

The Thirty Seventh  
Annual Report  
2015

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In the Name of

**Allah,**

the Most

**Merciful,**

the Most

**Compassionate**



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







**HRH Prince Hussein Abdullah  
Crown Prince**



## 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effective Companies Law and in accordance with the provisions of Jordan Islamic Bank Law No. 13 of 1978, which was superseded by the Banks Law No. 62 of 1985 that was abolished pursuant to the Banks Law No. 28 of 2000 effective as of 02/08/2000, which included a special chapter on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 Seventh Annual Report for the year 2015**

Presented to the General Assembly at their ordinary meeting convened in Amman on Wednesday 19 Rajab 1437 AH Corresponding to 27/4/2016 AD



# Our Mission



Commitment to consolidate the values of the Islamic Sharia by 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 stakeholders including shareholders, investors, borrowers and employees.









Commitment to attain 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 that are in line with recent developments and changes within the framework of compliance with our Islamic Sharia.



## Present Members of the Board of Directors

Which was elected on 28/04/2015

 <p>ALBaraka Banking Group Co. Represented by H.E. Mr. Adnan Ahmed Yousif Abdulmalek</p>	Chairman, Board of Directors
 <p>H.E. Dr. Hatim Hafez Al Halawani Al Tamimi</p>	Vice-Chairman, Board of Directors
 <p>ALBaraka Banking Group Co. Represented by H.E. Mr. Hamad Abdallah Ali Eqab</p>	Member
 <p>ALBaraka Banking Group Co. Represented by H.E. Mr. Adnan Abdallah Al-Hamad Al-Bassam</p>	Member
 <p>ALBaraka Banking Group Co. Represented by H.E. Mr. Hood Hashem Ahmed Hashem</p>	Member
 <p>Mr. Salem Ahmad Jamil Al Khaza'aleh</p>	Member





A photo shows the members of the Board of Directors that were elected on 28/4/2015 and H.E Mr. Musa Shihadeh/ General Manager

H.E. Mr. Noor "Mohammad Shahir" "Mohammad Lutfi" Mahayni

Member

H.E. Mr. Issa Haidar Issa Murad

Member

H.E. Mrs. Malak Fawzi Ragheb Ghanem

Member

H.E. Dr. Nabeeh Ahmad Salameh Al Zainat

Member

H.E. Mr. Saleh Yaqoub Mohammad Hussein

Member

Auditors: Messrs Ibrahim Al Abbasi and Co.



## Old Board of Directors Members

Up to 28/04/2015

ALBaraka Banking Group Co. Represented by H.E. Mr. Adnan Ahmed 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 MassaedeH	Member
H.E. Mr. Kamal Sami Salman Asfour *	Member
ALBaraka Banking Group Co. Represented by H.E. Mr. Hamad Abdallah Ali Eqab	Member

\* He passed away on 8/9/2014, may Allah be merciful to him.



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





## Sharia Supervisory Board



H.E. Dr. Mahmoud Ali Mosleh Al Sartawi

Chairman



H.E. Dr. Abd Sattar Abdul Karim Abu Goddeh

Vice-Chairman



H.E. Dr. "Mohammad Khair" Al-Issa

Member



H.E. Dr. Abdul Rahman Ibrahim Zaid Al Kelani

Member



## The Management of the Bank



H.E. Mr. Musa Abdelaziz Shihadeh

CEO / General Manager



Mr. "Mohammed Majed" Mahmoud Allan

Deputy General Manager



Dr. Hussein Said Saifan

Deputy General Manager



Mr. Naeem Mohammed Al-khmos

Assistant General Manager

2021

Bestowal continues  
to attain greater  
achievements



# 13

**Notable**  
international  
awards

Jordan Islamic Bank was able to place Jordan's experience on the map of Islamic banking business through its contribution to the stabilization of the Islamic banking and to the support of the national economy since 1978. However, its experience attracted the attention of those who are interested in the leading institutions that have achieved successes in their countries in the Arab and Islamic world, surpassing the various challenges, crowning its course of business with numerous international awards for more than once.

**emeafinance**

**MIDDLE EAST  
BANKING  
AWARDS  
2015**

**WORLD FINANCE**

**The Banker  
ISLAMIC  
Bank of the Year  
AWARDS  
2015**



**IFEN  
Awards  
LAW  
2015**

**GLOBAL  
FINANCE**

**BANKING  
EXECUTIVE  
WARD  
2015**



**THE  
WORLD  
ISLAMIC BANKING  
CONFERENCE**

## Chairman's Message

# Chairman's Message



*Adnan Ahmad Yousif  
Chairman*

## 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,

Our bank continued its good blessed progress achieving a success after a success in a manner enabling it to maintain its position by enhancing its clients' trust and satisfaction, and keeping abreast with the latest developments in the banking industry and its techniques.

