disposals	(741,448)	-
<b>Total</b>	<b>24,640</b>	<b>766,088</b>

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

	December 31, 2011	December 31, 2010
	JD	JD
Accounting Profit	39,725,238	40,694,433
Non-Taxable Profits	(2,961,436)	(2,093,482)
Taxably Unacceptable Expenses	1,323,819	260,461
Taxable Profit	38,087,621	38,861,412
Attributable to:		
The Bank	37,666,667	37,900,000
Subsidiaries	420,954	961,412
legal Income Tax Rate- the Bank	30%	30%
legal Income Tax Rate - Subsidiaries	24%	24%

## (27) Other Liabilities

Details of this item are as follows:

	December 31, 2011	December 31, 2010
	JD	JD
Acceptable Checks	3,770,278	2,571,856
Revenues received in advance	1,207,730	1,195,150
Al Qard Al Hasan Fund	770,537	611,374
Accrued Unpaid Expenses	1,350	-
Temporary Trusts	580,096	608,250
Miscellaneous Credit Balances	1,005,268	767,205
Checks for Notes Payment	2,908,090	1,617,881
University fees	-	401,677
In transit transactions between the Head Office and branches	128,597	161,578
Manager's Checks	5,155,521	3,525,766
Others	732,646	562,158
<b>Total</b>	<b>16,260,113</b>	<b>12,022,895</b>

## (28A) Unrestricted Investment Accounts

Details of this item are as follows:

	December 31, 2011					
	Individuals	Major Companies	Small and Medium Enterprises	Government and Public Sector	Banks	Total
	JD	JD	JD	JD	JD	JD
Saving Accounts	358,731,771	709,174	3,019,827	17,514	358,738	362,837,024
Notice Accounts	13,095,774	151,574	45,227	6,137,001	-	19,429,576
Time Accounts	1,346,149,480	8,036,502	18,109,220	11,573,250	-	1,383,868,452
<b>Total</b>	<b>1,717,977,025</b>	<b>8,897,250</b>	<b>21,174,274</b>	<b>17,727,765</b>	<b>358,738</b>	<b>1,766,135,052</b>
Depositors' Share in Investment Returns	36,456,244	188,804	449,429	376,192	979	37,471,648
Total Unrestricted Investment Accounts	1,754,433,269	9,086,054	21,623,703	18,103,957	359,717	1,803,606,700

	December 31, 2010					
	Individuals	Major Companies	Small and Medium Enterprises	Government and Public Sector	Banks	Total
	JD	JD	JD	JD	JD	JD
Saving Accounts	315,615,782	3,328,928	1,554,186	18,673	625,947	321,143,516
Notice Accounts	12,590,573	2,537,849	32,508	5,664,379	-	20,825,309
Time Accounts	1,094,434,497	22,669,575	89,548,511	11,061,623	-	1,217,714,206
<b>Total</b>	<b>1,422,640,852</b>	<b>28,536,352</b>	<b>91,135,205</b>	<b>16,744,675</b>	<b>625,947</b>	<b>1,559,683,031</b>
Depositors' Share in Investment Returns	33,336,009	668,689	2,135,559	392,376	547	36,533,180
Total Unrestricted Investment Accounts	1,455,976,861	29,205,041	93,270,764	17,137,051	626,494	1,596,216,211

**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 total profits percentage amounted to 3.35% as of December 31, 2011 compared to 3.89% as of December 31, 2010, and the profits percentage in foreign currencies amounted to 0.69% as of December 31, 2011 compared to 0.72% as of December 31, 2010
  - The unrestricted investment accounts (Government of Jordan and Public Sector) inside the Kingdom amounted to JD 18,103,957, i.e. 1.00% of the total unrestricted investment accounts as of December 31, 2011 compared to JD 17,137,051, i.e. 1.07% as of December 31, 2010.
  - There are no attached investment accounts (restricted withdrawal) as of December 31, 2011 and December 31, 2010.

**(28 B) Reserve of Investment Accounts Holders and Non Controlling Equities– Subsidiaries & Affiliates**

Details of this item are as follows:

	Joint	
	December 31, 2011	December 31, 2010
	JD	JD
Reserve of Investment Accounts Holders– Subsidiaries	4,589,055	4,132,217
Reserve of Investment Accounts Holders– Affiliates	(372,616)	378,521
	4,216,439	4,510,738
Non-controlling equities	660,677	648,428

**(29) Fair Value Reserve**

The Details of this item are as follows:

**(A) Joint**

	Joint	
	December 31, 2011	December 31, 2010
	JD	JD
Financial Assets Reserve at Fair Value Through the Joint Investment Accounts Holders Equities	(1,996,771)	385,352
Real Estate Investments Reserve	5,998,128	6,964,621
Total	4,001,357	7,349,973

**(B) Self-Constructed**

	Self-Constructed	
	December 31, 2011	December 31, 2010
	JD	JD
Financial Assets Reserve at Fair Value Through the Ownership Equity – Self Constructed	57,494	99,635

(C) The transaction in the fair value reserve within unrestricted investment accounts holders equity was as follows:

	December 31, 2011		
	Financial Assets at fair value	Real Estate Investments	Total
	JD	JD	JD
Year-Beginning Balance	550,503	9,949,458	10,499,961
Unrealized Losses	(3,401,097)	(340,012)	(3,741,109)
Deferred Tax Liabilities	855,759	(2,570,627)	(1,714,868)
Profits Transferred to the Consolidated Income Statement	(1,936)	(1,040,691)	(1,042,627)
<b>Year-End Balance</b>	<b>(1,996,771)</b>	<b>5,998,128</b>	<b>4,001,357</b>

	December 31, 2010		
	Financial Assets at fair value	Real Estate Investments	Total
	JD	JD	JD
Year-Beginning Balance	5,999,026	12,960,562	18,959,588
Unrealized Losses	(5,445,189)	(2,279,261)	(7,724,450)
Deferred Tax Liabilities	(165,151)	(2,984,837)	(3,149,988)
Profits Transferred to the Consolidated Income Statement	(3,334)	(731,843)	(735,177)
<b>Year-End Balance *</b>	<b>385,352</b>	<b>6,964,621</b>	<b>7,349,973</b>

\* The net fair value reserve after deducting the deferred tax liabilities amounted JD 3,149,988.

(D) Movement on the fair value reserve / within the ownership equity:

	Financial assets at fair value	
	December 31, 2011	December 31, 2010
	JD	JD
Year-Beginning Balance	865,723	2,871,715
Unrealized losses	(783,589)	(2,005,992)
Deferred Tax Liabilities	(24,640)	(766,088)
<b>Year-End Balance</b>	<b>57,494</b>	<b>99,635 *</b>

\* The net fair value reserve after deducting the deferred tax liabilities amounted to JD 766,088.

### (30) Investment Risk Fund

#### A. The transaction in the Investment Risk Fund is as follows:

	December 31, 2011	December 31, 2010
	JD	JD
Year-Beginning Balance	47,441,288	41,015,908
Add: investment profits transferred this year	16,457,097	10,082,957
Net Tax Settlement	98,512	(295,829)
Recovered amounts from previous years losses	29,086	38,738
Less: losses amortized during the year	(2,596,406)	(484,657)
Less: payments on the tax account for 2011 and 2010	(579,323)	(95,783)
Income Tax*	(3,526,461)	(2,820,046)
<b>Year-End Balance</b>	<b>57,323,793</b>	<b>47,441,288</b>

- The losses charged to the Fund on December 31, 2011 represent losses realized from investment in shares at the sum of JD 285,301 compared to JD 479,339 as on December 31, 2010, and losses in investment amounting to JD 2,028,666 compared to JD 5,318 as on December 31, 2010, and losses of debt amortization amounting to JD 282,439 as on December 31, 2011 in accordance with the provisions of Article (55) of the Banks Law and the Interpretation issued by the Bureau of Laws Interpretation.
- As of December 31, 2011, a rate of 15% was deducted from the net investment profits realized from different transactions. The amount was transferred to the Investment Risk Fund, noting that the rate was 10% in 2010.
- The balance of the Investment Risk Fund devolves to the Zakat Fund in case of the Bank's liquidation.

#### B. The investment risk fund balance is distributed as follows:

	December 31, 2011	December 31, 2010
	JD	JD
Year – End Balance	57,323,793	47,441,288
Forward Sales Liabilities (impairment provision)	49,773,261	32,686,571
Finances (impairment provision)	228,775	202,734
Impairment provision	50,002,036	32,889,305
<b>** Remaining Balance</b>	<b>7,321,757</b>	<b>14,551,983</b>

#### \* The above fund income tax represents:

	December 31, 2011	December 31, 2010
	JD	JD
Income tax payable on the amounts transferred from the investment profits	3,526,461	2,820,046

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

- The taxes payable on the Fund for 2009 were settled, and the Bank paid a sum of JD 2, 817,317 to the Income Tax Department from the tax payable on the Fund for 2010, and a sum of JD 579,323 to the tax payable on the Fund for 2011 from the Fund in accordance with the related Sharia fatwa.

### (31) Capital

The subscribed and paid-up capital amounted to JD 100,000,000 on December 31, 2011 (2010: JD 100,000,000) distributed on 100,000,000 shares (2010: 100,000,000 shares), with a nominal value of one JD per each share.

### (32) 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 equity to distribute all or part of it as dividends.

#### 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.

#### 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.

The restricted reserves are as follows:

	JD	Nature of Restriction
Statutory Reserve	34,507,433	Pursuant to the Banks Law
General Banking Risks Reserve	700,000	As per the Instructions of the Central Bank

### (33) Retained Earnings

Details of this item are as follows:

	December 31, 2011	December 31, 2010
	JD	JD
Year-Beginning Balance before adjustment	47,628,149	38,668,838
Impact of applying the Islamic financial accounting standard 25	1,687,904	1,687,904
Year- beginning adjusted balance	49,316,053	40,356,742
Profit for the year	28,324,209	29,093,694
(Transferred) to reserves:		
Statutory Reserve	(3,980,324)	(4,117,611)
Voluntary Reserve	(3,947,135)	(4,016,772)
Dividends	(15,000,000)	(12,000,000)
<b>Year-End Balance</b>	<b>54,712,803</b>	<b>49,316,053</b>

### Proposed Dividends:

The rate of dividends proposed to be distributed to shareholders for the current year amounted to 15% of the capital, i.e., JD 15,000,000. 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, i.e., JD 15,000,000.

### (34) Deferred Sales Revenues:

The details of this item are as follows:

	Joint	
	December 31, 2011	December 31, 2010
	JD	JD
Individuals (Retail)		
Murabaha to Purchase-Orderer	31,914,903	29,610,282
Forward Sale	95,591	107,035
Real Estate Finances	20,923,451	19,500,299
Major Companies:		
International Murabaha	172,443	293,875
Murabaha to Purchase-Orderer	22,754,913	21,184,565
Small and Medium Enterprises:		
Murabaha to Purchase-Orderer	9,458,447	9,620,941
Government and public sector	589,842	201,235
<b>Total</b>	<b>85,909,590</b>	<b>80,518,232</b>

### (35) Finances Revenues:

The details of this item are as follows:

	Joint		Self-Constructed		Total	
	2011	2010	2011	2010	2011	2010
	JD	JD	JD	JD	JD	JD
Individuals (Retail)						
Diminishing Musharaka	236,362	219,843	23,211	13,665	259,573	233,508
Small & Medium Enterprises						
Diminishing Musharaka	88,137	72,022	-	-	88,137	72,022
<b>Total</b>	<b>324,499</b>	<b>291,865</b>	<b>23,211</b>	<b>13,665</b>	<b>347,710</b>	<b>305,530</b>

### (36) Profits of Financial Assets at fair value through the joint investment accounts holders equities:

The details of this item are as follows:

Item	Joint	
	December 31, 2011	December 31, 2010
	JD	JD
Returns of Company Stocks Distributions	1,032,200	1,178,900
Profits of selling financial assets at fair value	1,936	3,334
Islamic Banks Portfolio Revenues	115,205	225,610
Muqarada Bonds Revenues	1,816,231	2,527,740
Islamic Leasing Sukuk	209,721	101,871
Investment Funds	-	40,702
<b>Total</b>	<b>3,175,293</b>	<b>4,078,157</b>

The profits reflected on December 31, 2010 before adjustments were part of the profits of financial assets available for sale and revenues of financial assets held till the maturity date (note 2)

### (37) Dividends Distributed by Affiliates and Subsidiaries:

The details of this item are as follows:

Joint	Distributed Dividends			
	Ownership %	Distribution %	Dec. 31, 2011	Dec. 31, 2010
			JD	JD
Subsidiaries:				
ALSamaha Real Estate Co.	95.0	-	-	95,000
Omariah Schools Company Ltd.	94.4	10.0	425,015	-
Affiliates:				
Jordanian Center for International Trading Co.	28.4	8.0	77,120	-
ALamin Investment Co.	29.7	10.0	297,144	356,573
Islamic Insurance Co.	33.2	5.0	199,400	-
Arabian Steel Pipes Mfg. Co.	26.0	15.0	351,000	351,000
<b>Total</b>			<b>1,349,679</b>	<b>802,573</b>

### (38) Real Estate Revenues

The details of this item are as follows:

	Joint	
	December 31, 2011	December 31, 2010
	JD	JD
Realized Profits of Real Estate Investment Held for Capital Appreciation	1,532,069	1,302,121
Realized Profits of Real Estate Investment Held to Earn Periodic Rentals	230,473	86,215
<b>Total</b>	<b>1,762,542</b>	<b>1,388,336</b>



### (39) Revenues of Leased Assets and Ijara Muntahia Bittamleek

The details of this item are as follows:

	Joint	
	December 31, 2011	December 31, 2010
	JD	JD
Ijara Muntahia Bittamleek	16,269,087	12,941,163

### (40) Other Investments Revenues

The details of this item are as follows:

	December 31, 2011	December 31, 2010
	JD	JD
Revenues of Investment Deposits at Islamic Institutions	923,288	809,246

### (41) Net Results of Subsidiaries

The details of this item are as follows:

	December 31, 2011	December 31, 2010
	JD	JD
Revenues		
School installments and transportation	5,429,663	4,888,160
Profits of financial assets	89,623	63,035
Muqarada Bonds Revenues	53,278	105,298
Projects Revenues	179,086	91,755
Other Revenues	279,822	230,231
Total Revenues	6,031,472	5,378,479
Expenses		
Administrative Expenses	(3,343,601)	(3,341,141)
Depreciations	(336,365)	(328,522)
Other expenses	(1,309,198)	(858,720)
Total expenses	(4,989,164)	(4,528,383)
Net results	1,042,308	850,096

#### (42) Share of Unrestricted Investment Accounts Holders

The details of this item are as follows:

	December 31, 2011	December 31, 2010
	JD	JD
Banks and Institutions	979	547
Clients:		
Saving Accounts	4,617,870	4,631,199
Notice Accounts	403,619	498,891
Time Accounts	32,449,180	31,402,543
<b>Total</b>	<b>37,471,648</b>	<b>36,533,180</b>

#### (43) The Bank's Share of the Joint Investment Accounts Revenues as a Speculator and Capital Owner

The details of this item are as follows:

	December 31, 2011	December 31, 2010
	JD	JD
As a Speculator	49,371,290	45,373,308
As a Capital Owner	6,413,943	8,840,127
<b>Total</b>	<b>55,785,233</b>	<b>54,213,435</b>

#### (44) Profits of Bank's Self-Investment

The details of this item are as follows:

	December 31, 2011	December 31, 2010
	JD	JD
Finances Revenues (Note 35)	23,211	13,665
Shares Dividends	2,750	-
Profits of Financial Asset at Fair Value through the income statement*	3,994,129	405,027
<b>Total</b>	<b>4,020,090</b>	<b>418,692</b>

During the year ended on December 31, 2011, financial assets at fair value through the income statement were sold realizing a profit of JD 3,728,628.

\*Profits of financial assets at fair value through the income statement:

	Self-Constructed	
	December 31, 2011	December 31, 2010
	JD	JD
Dividends of financial assets at fair value through the income statement	265,294	404,290
Profits of selling financial assets at fair value through the income statement	3,728,628	737
<b>Total</b>	<b>3,994,129</b>	<b>405,027</b>

#### (45) The Bank's Share of the Restricted Investment Revenues as Speculator and/or Agent

The details of this item are as follows:

	December 31, 2011		December 31, 2010	
	As Agent	As Speculator	As Agent	As Speculator
	JD	JD	JD	JD
Restricted Investment Revenues	47,250	250,941	47,265	249,651
Less: Share of Restricted Investment Accounts Holders	-	(180,896)	-	(167,940)
Net	47,250	70,045	47,265	81,711
Muqarada Bonds Profits	-	7,917,311	-	11,785,831
Less: Share of Muqarada Bonds Accounts Holders	-	(6,333,849)	-	(9,559,165)
Net	-	1,583,462	-	2,226,666
<b>Total</b>	<b>47,250</b>	<b>1,653,507</b>	<b>47,265</b>	<b>2,308,377</b>

#### (46) Banking Service Revenues

The details of this item are as follows:

	December 31, 2011	December 31, 2010
	JD	JD
Documentary Credit Commissions	1,150,979	841,289
Guarantee Commissions	1,560,438	1,429,496
Collection Policies Commissions	299,214	280,362
Transfers Commissions	677,558	585,715
Salary Transfer Commissions	2,986,489	2,827,048
Bounced Checks Commissions	751,882	647,884
Account Management Commissions	1,248,636	1,284,115
Brokerage Commissions	848,114	1,461,154
Other Commissions	878,517	777,592
<b>Total</b>	<b>10,401,827</b>	<b>10,134,655</b>

#### (47) Foreign Currency Profits

The details of this item are as follows:

	Self-Constructed	
	December 31, 2011	December 31, 2010
	JD	JD
Resulting from Trading	818,918	619,137
Resulting from Valuation	940,606	1,032,382
<b>Total</b>	<b>1,759,524</b>	<b>1,651,519</b>

#### (48) Other Revenues

The details of this item are as follows:

	December 31, 2011	December 31, 2010
	JD	JD
Received Rentals	98,222	86,567
Post, Mail and Telephone	378,203	362,635
Safe Box Leasing	108,808	89,242
Credit Card Commissions	2,177,470	1,833,255
Unneeded Provision	1,086,312	-
Other Revenues	747,745	719,075
<b>Total</b>	<b>4,596,760</b>	<b>3,090,774</b>

#### (49) Employee Expenses

The details of this item are as follows:

	December 31, 2011	December 31, 2010
	JD	JD
Employee Salaries, Benefits and allowances	19,345,558	15,242,762
Bank's Contribution to Social Security	1,570,067	1,419,380
Medical Expenses	1,777,487	1,403,572
Employee Training Expenses	167,016	140,964
Employee per diem	116,355	111,633
Employee Meals Provision	204,142	175,391
End of service benefits	478,782	303,500
Solidarity Insurance	111,009	-
<b>Total</b>	<b>23,770,416</b>	<b>18,797,202</b>

## (50) Other Expenses

The details of this item are as follows:

	December 31, 2011	December 31, 2010
	JD	JD
Post, Mail, Telephone and Telex	996,847	867,563
Stationery, Publications and Supplies	1,227,903	1,003,169
Credit Cards	526,449	432,976
Paid Rentals	1,021,195	769,056
Water, Electricity and Heating	882,896	810,432
Maintenance, Repairs and Cleaning	847,246	894,498
Insurance Premiums	287,513	251,070
Travel and Transportation Expenses	690,770	590,773
Legal Fees and Consultations	267,460	129,343
Auditing Fees	124,680	114,100
Subscriptions and Memberships	386,662	356,255
Donations	508,139	364,808
Charges, Licenses and Taxes	377,279	455,839
Hospitality and Tips	117,407	125,450
Promotion and Advertising	1,207,601	1,401,992
Saving Accounts Rewards	154,597	149,855
Board Committees Remunerations	21,564	19,200
Visa Accounts Rewards	118,382	123,208
Jordanian Universities Fees	-	401,677
Board Members Remunerations	78,000	80,000
Investor Protection Fund	21,465	36,708
Doubtful Debts	130,000	-
Others	552,587	142,863
<b>Total</b>	<b>10,546,642</b>	<b>9,520,835</b>

## (51) Miscellaneous Provisions

The details of this item are as follows

	December 31, 2011	December 31, 2010
	JD	JD
Employee Leaves Provision	500,000	100,000

### (52) Dividend per Share

The details of this item are as follows:

	December 31, 2011	December 31, 2010
	JD	JD
Profit for the Year (JD)	28,324,209	29,093,694
Weighted Average Number of Shares (Share)	100,000,000	100,000,000
Basic Earnings per Share	0.283	0.291

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

### (53) Cash and Cash Equivalent

The details of this item are as follows:

	December 31, 2011	December 31, 2010
	JD	JD
Cash and Balances with Central Banks that are due within three months	1,216,010,070	988,066,675
Add: Balances with Banks and Banking Institutions that are due within three months	111,520,291	127,728,630
Less: Accounts with Banks and Banking Institutions that are due within three months	(19,547,794)	(44,041,901)
Total	1,307,982,567	1,071,753,404

**(54) Restricted Investments**

The details of this item are as follows:

	Real Estate Trading		International Murabaha		Cash Balances		Others		Total	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
Year-Beginning Investments	310,005	310,005	36,669,200	48,549,661	-	983,003	1,127,704	2,308,733	38,106,909	52,151,402
Deposits	-	-	1,506,303	4,760,722	2,106,273	36,452	305,720	182,028	3,918,296	4,979,202
Drawings	-	-	(8,208,123)	(16,670,266)	(435,006)	(1,019,455)	(877,842)	(1,420,203)	(9,520,971)	(19,109,924)
Investment Profits	-	-	81,406	78,461	-	-	99,490	89,479	180,896	167,940
Bank's fees as speculator or agent	-	-	(50,147)	(49,378)	-	-	(19,898)	(32,333)	(70,045)	(81,711)
Year-End Investments	310,005	310,005	29,998,639	36,669,200	1,671,267	-	635,174	1,127,704	32,615,085	38,106,909

**(55) Muqarada Bonds:**

This item represents the following:

	Assets held for trading		Real Estate Trading		Murabaha		Cash Balances		Others		Total	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
Year-Beginning Balance	63,468,039	65,240,017	25,830,358	23,456,632	106,479,210	106,574,169	17,364,836	17,337,627	16,347,824	14,257,543	229,490,267	226,865,988
Number of Investment Units at Year-Beginning	-	-	-	-	-	-	-	-	-	-	361,052	401,272
Value of Investment Units at Year-Beginning	-	-	-	-	-	-	-	-	-	-	180,526,000	200,636,000
Deposits	1,746,511	14,950,977	1,523,085	2,442,639	12,167,397	17,125,978	17,835,319	2,563,292	3,715,421	2,319,872	36,987,733	39,402,758
Drawings	(5,691,572)	(18,137,305)	(462,679)	(256,442)	(13,777,807)	(24,537,645)	(33,866,540)	(2,536,083)	(1,646,931)	(870,169)	(55,445,529)	(46,337,644)
Investment Profits (losses)	(2,741,983)	1,744,012	336,138	231,231	9,464,075	9,021,835	-	-	859,081	788,753	7,917,311	11,785,831
Bank's Fees as Speculator or Agent	-	(329,662)	(67,228)	(43,702)	(1,344,418)	(1,705,127)	-	-	(171,816)	(148,175)	(1,583,462)	(2,226,666)
Year-End Balance	56,780,995	63,468,039	27,159,674	25,830,358	112,988,457	106,479,210	1,333,615	17,364,836	19,103,579	16,347,824	217,366,320	229,490,267
Number of Investment Units at Year-End	-	-	-	-	-	-	-	-	-	-	361,052	401,272
Value of Investment Units at Year-End	-	-	-	-	-	-	-	-	-	-	180,526,000	200,636,000
Profits Reserve	652,500	652,500	-	-	-	-	-	-	-	-	652,500	652,500
Portfolio Profits at maturity date	-	-	-	-	15,813,740	16,965,823	-	-	6,705,729	5,254,673	22,519,469	22,220,496
Investment Risk Provision	-	-	-	-	5,408,877	5,531,025	-	-	-	-	5,408,877	5,531,025
Cash margins	-	-	-	-	-	-	1,967,500	1,710,500	-	-	1,967,500	1,710,500
Liabilities / profits for distribution to the shareholders	(2,741,983)	-	336,138	-	9,464,075	-	-	-	859,081	-	7,917,311	-
Profits received in advance	-	-	-	15,000	324	335	-	-	341,838	434,909	342,162	450,244
<b>Year-End Balance</b>	<b>(2,089,483)</b>	<b>652,500</b>	<b>336,138</b>	<b>15,000</b>	<b>30,687,016</b>	<b>22,497,183</b>	<b>1,967,500</b>	<b>1,710,500</b>	<b>7,906,648</b>	<b>5,689,582</b>	<b>38,807,819</b>	<b>30,564,765</b>



## (56) Investment by Proxy Accounts

The details of this item are as follows:

	December 31, 2011	December 31, 2010
	JD	JD
Investment by Proxy Accounts	9,453,000	9,453,000

\*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.

## (57) Transactions with Related Parties

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

Company Name	Ownership Rate	Company's Capital	
		December 31, 2011	December 31, 2010
Al Rizq Trading Company Ltd.	90%	1,000,000	1,000,000
Omariah Schools Company Ltd.	94.4%	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	5,000,000
Sanabel Al-Khair for Financial Investments	100%	5,000,000	5,000,000

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

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

	Related Parties				Total	
	Parent Company	Affiliates	Subsidiaries	Board Members and Senior Management	December 31, 2011	December 31, 2010
	JD	JD	JD	JD	JD	JD
Items within the consolidated statement of financial position						
Deferred sale receivables	-	3,939,396	-	11,526	3,950,922	5,115,677
Musharaka financing	-	-	188,659	-	188,659	236,659
Financing of employee residence/ Musharaka	-	-	-	247,406	247,406	216,382
Deposits	13,488	10,878,502	12,750,448	8,330,125	31,972,563	23,485,322
Items beyond the consolidated statement of financial position:						
Guarantees and L/Cs	-	6,241,062	996,000	-	7,237,062	5,163,198
Items of consolidated income statement:					December 31, 2011	December 31, 2010
Received revenues	315	246,983	13,965	5,401	266,664	120,298
Paid Profits	-	162,695	251,842	18,020	432,557	121,744

- The percentage of the profits distributed to the investment accounts totaled 3.35% as on 31 December 2011 (3.89% in 2010).
- The percentage of the Murabaha on granted finances totaled 4.5% - 5.5% annually as on 31 December 2011 (4.5% - 5.5% in 2010).
- The percentage of the profit on the company's finance granted to the employees totaled about 2% - 4.8% annually as on 31 December 2011 (about 2% - 4.8% in 2010).
- The percentage of commission collected on guarantees totaled 1% - 2% annually as on 31 December 2011 (1% - 2% in 2010) and on the L/Cs ¼% - 3/8% on a quarterly basis as on 31 December 2011 (1/4% - 3/8% on a quarterly basis in 2010).