In spite of the global financial crises and its negative consequences on the national economy, Jordan Islamic Bank continued its progress where its total assets at the end of the present year amounted to nearly JD (3,8) billion at a growth of about (6.9%) for the previous year. The total balances of saving schemes were about JD (3,4) billion at a growth of approximately (6.4%) for the previous year. The total assets of financial investments amounted to about JD (2.8) billion at a growth of nearly (16.9%) for the previous year, while the shareholders' equity totaled about JD (311) million, and the profits of joint investment were around JD (177) million. The Bank's profits after tax amounted to about JD (48,7) million, with a return on equity of approximately (16.42%).

The Board of Directors recommended to the General Assembly to distribute dividends to shareholders at (15%) of the Bank's paid capital.

In 2015, a new board of directors was elected to the Bank where the corporate governance instructions of the Central Bank of Jordan (CBJ) were taken into account in terms of the Board of Directors composition and the independency of its members. The board of directors comprised of seven independent members and four nondependent members.

In 2015, the Bank continued to develop, expand, and improve the banking services, installed and operated more ATMs all over the Kingdom to provide clients with services around the clock. The year 2015 witnessed the issuance of the Master World / Baraka Card for our clients and the clients of AlBaraka Banking Group units spreading over 15 countries where the clients benefit from the features of this card. In addition to issuing, the Family Card by using the prepaid master card in cooperation with the Supreme Judge Department. Also, Jordan Islamic Bank benefited from the solar energy cells which were installed on the 18 of its branches to decrease the electricity consumption.

Our Bank obtained the ISO 26000 certificate

from the International Organization for Standardization Geneva for its participation in the social responsibility project on uptake and use of ISO 26000 in the Middle East and North Africa (MENA).

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, and its clients. 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.

In conclusion, I would like to express my thanks and gratitude to the Central Bank of Jordan for its active role and care of the Islamic banks particularity and nature of work.

**Adnan Ahmad Yousif**  
**Chairman**



2021

Bestowal continues  
to attain greater  
achievements



THE  
**WORLD  
ISLAMIC BANKING**  
CONFERENCE

The World Islamic Banking Conference: \_\_\_\_\_

- The best performance at the country level – Jordan 2015
- The best performance at the regional level – Levant countries 2015



## The Board of Directors Report for 2015

In the Name of Allah, the Most Merciful, the Most 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

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 economics of the developed countries witnessed a light recover, while the developing countries suffered from a slowdown due to the decrease in the goods and raw materials prices, and due to the fact that the markets of these countries are no longer the main contributor in the global economy growth.

At the regional level, the hotbeds of tension in our region are flaring. The Israeli occupation still perched on Palestine, in addition to the escalation from time to time, not to mention the bloody conflict in Syria, Iraq, Yemen, and Libya. In addition, the Gulf States suffer from budget deficits and shrink in their financial reserves due to the decrease in the oil prices.

Despite the international and regional events and the burdens resulting from the influx of the Syrian refugees, the Jordanian economy witnessed improvement in its most indicators where the initial estimates indicate that the real Gross Domestic Product grew at (2.3%) in the first three quarters of 2015 compared to about (3.0%) for the same period of the last year. The estimates also indicate that the growth in 2015 will reach about (2.5%) against (3.1%) in 2014. The inflation rate reached (0.9%) in 2015 compared to (2.9%) in the previous year. However, the unemployment increased in 2015 to reach about (13.0%) of the total workforce against about (11.9%) in the previous year.

The net public debt of Jordan has risen by the end of November 2015 compared with its level at the end of 2014 by about JD (2,3) billion, or at (11.2%), to reach about JD (22,8) billion, or at (84.2%) of the Gross Domestic Product expected for 2015.

During 2015, the trading volume of Amman Stock Exchange recorded JD (3,4) billion, with an increase of around JD (1,1) billion compared to the volume of the same period in 2014. The market-value weighted index of free shares has decreased by (29) points or at (1.3%) to reach about (2136) points by the end of 2015. The market value of the shares listed on the Stock Exchange reached about JD (18.0) billion by the end of 2015, i.e., a decrease of about JD (98) million less than 2014.

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. By the end of 2015, the balance of such reserves reached about USD (14,2) billion which is sufficient to secure the Kingdom's imports of goods and services for about (7,4) months. The policy of the Jordanian Dinar exchange rate to the US Dollar which started in 1995 was maintained at a buying price of JD (0,708) to the US Dollar and a selling price of JD (0,710) to the US Dollar, with some fluctuations to other foreign currencies according to the exchange rates of such currencies in the international markets.