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

	December 31, 2011	December 31, 2010
	JD	JD
Salaries, Remunerations and Transportation	1,636,578	1,563,658

#### (58) 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 table below shows the analysis of financial instruments carried at fair value according to the above hierarchical order:

December 31, 2011	First Level	Second Level	Third Level	Total
	JD	JD	JD	JD
Financial Assets at fair value through the joint investment accounts holders equities				
Companies Shares	34,671,268	-	-	34,671,268

December 31, 2010	First Level	Second Level	Third Level	Total
	JD	JD	JD	JD
Financial Assets at fair value through the joint investment accounts holders equities				
Companies Shares	37,611,126	-	-	37,611,126

#### (59) Fair Value of Financial Assets and Liabilities not stated at Fair Value in the Consolidated Financial Statements.

- As shown in note 11 and 12, include the financial assets not listed in the financial markets at an amount of JD 64,244,461 that are carried at cost because the Bank's was unable to estimate their fair value.

#### (60) 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 monitors 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:

- An available clear credit and investment policy and strategy approved by the Board of Directors.

#### 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.

#### 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.

#### 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 Hashemite Kingdom of Jordan.

#### 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.

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

	Joint		Self-	
	December 31,	December 31,	Constructed	December 31,
	2011	2010	December 31,	2010
	JD	JD	JD	JD
Items within the consolidated statement of financial position:				
Balances with Central Banks	-	-	1,165,983,693	943,905,964
Balances with banks and banking institutions	38,746,850	29,884,350	72,773,441	97,844,280
Investment Accounts with Banks and Banking Institutions	6,310,100	8,578,900	-	-
Deferred sales and other receivables:				
Individuals	360,849,539	324,450,031	14,119,919	11,551,606
Real Estate Finances	226,426,451	209,919,792	-	-
Companies:				
Major Companies	332,336,423	304,882,709	-	-
Small and Medium Enterprises (SMEs)	131,415,455	125,138,824	-	-
Government and public sector	23,053,481	69,186,166	373,847	1,913,603
Finances				
Musharaka:				
Individuals	17,149,248	15,048,784	841,194	676,266
Items beyond the consolidated statement of financial position:				
Guarantees	-	-	78,623,222	77,266,184
L/Cs	-	-	46,432,439	35,432,901
Acceptances	-	-	5,666,214	4,082,675
Unutilized Limits	-	-	67,061,370	66,330,303
<b>Total</b>	<b>1,136,287,547</b>	<b>1,087,089,556</b>	<b>1,451,875,339</b>	<b>1,239,003,782</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 Collaterals
- Vehicles and Machinery Mortgage.

## 2. The Credit Exposures of Deferred Sales and other Receivable and Finances are distributed according to the risk degree as in the following table:

	Joint										Self – Constructed																
	Companies										Companies																
	Individuals	Real Estate Finances	Major companies	SMEs	Government and public sector	Banks and Banking Institutions	Total	Individuals	Real Estate Finances	Major companies	SMEs	Government and public sector	Banks and Banking Institutions	Total													
2011 -	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Low Risk	9,523,393	-	55,502,745	1,750,153	23,523,960	-	90,300,251	-	-	-	-	373,847	1,165,983,693	1,166,357,540													
Acceptable Risk	336,655,917	289,652,047	236,511,797	119,551,843	-	45,056,950	1,027,428,554	10,379,387	-	-	-	-	72,773,441	83,152,828													
Accrued : *																											
Until 30 days	1,419,065	51,546	1,368,279	1,640,478	-	-	4,479,368	-	-	-	-	-	-	-													
From 31 to 60 Days	26,827,891	2,619,844	46,743,671	12,429,251	-	-	88,620,657	-	-	-	-	-	-	-													
Under-control	32,195,891	10,815,237	56,532,450	16,100,710	-	-	115,644,288	4,750,257	-	-	-	-	-	4,750,257													
Non-operating:																											
Below Standard	5,472,260	284,515	-	261,290	-	-	6,018,065	870,931	-	-	-	-	-	870,931													
Doubtful	7,735,202	127,900	-	1,617,373	-	-	9,480,475	791,497	-	-	-	-	-	791,497													
Depreciated	41,732,760	4,001,609	21,994,131	7,435,500	-	-	75,164,000	1,707,896	-	-	-	-	-	1,707,896													
Total	433,315,423	304,881,308	370,541,123	146,716,869	23,523,960	45,056,950	1,324,035,633	18,499,968	-	-	-	373,847	1,238,757,134	1,257,630,949													
Less: Deferred Revenues	51,087,090	47,568,404	20,979,071	7,337,759	470,479	-	127,442,803	-	-	-	-	-	-	-													
Less: Outstanding Revenues	4,121,165	1,594,714	2,468,109	2,119,259	-	-	10,303,247	-	-	-	-	-	-	-													
Less: Impairment provision	17,257,629	12,142,491	14,757,520	5,844,396	-	-	50,002,036	3,538,855	-	-	-	-	-	3,538,855													
<b>Net</b>	<b>360,849,539</b>	<b>243,575,699</b>	<b>332,336,423</b>	<b>131,415,455</b>	<b>23,053,481</b>	<b>45,056,950</b>	<b>1,136,287,547</b>	<b>14,961,113</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>373,847</b>	<b>1,238,757,134</b>	<b>1,254,092,094</b>													

\* The whole receivable balance is considered payable when one installment falls due.

	Joint										Self – Constructed									
	Companies										Companies									
	Individuals	Real Estate Finances	Major companies	SMEs	Government and public sector	Banks and Banking Institutions	Total	Individuals	Real Estate Finances	Major companies	SMEs	Government and public sector	Banks and Banking Institutions	Total						
2010 -	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Low Risk	13,681,106	-	49,347,166	-	70,571,882	-	133,600,154	-	-	-	1,913,603	-	943,905,964	945,819,567						
Acceptable Risk	321,668,816	262,716,223	236,179,325	119,997,415	-	38,463,250	979,025,029	11,165,554	-	-	-	-	97,844,280	109,009,834						
Accrued : *																				
Until 30 days	-	93,995	2,850,311	740,549	-	-	3,684,855	2,858,007	-	-	-	-	-	2,858,007						
From 31 to 60 Days	18,843,475	1,631,214	31,031,069	14,115,911	-	-	65,621,669	693,347	-	-	-	-	-	693,347						
Under-control	26,651,771	8,380,973	32,667,231	10,823,073	-	-	78,523,048	1,095,182	-	-	-	-	-	1,095,182						
Non-operating:																				
Below Standard	5,151,696	92,396	-	344,332	-	-	5,588,424	1,955,071	-	-	-	-	-	1,955,071						
Doubtful	4,953,819	245,134	5,158,600	1,159,310	-	-	11,516,863	606,006	-	-	-	-	-	606,006						
Depreciated	25,603,703	4,089,328	8,747,450	4,702,492	-	-	43,142,973	259,009	-	-	-	-	-	259,009						
Total	397,710,911	275,524,054	332,099,772	137,026,622	70,571,882	38,463,250	1,251,396,491	15,080,822	-	-	1,913,603	-	1,041,750,244	1,058,744,669						
Less: Deferred Revenues	51,664,315	45,786,521	18,904,310	7,440,011	1,385,716	-	125,180,873	-	-	-	-	-	-	-						
Less: Outstanding Revenues	2,979,696	1,218,221	897,694	1,141,146	-	-	6,236,757	-	-	-	-	-	-	-						
Less: Impairment provision	18,616,869	3,550,736	7,415,059	3,306,641	-	-	32,889,305	2,852,950	-	-	-	-	-	2,852,950						
<b>Net</b>	<b>324,450,031</b>	<b>224,968,576</b>	<b>304,882,709</b>	<b>125,138,824</b>	<b>69,186,166</b>	<b>38,463,250</b>	<b>1,087,089,556</b>	<b>12,227,872</b>	<b>-</b>	<b>-</b>	<b>1,913,603</b>	<b>-</b>	<b>1,041,750,244</b>	<b>1,055,891,719</b>						

\* The whole receivable balance is considered payable when one installment falls due.

Below is the distribution of the fair value of the guarantees granted against the deferred sales receivables, other receivables, and finances:

	Joint										Self - Constructed									
	Companies										Companies									
	Individuals	Real Estate Finances	Major companies	SMEs	Government and public sector	Total	Individuals	Real Estate Finances	Major companies	SMEs	Government and public sector	Banks and Banking Institutions	Total							
2011-	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD							
Guarantes against:																				
Low risk	9,523,393	-	55,502,745	1,750,153	23,523,960	90,300,251	-	-	-	373,847	-	373,847								
Acceptable risk	356,057,299	208,888,685	100,529,363	76,210,313	-	741,685,660	15,356,660	-	-	-	-	15,356,660								
Under-control	13,593,646	24,769,884	42,792,016	19,247,839	-	100,403,385	183,514	-	-	-	-	183,514								
Non-operating																				
Below standard	2,329,852	134,966	-	255,000	-	2,719,818	777,448	-	-	-	-	777,448								
Doubtful	5,380,399	22,302	-	1,617,373	-	7,020,074	698,014	-	-	-	-	698,014								
Depreciated	23,955,101	1,753,765	13,406,774	5,700,767	-	44,816,407	1,484,332	-	-	-	-	1,484,332								
Total	410,839,690	235,569,602	212,230,898	104,781,445	23,523,960	986,945,595	18,499,968	-	-	373,847	-	18,873,815								
Including:																				
Cash Margins	9,523,393	-	-	1,525,153	-	11,048,546	-	-	-	-	-	-								
Acceptable Banks Guarantees	-	-	55,502,745	225,000	-	55,727,745	-	-	-	-	-	-								
Real Estate	126,230,672	231,873,993	155,510,978	89,145,886	-	602,761,529	-	-	-	-	-	-								
Vehicles and machines	275,085,625	3,695,609	1,217,175	13,885,406	-	293,883,815	-	-	-	-	-	-								

	Joint											Self – Constructed										
	Companies						Companies					Companies										
	Individuals	Real Estate Finances	Major companies	SMEs	Government and public sector	Total	Individuals	Real Estate Finances	Major companies	SMEs	Government and public sector	Banks and Banking Institutions	Total									
2010-	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD									
Guarantes against:																						
Low risk	13,681,106	-	49,347,166	-	-	63,028,272	-	-	-	-	1,913,603	-	1,913,603									
Acceptable risk	345,903,234	191,701,378	88,410,555	94,513,649	70,571,882	791,100,698	12,227,872	-	-	-	-	-	12,227,872									
Under-control	19,224,755	7,307,065	16,176,900	7,587,252	-	50,295,972	-	-	-	-	-	-	-									
Non-operating:																						
Below standard	3,835,259	41,856	-	197,080	-	4,074,195	-	-	-	-	-	-	-									
Doubtful	3,312,375	150,394	3,652,603	1,159,310	-	8,274,682	-	-	-	-	-	-	-									
Depreciated	19,431,811	1,948,430	5,363,505	3,717,064	-	30,460,810	-	-	-	-	-	-	-									
Total	405,388,540	201,149,123	162,950,729	107,714,355	70,571,882	947,234,629	12,227,872	-	-	-	1,913,603	-	14,141,475									
Including:																						
Cash Margins	7,635,689	3,915,316	3,167,311	2,071,937	-	16,790,253	-	-	-	-	-	-	-									
Acceptable Banks Guarantees	260,259	54,135	49,541,521	72,546	-	49,928,461	-	-	-	-	-	-	-									
Real Estate	131,775,278	192,678,137	152,399,881	82,308,677	-	559,161,973	-	-	-	-	-	-	-									
Vehicles and machines	272,298,582	8,581,848	10,550,849	22,831,026	-	314,262,305	-	-	-	-	-	-	-									



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

- These are 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 38,920,944 on December 31, 2011 against JD 38,935,237 on December 31, 2010.

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

- Restructuring means rearranging the statues 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 328,490 on December 31, 2011 against JD 1,600,185 on December 31, 2010.

### Sukuk:

- The following table explains the Sukuk ratings within the financial assets at fair value through the joint investment accounts holders equities according to external rating agencies:

Rating level	Rating Agency	December 31, 2011	December 31, 2010
		JD	JD
A	S&P	9,926,000	5,317,500

### 3- Concentration in Credit Exposures According to Geographical Distribution is as follows:

	Inside the Kingdom	Other Middle East Countries	Europe	Asia*	America	Other countries	Total
	JD	JD	JD	JD	JD	JD	JD
Account Balances at Central Banks	1,165,983,693	-	-	-	-	-	1,165,983,693
Account Balances at Banks and Banking Institutions	9,680,443	52,549,109	20,342,305	-	24,670,008	4,278,426	111,520,291
Joint Investment Accounts at Banks and Banking Institutions	-	-	6,310,100	-	-	-	6,310,100
Deferred Sales and other Receivables and Finances:							
Individuals	375,810,652	-	-	-	-	-	375,810,652
Real Estate Finances	243,575,699	-	-	-	-	-	243,575,699
Enterprises:							
Major companies	276,833,678	43,180,611	12,322,134	-	-	-	332,336,423
Small and Medium Enterprises (SMEs)	131,415,455	-	-	-	-	-	131,415,455
Government and public sector	23,427,328	-	-	-	-	-	23,427,328
Sukuk:							
Within the financial assets at fair value through joint investment accounts holders equities	-	9,926,000	-	-	-	-	9,926,000
Total as on December 31, 2011	2,226,726,948	105,655,720	38,974,539	-	24,670,008	4,278,426	2,400,305,641
Total as on December 31, 2010	2,007,497,525	68,774,426	39,983,175	908,570	27,623,346	3,511,733	2,148,298,775

\*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	-	-	-	-	-	-	-	1,165,983,693	1,165,983,693
Account Balances with Banks and Banking Institutions	111,520,291	-	-	-	-	-	-	-	111,520,291
Investment Accounts at Banks and Banking Institutions	6,310,100	-	-	-	-	-	-	-	6,310,100
Deferred Sales and other Receivables and Finances	-	37,005,581	455,775,016	243,764,358	2,131,978	81,812	344,379,484	23,427,328	1,106,565,557
Sukuk:									
Within the financial assets at fair value through joint investment accounts holders equities	-	-	9,926,000	-	-	-	-	-	9,926,000
Total as on December 31, 2011	117,830,391	37,005,581	465,701,016	243,764,358	2,131,978	81,812	344,379,484	1,189,411,021	2,400,305,641
Total as on December 31, 2010	141,625,030	14,240,132	384,906,432	228,755,971	1,763,444	81,952	361,920,081	1,015,005,733	2,148,298,775

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

Item	Less than 1 month	1 to 3 months	3 to 6 months	1 to 6 months	1 to 3 years	More than 3 years	Without maturity	Total
	JD	JD	JD	JD	JD	JD	JD	JD
<b>2011</b>								
Liabilities:								
Accounts of Banks and Banking Institutions	19,547,794	-	-	-	-	-	-	19,547,794
Clients' Current Accounts	287,517,392	114,557,768	90,934,232	67,310,696	221,853,360	-	-	782,173,448
Other Provisions	-	-	-	-	-	-	3,100,000	3,100,000
Income Tax Provision	13,743,992	-	-	-	-	-	-	13,743,992
Deferred Tax liabilities	-	-	-	-	-	-	24,640	24,640
Other liabilities	5,499,394	14,797,333	-	30,355,669	660,677	-	7,321,757	58,634,830
Unrestricted Investment Accounts holders equities	219,153,471	149,668,006	180,892,598	240,183,151	1,018,586,590	-	5,716,225	1,814,200,041
<b>Total</b>	<b>545,462,043</b>	<b>279,023,107</b>	<b>271,826,830</b>	<b>337,849,516</b>	<b>1,241,100,627</b>	<b>-</b>	<b>16,162,622</b>	<b>2,691,424,745</b>
Total Assets (according to their Expected Maturity Date)	1,470,670,092	69,251,661	104,445,128	230,851,630	246,739,642	727,699,815	48,642,786	2,898,300,754

Item	Less than 1 month	1 to 3 months	3 to 6 months	1 to 6 months	1 to 3 years	More than 3 years	Without maturity	Total
<b>2010</b>								
Liabilities:								
Accounts of Banks and Banking Institutions	44,041,901	-	-	-	-	-	-	44,041,901
Clients' Current Accounts	241,768,087	98,095,944	77,720,049	57,344,153	193,730,849	-	-	668,659,082
Other Provisions	-	-	-	-	-	-	3,886,312	3,886,312
Income Tax Provision	13,907,183	-	-	-	-	-	-	13,907,183
Deferred Tax liabilities	-	-	-	-	-	-	766,088	766,088
Other liabilities	5,196,970	10,637,576	-	35,919,125	648,428	-	14,551,983	66,954,082
Unrestricted Investment Accounts holders equities	198,291,730	132,247,478	159,788,136	212,099,585	898,948,448	-	10,499,961	1,611,875,338
<b>Total</b>	<b>503,205,871</b>	<b>240,980,998</b>	<b>237,508,185</b>	<b>305,362,863</b>	<b>1,093,327,725</b>	<b>-</b>	<b>29,704,344</b>	<b>2,410,089,986</b>
Total Assets (according to their Expected Maturity Date)	1,281,132,990	80,460,414	99,742,954	238,151,616	215,562,462	646,687,386	41,946,105	2,603,683,927

Second: Items beyond the Consolidated Statement of Financial Position

	December 31, 2011			
	Till 1 year	1 – 5 years	More than 5 years	Total
	JD	JD	JD	JD
L/Cs and Acceptances	52,098,653	-	-	52,098,653
Guarantees	78,623,222	-	-	78,623,222
Unutilized Ceilings	67,061,370	-	-	67,061,370
<b>Total</b>	<b>197,783,245</b>	<b>-</b>	<b>-</b>	<b>197,783,245</b>

	December 31, 2010			
	Till 1 year	1 – 5 years	More than 5 years	Total
	JD	JD	JD	JD
L/Cs and Acceptances	39,515,576	-	-	39,515,576
Guarantees	77,266,184	-	-	77,266,184
Unutilized Ceilings	66,330,303	-	-	66,330,303
<b>Total</b>	<b>183,112,063</b>	<b>-</b>	<b>-</b>	<b>183,112,063</b>