As of 9/7/2015, the Central Bank of Jordan (CBJ) decreased (25) base points on all monetary policy instruments, making the rediscount rate (3.75%). Regarding the interest rate in the Jordanian banking market, the weighted average of interest rates on loans and advances decreased at the end of 2015 by (60) base points to reach (8.24%) below its level at the end of 2014. Meanwhile, the weighted average of interest rates on time deposits for the same period decreased (105) base points to reach (3.06%).

At the end of 2015, the net balance of the credit facilities granted by banks totaled about JD (21,1) billion, i.e., an increase of about JD (1,8) billion or a rate of around (9.5%) compared to level recorded at the end of 2014, with an increase of about JD (335) million, i.e., (1.8%) during the previous year. The increase in the credit facilities mainly concentrated in the facilities granted to the services and public utilities sector by JD (1,1) billion, followed by the facilities granted under the item "others" which mostly represents facilities granted to the retail sector of about JD (689) million.

At the end of 2015, the total balance of the deposits with licensed banks reached about JD (32,6) billion, an increase of about JD (2,3) billion, or (7.7%) compared to the level recorded at the end of 2014, against an increase of about JD (2,7) billion, (9.7%) during the same period of the previous year.

Despite the current obstacles, the Bank managed by the success granted by Allah was able to achieve new growth in its various activities.

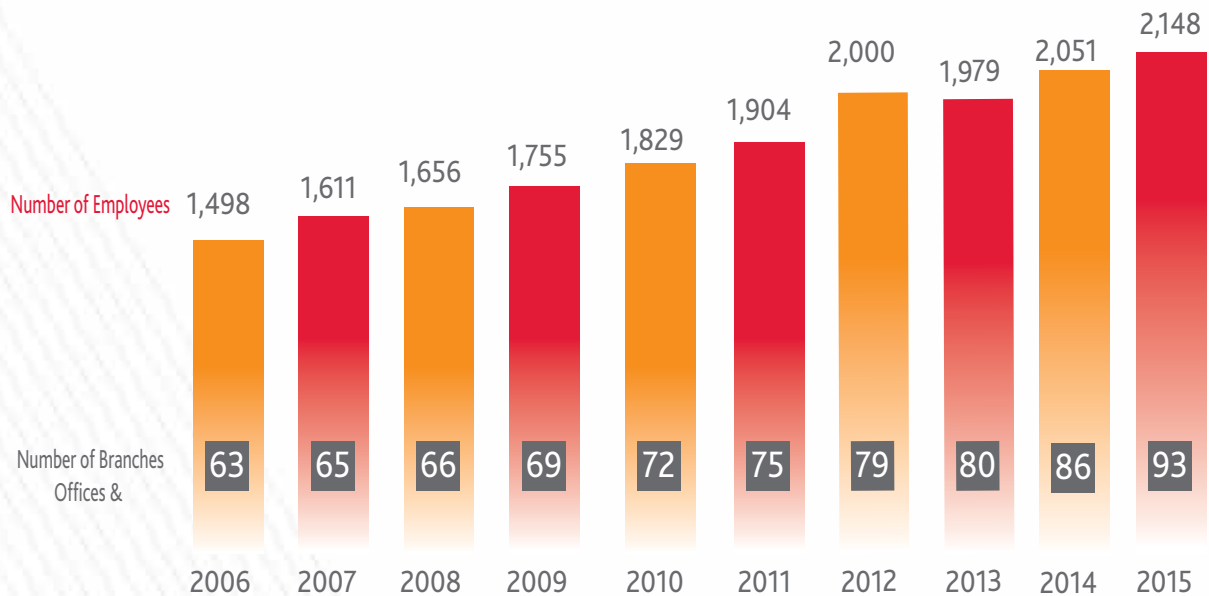
**The Board of Directors is pleased to introduce you to the most important achievements in 2015 as well as the future ambitions.**

### **First: Branching**

- In 2015, new branch (Al Jizah Branch) / Amman was opened. In addition, Al Shawbak office / Ma'an and Bani Kenana office / Irbid were changed into branches. Further, new six offices, namely; Madaba Office, Al Huseiniyah Office / Karak, Balama / Mafraq, Sameh Mall / Amman, Wadi Essir / Amman, and Sports City / Amman were opened. Thus, the Bank's network of branches and offices totaled (73) branches and (20) banking offices by the end of 2015.
- It is hoped to complete in 2016 the implementation of 2015 branching plan to open three branches, namely; Abdoun / Amman, Prince Hassan District / Amman, and Petra Street Branch / Irbid, in addition to four offices in Ebin and Eblin / Ajloun, Wasfi Al Tal Street / Amman, Jubeiha / Amman and Theeban / Madaba and to implement the 2016 branching plan to open three offices in Shafa Badran / Amman, Ein El Basha / Balqa, and Al Hasa / Tafeileh.
- On another hand, the Islamic Hospital Branch was moved on 13/12/2015 to a new location in King Hussein Street / Islamic Center Charity where the new location is more convenient to clients.