#### 4. 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.

2011				
	Change (Increase) in Rate of Return (1%)	Rate of Return Sensitivity (Profits & Losses)	Ownership Equities Sensitivity	Investment Accounts Holders Equities Sensitivity
JD	5,597,974	-	3,344,808	2,253,166

2011				
	Change (Decrease) in Rate of Return (1%)	Rate of Return Sensitivity (Profits & Losses)	Ownership Equities Sensitivity	Investment Accounts Holders Equities Sensitivity
JD	5,597,974	-	3,344,808	2,253,166

2010				
	Change (Increase) in Rate of Return (1%)	Rate of Return Sensitivity (Profits & Losses)	Ownership Equities Sensitivity	Investment Accounts Holders Equities Sensitivity
JD	2,401,120	-	1,315,834	1,085,286

2010				
	Change (Decrease) in Rate of Return (1%)	Rate of Return Sensitivity (Profits & Losses)	Ownership Equities Sensitivity	Investment Accounts Holders Equities Sensitivity
JD	2,401,120	-	1,315,834	1,085,286

### 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- (at a maximum limit of 5% of the shareholders' equities for each currency) in order to cover the clients' needs of letters of credit, transfers and demand policies and not for speculation or trading.

Currency	2011		
	Change in the Exchange Rate (5%)	Impact on Profits and Losses	Impact on ownership equities
USD	11,703,438	585,172	585,172
EURO	1,266,242	63,312	63,312
GBP	129,242	6,462	6,462
JPY	16,646	832	832
Other Currencies	598,163	29,908	29,908

Currency	2010		
	Change in the Exchange Rate (5%)	Impact on Profits and Losses	Impact on ownership equities
USD	32,994,325	1,649,716	1,649,716
EURO	331,853	16,593	16,593
GBP	5,582	279	279
JPY	37,565	1,878	1,878
Other Currencies	1,063,904	53,195	53,195

#### Concentration in Foreign Currency Risks:

2011	USD	Euro	GBP	JPY	Others	Total
<b>Assets:</b>						
Cash on hand & cash at central banks	47,312,876	1,591,477	254,296	-	339,887	49,498,536
Cash at banks & banking Institutions	85,732,577	9,740,800	979,676	1,335,432	4,424,436	102,212,921
Deferred sale receivables and other receivables	74,454,763	7,777,706	2,108,287	-	1,491,448	85,832,204
Financial assets at fair value through the ownership equity – self constructed	817,789					817,789
Financial assets at fair value through the joint investment accounts holders equities	14,775,961	-	-	-	-	14,775,961
Other financial assets	6,842	-	-	-	-	6,842
<b>Total Assets</b>	<b>223,100,808</b>	<b>19,109,983</b>	<b>3,342,259</b>	<b>1,335,432</b>	<b>6,255,771</b>	<b>253,144,253</b>
<b>Liabilities:</b>						
Deposits of banks and banking institutions	18,094,756	-	-	-	-	18,094,756
Cash Margins	3,798,637	148,899	5,299	-	1,607	3,954,442
Current accounts	63,014,579	5,831,152	678,837	1,239,877	1,145,556	71,910,001
Unrestricted investment accounts	126,487,503	11,863,585	2,528,881	78,828	4,508,218	145,467,015
Other liabilities	1,895	105	-	81	2,227	4,308
<b>Total liabilities</b>	<b>211,397,370</b>	<b>17,843,741</b>	<b>3,213,017</b>	<b>1,318,786</b>	<b>5,657,608</b>	<b>239,430,522</b>
<b>Net concentration in the consolidated financial position statement 2011</b>	<b>11,703,438</b>	<b>1,266,242</b>	<b>129,242</b>	<b>16,646</b>	<b>598,163</b>	<b>13,713,731</b>
<b>Possible obligations beyond the consolidated financial position statement 2011</b>	<b>24,800,840</b>	<b>3,221,434</b>	<b>631,913</b>	<b>-</b>	<b>1,344,452</b>	<b>29,998,639</b>
<b>2010</b>						
<b>Total Assets</b>	<b>246,637,058</b>	<b>18,399,757</b>	<b>3,781,051</b>	<b>112,426</b>	<b>6,582,653</b>	<b>275,512,945</b>
<b>Total Liabilities</b>	<b>213,642,733</b>	<b>18,067,904</b>	<b>3,775,469</b>	<b>74,861</b>	<b>5,518,749</b>	<b>241,079,716</b>
<b>Net Concentration in the consolidated financial position statement 2010</b>	<b>32,994,325</b>	<b>331,853</b>	<b>5,582</b>	<b>37,565</b>	<b>1,063,904</b>	<b>34,433,229</b>
<b>Possible obligations beyond the consolidated financial position statement 2010</b>	<b>36,682,876</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>36,682,876</b>

### 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 ownership equity	Impact on joint investment account holders equities
	JD	JD	JD	JD
2011				
Amman Stock Exchange	(124,994)	-	(74,702)	(50,292)
2010				
Amman Stock Exchange	160,791	-	86,506	74,285

### 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 commodity 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.

### 5. 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.

### 6. 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 Business Continuity Plan to minimize 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.

## 7. 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 undesirable 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.

### (61) 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 includes provision of trading, budget and Bank's funds management services.



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

	Individuals	Enterprises	Investment in Assets	Treasury	Others	Total	
						2011	2010
						JD	JD
Total Returns (Joint + Self Constructed)	54,881,115	47,622,061	6,287,514	17,961,506	5,440,740	132,192,936	118,480,854
Net results of Subsidiary	-	1,042,308	-	-	-	1,042,308	850,096
Share of the Investment Risks Fund from the revenues of Joint Investment Accounts Holders	(8,232,167)	(7,143,309)	(943,127)	(138,494)	-	(16,457,097)	(10,082,957)
Share of the unrestricted Investment Accounts and non-controlling equities from the net results of subsidiary companies	(36,456,244)	(1,015,404)	(1,042,308)	-	-	(38,513,956)	(37,383,276)
Sector Work Results	10,192,704	40,505,656	4,302,079	17,823,012	5,440,740	78,264,191	71,864,717
Undistributed Expenses	(6,115,623)	(23,678,009)	(1,068,877)	(4,455,753)	(3,220,691)	(38,538,953)	(31,170,284)
Profits before taxes	4,077,081	16,827,647	3,233,202	13,367,259	2,220,049	39,725,238	40,694,433
Income Tax	(1,141,583)	(4,419,895)	(1,197,143)	(3,742,833)	(899,575)	(11,401,029)	(11,600,739)
Net Profit of the Year	2,935,498	12,407,752	2,036,059	9,624,426	1,320,474	28,324,209	29,093,694
Sector Assets	612,538,458	486,448,377	392,025,683	1,333,840,461	-	2,824,852,979	2,534,127,537
Investment in Affiliates	-	-	14,494,151	-	-	14,494,151	15,245,288
Assets not distributed to Sectors	-	-	-	-	58,953,624	58,953,624	54,311,102
Total Assets	612,538,458	486,448,377	406,519,834	1,333,840,461	58,953,624	2,898,300,754	2,603,683,927
Sector Liabilities	2,411,999,507	173,780,641	-	19,547,794	-	2,605,327,942	2,308,917,194
Liabilities not Distributed to Sectors	-	-	-	-	292,972,812	292,972,812	294,766,733
Total Liabilities	2,411,999,507	173,780,641	-	19,547,794	292,972,812	2,898,300,754	2,603,683,927
Capital Expenses	-	-	-	-	8,775,062	8,775,062	9,003,563
Depreciations and amortizations	-	-	-	-	3,165,990	3,165,990	2,869,391

### 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 and the internal policy of the Bank based on the method of measuring it and in accordance with the reports used by the general manager and the main decision makers at the Bank:

	Inside the Kingdom		Outside the Kingdom		Total	
	2011	2010	2011	2010	2011	2010
	JD	JD	JD	JD	JD	JD
Total Revenues	108,293,321	99,358,268	1,420,657	1,471,304	109,713,978	100,829,572
Total assets	2,643,506,830	2,325,942,103	254,793,924	277,741,824	2,898,300,754	2,603,683,927
Capital expenses	8,775,062	9,003,563	-	-	8,775,062	9,003,563

### (62) 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 works to achieve the objectives of the capital through the follows:
  - Realizing acceptable returns 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 bank determines the capital adequacy ratio according to the instructions of the Central Bank of Jordan based on the Islamic Financial Services Board decisions. Below is the capital adequacy ration compared with the previous period:

	December 31, 2011	December 31, 2010
	JD	JD
Principal Capital Items:	188,660	174,691
Subscribed (paid-up) capital	100,000	100,000
Statutory Reserve	34,507	30,527
Voluntary Reserve	13,886	9,939
Special Reserve	3,012	3,012
Retained Earnings	39,713	32,628
The Bank's Share from the Investment Risks Fund Deficit	(876)	-
50% of Bank's share from investments in Banks' capitals and other financial companies	(784)	(777)
50% of Bank's share from investment in insurance companies	(237)	(288)
Intangible Assets	(561)	(350)
Additional Capital Items:	521	2,711
Fair value reserve of the financial assets at fair value through ownership equities	26	1,149
Bank's share from the fair value capital of the financial assets at fair value through the joint investment accounts holders equities	(294)	38
Bank's share from the surplus of the investment risks fund	-	474
General Banking Risks Reserve	700	700
Bank's share from the general banking risks reserve / joint	1,110	1,477
50% of the Bank's share from investments in banks' capitals and other financial companies	(784)	(777)
50% of the Bank's share from investment in insurance companies	(237)	(350)
Total Regulatory Capital	189,181	177,402
Total Assets and off the Consolidated Statement of Financial Position Items	772,815	822,289
Capital Adequacy Ratio (%)	24.48%	21.57%
Principal Capital Ratio (%)	24.41%	21.24%

### (63) Accounts Managed for Clients:

- The Accounts managed for clients amounted JD 251,517,094 as of December 31, 2011 compared to JD 277,050,176 as of December 31, 2010. These accounts are not shown within the bank's liabilities in the consolidated financial statements.

#### (64) 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:

	December 31, 2011		
	Till 1 year	More than 1 year	Total
	JD	JD	JD
<b>Assets:</b>			
Cash and account balances at central banks	1,216,010,070	-	1,216,010,070
Account balances at banks and banking institutions	111,520,291	-	111,520,291
Unrestricted investment accounts at banks and banking institutions	6,310,100	-	6,310,100
Deferred Sales and other receivables –Net	458,651,541	622,344,852	1,080,996,393
Ijara Muntahia Bittamleek Assets –Net	23,784,379	199,137,269	222,921,648
Finances – Net	2,643,455	15,346,987	17,990,442
Financial assets at fair value through the ownership equity – self constructed	5,063,098	-	5,063,098
Financial assets at fair value through joint investment accounts holders equities	35,892,282	60,523,447	96,415,729
Investments in Affiliates	-	14,494,151	14,494,151
Real Estate Investments	-	67,625,208	67,625,208
Al Qard Al Hasan-Net	5,099,847	2,478,875	7,578,722
Property and Equipment –Net	-	43,889,618	43,889,618
Intangible Assets	-	560,767	560,767
Other Assets	-	6,924,517	6,924,517
<b>Total Assets</b>	<b>1,864,975,063</b>	<b>1,033,325,691</b>	<b>2,898,300,754</b>
<b>Liabilities and Unrestricted Investment Accounts Holders' Equities:</b>			
Banks and Banking Institutions Accounts	19,547,794	-	19,547,794
Clients' Current and Call Accounts - Trust	782,173,448	-	782,173,448
Cash Margins	30,355,669	-	30,355,669
Receivables	1,170,830	-	1,170,830
Other Provisions	-	3,100,000	3,100,000
Income Tax Provision	13,743,992	-	13,743,992
Deferred Tax Liabilities	-	24,640	24,640
Other Liabilities	16,260,113	-	16,260,113
Unrestricted Investment Accounts	785,020,110	1,018,586,590	1,803,606,700
Fair Value Reserve	-	4,001,357	4,001,357
Investment Accounts Holders Reserve – Affiliates and Subsidiaries	-	4,216,439	4,216,439
Non-controlling Equities	-	660,677	660,677
Investment Risks Fund	-	7,321,757	7,321,757
Deferred tax liabilities	-	1,714,868	1,714,868
Income Tax Provision- Investment Risks Fund	3,526,461	-	3,526,461
<b>Total Liabilities &amp; Unrestricted Investment Accounts Holders' Equities</b>	<b>1,651,798,417</b>	<b>1,039,626,328</b>	<b>2,691,424,745</b>
<b>Net</b>	<b>213,176,646</b>	<b>(6,300,637)</b>	<b>206,876,009</b>

	December 31, 2010		
	Till 1 year	More than 1 year	Total
	JD	JD	JD
<b>Assets:</b>			
Cash and account balances at central banks	988,066,675	-	988,066,675
Account balances at banks and banking institution	127,728,630	-	127,728,630
Unrestricted investment accounts at banks and banking institutions	8,578,900	-	8,578,900
Financial assets at fair value through the income statement – self Constructed	2,827,032	-	2,827,032
Deferred Sales and other receivables –Net	443,553,696	595,784,857	1,039,338,553
Ijara Muntahia Bittamleek Assets –Net	17,961,159	150,578,509	168,539,668
Finances – Net	3,007,852	12,717,198	15,725,050
Financial assets at fair value through the ownership equity – self Constructed	5,123,300	-	5,123,300
Financial assets at fair value through joint investment accounts holders equities	-	113,450,795	113,450,795
Investments in affiliates	-	15,245,288	15,245,288
Real Estate Investments	-	64,748,934	64,748,934
Al Qard Al Hasan-Net	4,657,590	3,046,588	7,704,178
Property and Equipment –Net	-	38,524,302	38,524,302
Intangible Assets	-	287,893	287,893
Other Assets	4,961,898	2,832,831	7,794,729
<b>Total Assets</b>	<b>1,606,466,732</b>	<b>997,217,195</b>	<b>2,603,683,927</b>
<b>Liabilities and Unrestricted Investment Accounts Holders' Equities:</b>			
Banks and Banking Institutions Accounts	44,041,901	-	44,041,901
Clients' Current and Call Accounts - Trust	474,928,233	193,730,849	668,659,082
Cash Margins	19,986,537	15,932,588	35,919,125
Receivables	1,640,033	-	1,640,033
Other Provisions	-	3,886,312	3,886,312
Income Tax Provision	13,907,183	-	13,907,183
Deferred Tax Liabilities	-	766,088	766,088
Other Liabilities	12,022,895	-	12,022,895
Unrestricted Investment Accounts	697,267,763	898,948,448	1,596,216,211
Fair Value Reserve	-	7,349,973	7,349,973
Investment Accounts Holders Reserve – Subsidiaries	-	4,510,738	4,510,738
Non-controlling Equities	-	648,428	648,428
Investment Risks Fund	-	14,551,983	14,551,983
Deferred Tax Liabilities	-	3,149,988	3,149,988
Income Tax Provision- Investment Risks Fund	2,820,046	-	2,820,046
<b>Total Liabilities &amp; Unrestricted Investment Accounts Holders' Equities</b>	<b>1,266,614,591</b>	<b>1,143,475,395</b>	<b>2,410,089,986</b>
<b>Net</b>	<b>339,852,141</b>	<b>(146,258,200)</b>	<b>193,593,941</b>

## (65) Potential Obligations (Off the Consolidated Financial Position Statement)

### Credit Obligations

	December 31, 2011	December 31, 2010
	JD	JD
L/Cs	46,432,439	35,432,901
Acceptances	5,666,214	4,082,675
Guarantees:	78,623,222	77,266,184
- Paying	25,071,906	22,539,332
- Performance bonds	22,055,494	32,262,606
- others	31,495,822	22,464,246
- Unutilized Limits	67,061,370	66,330,303
<b>Total</b>	<b>197,783,245</b>	<b>183,112,063</b>

### Contractual Obligations

	2011	2010
	JD	JD
Contracts of Purchasing properties, equipment and systems	1,687,500	1,488,900

The above contractual obligations are matured within one year of the date.

## (66) Lawsuits filed against the Bank

The value of the lawsuits filed against the bank (self constructed) amounted JD 384,373 and JD 324,975 as of December 31, 2011 and December 31, 2010 respectively. In addition, the value of the lawsuits filed against the bank (joint) amounted JD 557,079 and JD 268,506 as of December 31, 2011 and December 31, 2010 respectively. In the opinion of the Bank's management and attorney, consequences incurred by the cases of joint investment accounts are booked on the Investment Risks Fund and the Bank shall not incur any amounts for the lawsuits filed against it.

## (67) Comparative Figures

Some of 2010 figures were reclassified to correspond to 2011 classification figures. The retained profits account and some other accounts were adjusted as shown in note 2.



Jerash Branch

**Head Office & Branches**

e-mail: [jib@islamicbank.com.jo](mailto:jib@islamicbank.com.jo)  
 Web site: <http://www.jordanislamicbank.com>

Head Office and branches	Address	Telephone	Fax	P. O. Box	P. C.	No. of employees
Head Office	Shmaisani / Amman	5677377 5666325 5623801	5666326 5684755	926225	11190	410
Shmaisani Branch	Shmaisani / Amman	5677107 5623613 5650436	5691700 5623612	925997	11190	60
Amman Branch	King Faisal Str./ Amman	4638306 4653306 4627315	4614299 4652400	7987	11118	37
Jabal Al-Hussein Branch	Khalid bin Al-Walid Str. / Amman	5694403 5673408 5686977	5693866 5624184	926943 921047	11110	42
Zarqa Branch	King Hussein Str. Zarqa	3981401 3984667 3961886	3930911 3984646	5753	13111	44
Wehdat Branch	Prince Hassan Str./ Amman	4778101 4744361 4744362	4789144 4751645	16165	11152	33
Irbid Branch / Baghdad Str.	Baghdad Str./ Irbid	7245151 7240728 7247655	7247051 7240730	1950	21110	49
Bayader Wadi Essir Branch	Main Street / Al Bayader	5816152 5859662 5824161	5824162	140223	11814	33
Aqaba Branch	Al Hamamat Str./ Aqaba	2014315 2014317 2014961	2014313	1048	77110	23
Ma'adaba Branch	Petra Str./ Ma'adaba	3242802 3248898 3248896	3244702	695	17110	25
Sweileh Branch	King Hussein Str./ Sweileh	5341563 5359879 5346104	5349461	717	11910	22
Ma'an Branch	King Hussein Str./ Ma'an	2132235 2131799 2133048	2131733	204	71111	19
Kerak Branch	Italian Str. Kerak	2353513 2352636 2352638	2353508 2353484	220	61110	33
Jerash Branch	King Abdullah Str./ Jerash	6352652 6352653 6352268	6352654 6352264	32	26110	34
Mafraq Branch	King Faisal Str./Mafraq	6231974 6230381 6236367	6232212	68	25110	27
Salt Branch	Al Bayyadah Str./ Salt	3553790 3557985 3556795	3553792	1035	19110	18



Head Office and branches	Address	Telephone	Fax	P. O. Box	P. C.	No. of employees
Tafileh Branch	Municipality Str./ Tafileh	2242647 2242648 2242649	2242650	42	66110	21
Alrawdah Branch *	Alrawdah Str./ Amman	5159721 5152774 5161628	5151773	961155	11196	27
Rusaifeh Branch	King Hussein Str./ Rusifeh	3744756 3743698 3743692	3744758	1138	13710	22
Saqf Al-Seel Branch	Saqf Al-Seel/ Amman	4614801 4615974 4616257	4614805 4616256	182059	11118	32
Irbid Branch / Al-Hashmi Str.	Al-Hashmi Str./ Irbid	7279401 7276821 7279404	7279405 7276437	501	21101	44
Ajloun Branch	Opposite to the Consumers Corporation / Ajloun	6420777 6421004 6420787	6420700	167	26810	24
Al-Weibdeh Branch	Abdali / Opposite to the car station / Amman	4616420 4616340 4616470	4616450	927988	11190	17
Deir Abi Said Branch	King Hussein Str./ Deir Abi Said	6521551 6521654 6521653	6521553	45	21710	20
Yarmouk Branch	Yarmouk Str./ Amman	4757161 4757162 4757167	4757169	620832	11162	25
Abu Alanda Branch	Ring Road / Amman	4162001 4162973 4163900	4162971	742	11592	20
Sahab Branch	Behind the vegetable market / Sahab	4023801 4023804 4029111	4023803	647	11511	23
Marka Branch	King Abdullah Str./ Amman	4889311 4894399 4872413	4886633	340965	11134	23
Mu'tah Branch	University Str./ Mu'tah	2370001 2370285 2370345	2371804	50	61621	26
Guerieh Branch	King Ghazi Str./Zarqa	3930901 3930902 3984658	3930903	150266	13115	18
Ramtha Branch	Banks Str./ Ramtha	7380490 7380493 7380497	7380494	546	21410	20
Al-Hashmi Al-Shamali Branch	Jabal Al Hashmi Al-Shamali / Amman	5052111 5051117 5051119	5055114	230693	11123	16

Head Office and branches	Address	Telephone	Fax	P. O. Box	P. C.	No. of employees
Al- Hashmieh Branch	Al Hashmieh / Zarqa	3811701 3811705 3811708	3811709	185	13125	18
Irbid Branch / Hakama Str.	Hakama Str./ Irbid	7401352 7401357 7401360	7401361	230101	21110	23
Al – Baqa’a Branch	Al-Baqa’a Camp / Al-Baqa’a	4726333 4726335 4726915	4726334	825	19381	21
Jabal Attaj Branch	Haouz Str./ Amman	4752300 4755644 4789981	4752302	410676	11141	20
Kufranja Branch	Main Str./ Kufranja	6454501 6454609 6454610	6454510	61	26873	16
Al Naser Branch	Sabra & Shatila Str./ Amman	4921400 4921406 4921407	4921409	425838	11140	18
Yajooz Branch	Main Street / Yajooz	3745150 3745152 3745154	3745153	120032	13712	18
Hai Nazal Branch	Al Dostor Str./ Amman	4397930 4397931 4397936	4397937	710999	11171	22
Tla’ Al-Ali Branch	Tla’ Al-Ali / Amman	5333184 5340255 5333618	5342744	1582	11953	17
Hai Ma’asoum Branch	Al-Farouq Str./ Zarqa	3935401 3935418 3935422	3935427	11897	13118	18
Abdullah Gosheh Str., Branch	Umn Al-Sumaq / Amman	5857520 5857521 5857527	5857529	709	11821	17
Irbid Branch / Eidoun	Eidoun / Irbid	7254756 7254760 7254764	7254763	620595	21162	22
Wasfi Al-Tal Str., Branch	Wasfi Al-Tal Str./ Amman	5528102 5528095 5528073	5528075	961021	11196	22
Al- Nuzha Branch	Jabal Al-Nuzha / Amman	5673325 5673397 5673522	5673635	240448	11124	17
Marj Al-Hamam Branch	Marj Al-Hamam Str./ Amman	5714077 5714556 5714987	5715538	1093	11732	16
Wadi Musa Branch	Main Street, Wadi Musa	2157919 2157920 2157921	2157922	53	71810	14

Head Office and branches	Address	Telephone	Fax	P. O. Box	P. C.	No. of employees
Al-Jebeiha Branch	Main Street / Amman	5344261 5344237 5344228	5344239	874	11941	17
Tareq Branch / Tabarboor	Shehab Al-Habri Str./ Amman	5060436 5060541 5060547	5060548	295	11947	19
Irbid Branch / Palestine Street	Palestine Str./ Irbid	7262101 7262105 7262108	7262109	3922	21110	23
Al-Zarqa Al-Jadeedah Branch	Makka Mukarama Str./Zarqa	3852402 3852405 3852409	3852410	150472	13115	15
Deir Alla Branch	Main Street / Deir Alla	3573520 3573521 3573524	3573525	44	18210	16
Al-Sweifeh Branch	Al-Sweifeh / Amman	5812226 5812227 5812027	5812029	142643	11844	16
Abu Nsair Branch	Abu Bsair / Amman	5236325 5236326 5236327	5236329	541405	11937	16
Al-Thaniya Branch	Al-Thaniya / Kerak	2386626 2386627 2386671	2386632	15	61151	14
Khraibt Essouq Branch	Khraibt Essouq / Amman	4120846 4120928 4120932	4120894	987	11621	17
Khalda Branch	Amer bin Malek Str./ Amman	5545948 5546296	5542813	4428	11953	17
Al-Shoneh Al-Shamalieh Branch	Main Street / Al-Shoneh Al-Shamalieh	6580282 6580275 6580301	6580298	15	28110	16
Al-Qasr Branch	Al-Qasr / Kerak	2315050 2315590 2315591	2315524	32	61210	15
Jabal Amman Branch	Jabal Amman / Amman	4633016 4633017 4629875	4633048	840610	11180	17
Al-Dlail Branch	Tareq Complex / Al-Dlail	3825179 3825180 3825182	3825181	190	13136	15
Wadi Alhajar Branch	Zarqa / Highway Street	3651990 3652304 3652363	3651034	1927	13110	15
Industrial Area Office	Sahab	4029720 4029722 4029724	4029725	259	11512	3

Head Office and branches	Address	Telephone	Fax	P. O. Box	P. C.	No. of employees
C-Town Office	Amman Mall / Amman	5528394 5528395 5528396	5528397	1582	11953	4
Hitteen Camp Office	Hitten Camp / Rusaifa	3611253 3611254 3611327	3611328	2720	13713	4
Irbid Office / Al-Husn	Al-Husn / Irbid	7012401 7012402 7012403	7012404	357	21510	4
Islamic Hospital Office	Islamic Hospital / Amman	5657262 5657261 5657263	5657264	928430	11190	6
Awajan Office	Main Street / Awajan	3656663 5656664 3656665	3655029	8545	13162	4
Istiklal Mall Office	Istiklal Street, Al-Nuzha	5683936 5683937 5683938	5683897	922503	11192	3
Al-Huriah Street Office	Al-Huriah Street / Al-Muqableen	4205617 4206259 4205645	4205769	606	11623	6
Al-Yasmeen Office	Al-Yasmeen District / Amman	4205413 4205347 4205439	4205386	710068	11117	4
Irbid Office / Sama Al-Rosan	Sama Al-Rosan intersection / Irbid	7585150 7585152 7585153	7585124	25	21129	5
Al-Marj Office	Al-Marj / Kerak	2341494 2341496 2341513	2341495	14	61112	5
Bsaira Office	Bsaira / Tafileh	2267082 2267087 2267097	2267105	54	66610	5
Irbid Office / Al-Taiba	Al-Taiba / Irbid	7330039 7330041 7330296	7330456	17	21810	4
Al-Bonded Office	Sahab Industrial City / Sahab	4029727 4029728	4029729	259	11512	13

\* This number includes the service staff of Al Rawda Branch.  
The Bank does not have branches and offices outside the Kingdom.