### Second: Staff

- At the end of 2015, the number of the Bank's staff reached (2148). Below is a figure showing the development in the employees' number over the past ten years:



- To keep pace with the developments in the field of training and human resources development, the Bank changed the name of its training institute to the Academy of Training and Human Resources Development. Out of its interest to improve its employees' performance, the Bank delegated (3607) employees in 2015 for training courses and seminars organized by the Bank's Academy and internal and external specialized parties, compared to (3577) employees in 2014 as shown in the table below:

Description	2015		2014	
	No. of courses / seminars	No. of participants	No. of courses / seminars	No. of participants
Bank's Training Academy	206	2727	212	2904
Centers in Jordan	343	820	264	634
Centers abroad	41	60	24	39
<b>Total</b>	<b>590</b>	<b>3607</b>	<b>500</b>	<b>3577</b>

- These courses and seminars covered various banking, financial and administrative activities and businesses, including deposits, credits, bills of exchange, letters of guarantee, investment, financial analysis, job behavior, English language, first aid, in addition to courses focusing on Sharia affairs, accounting standards of Islamic financial institutions, banking risk analysis, total quality, combating money laundering, and social responsibility. 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 (992) throughout 2015, compared to (911) students in 2014. In addition, (21) employees coming from non-Jordanian banks received training on the work of our bank in 2015, against training (48) employees in 2014.

### Third: Banking Techniques:

During 2015, the Bank accomplished further developments and updating in the field of banking techniques, most notably:

- Expanded the application of the electronic payment service (Efawateercom) through the internet, the teller, and the ATM.
- Updated the ATM operational systems and applications to increase the protection standards applied to such machines and adding new services thereto to facilitate the banking transactions of the clients.
- Updated the PCs at the Bank's departments, branches, and offices in line with the information security requirements and the standards and controls of obtaining the Payment Card Industry Data Security Standard (PCI-DSS) certification.
- Updated the equipment of the virtual environment and expanded the activation of their application.
- Launched the World Master / Baraka Card, which is issued by our Bank to its outstanding clients and the clients of AlBaraka Banking Group in fifteen countries on behalf of and in cooperation with AlBaraka Banking Group. The holder of this card can enjoy the privileges and offers provided by this card all over the world.
- Launched the family card "the Prepaid Master Cards", which is designated to those who are convicted in executive cases at the Sharia Executive courts where holders of these cards can get cash from the card balance through the ATMs or the sale points.
- Applied the e-clearing centralization at the Central Operations Department.
- Applied the Operational Risks System and the anti-money laundering system at the Bank's departments, branches, and offices.
- Completed and developed a number of systems and products.
- Jordan Islamic Bank benefited from the solar energy cells which were installed on the surfaces of eighteen branches by decreasing the electricity consumption at these branches.
- Installed and operated new Automated Teller Machines (ATMs) in 2015. Thus, the Bank's network of ATMs consists of (169) machines, constituting 12% of all ATMs operating in the Kingdom, all connected to client accounts, the Middle East Payment Services (Meps), and the Jordanian Automated Teller Machines Network (JONET), which comprises nearly (1400) ATMs. In addition, the Bank's network of ATMs is linked through JONET to the International Visa Network outside Jordan.

### 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 2015 were in form of providing clients the full value of their purchases, or part thereof with a total value of JD (122) 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 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 2015:

#### A. Conferences and Seminars

- Throughout 2015, the Bank continued 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 2015 reached around JD (338) thousand distributed as follows:

Description	JD/Thousand
Direct expenditures of the Bank Training Academy	4,200
Contribution to the costs of employees' study and training	184,897
Participation in the expenses of the Banking Studies Institute affiliated to the CBJ	7,982
Sponsorship of scientific conferences and educational institutions	141,213
<b>Total</b>	<b>338,292</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, Jordan Hashemite Charity Organization (JHCO), King Abdullah II Fund for Development (KAFFD), Martyr Ma'ath Al Kasasbeh Fund, Societal Financial Culture Dissemination Project, Jordan Armed Forces – Borders Guard, and 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, in addition to other social activities organized in Jordan.
- The total donations provided by the Bank during 2015 for such events and activities reached around JD (910) thousand, distributed as follows:

Description	Number	(JD/Thousand)
Jordanian Hashemite Fund for Human Development (JHFHD)	1	91,585
Al Aman Fund for the Future of Orphans	1	42,500
Jordan Hashemite Charity Organization (JHCO)	1	5,000
Associations and competition of Holy Quran Memorization	7	80,300
Charity Associations and Organizations and Zakah committees	101	254,250
Scientific Conferences and educational and cultural programs	12	85,925
Mosque Commissions	46	159,595
King Abdullah II Fund for Development (KAFFD)	1	25,000
Martyr Ma'ath Al Kasasbeh Fund	1	14,005
Societal Financial Culture Dissemination Project	1	51,700
Jordan Armed Forces – Borders Guard	1	100,000
<b>Total</b>	<b>173</b>	<b>909,860</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 2015, the balance of this account reached around JD (1,3) million.
- 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 2015, from the fund and the money allocated for this purpose, reached around JD (19,3) million benefiting nearly (23) thousand citizens, compared to JD (19,4) million in 2014 benefiting nearly (34) thousand citizens.
- It is worth mentioning that the Bank has been granting such loans since its incorporation, where the granted loans totaled JD (236) million till the end of 2015, benefiting nearly (406) thousand 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 2015 reached about JD (144) thousand benefiting (206) young people compared to about JD (138) thousand benefiting (198) young people in 2014.

- Some of these loans are granted to teachers through the agreement signed with the Jordan Teachers Association in 2015 where the total of such loans reached about JD (1,5) million benefiting (2,266), against JD (1,1) million in 2014 benefiting (1,622).

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

- The Bank was keen from the beginning to fund the projects and requirements of professionals and craftsmen by way of Murabaha. In 1994, the Bank developed an ad hoc program to finance this category by way of Diminishing Musharaka al Muntahia Bittamleek which provides for repaying the financing from the revenues generated by the project. To pay more attention to these projects, the Bank increased in 2013 the capital of its subsidiary Al Samaha Funding and Investment Company to JD (8) million and amended its memorandum and articles of association to include funding projects and small craftsmen.

#### **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 the damage that may be inflicted on any of them to repay all or some of his debt to the Bank in case of death, permanent disability, or permanent insolvency. In addition, this Fund is considered risk exposure mitigator as of 2014 after the approval of the Central Bank of Jordan. Throughout 2015, the number of indemnified cases reached (169), and the compensations paid in this year amounted to nearly JD (871) thousand. Since the Fund establishment until the end of 2015, the total compensation cases reached (2,024) cases, and the amount of compensations paid reached around JD (7) million. At the end of 2015, the Fund's balance amounted to around JD (64,2) million, with about (138) thousand participants and a total balance of indebtedness of around JD (982) million against the Fund's balance of around JD (53,6) million, and a total balance of indebtedness of around JD (861) million in 2014.
- It is worth mentioning that the Bank has expanded the umbrella of the insured people as of 1/3/ 2015, to include all people with indebtedness of JD (100) thousand or less instead of JD (75) thousand. The Bank expanded the umbrella of the insured people to be JD (50) thousand and less instead of JD (40) thousand and less after being JD (25) thousand and less.

#### **G. Interaction with the Local Community**

- The Bank participated with the Public Security Directorate / Central Traffic Directorate in its Ramadan Campaign and during Eid Al Fitr by supporting the printing of guiding and awareness leaflets to the drivers and distributing the same all over the Kingdom to increase awareness and provide guidance and important information to minimize traffic accidents and jams, in addition to the distribution of water and date to the drivers at the traffic lights at the time of calling for Maghrib Prayer. The Bank is a major and active participator in different activities and events performed by the Public Security Directorate / Central Traffic Directorate that aim at disseminating awareness to minimize traffic accidents.
- The Bank provide the Hajj and Umrah Department at the Ministry of Awqaf and Islamic Affairs and Holy Places with Laptops and PCs, modern printers, and office furniture to facilitate the Department's performance of transactions and services rendered to the pilgrims.
- In addition, there is a partnership between the Bank and the Eyes Bank and the Friends Society of Jordan Eye Bank and Prevention of Blindness. This partnership is crowned on a yearly basis with an honoring lunch ceremony of the cornea donators, supporters, and volunteers and distribution of acknowledgment certificates to them for the sixth consecutive year.
- The Bank, in cooperation with the Public Security Radio Station, distributed some in-kind aids such as heaters and blankets to the needy families and the families who were affected by the blizzard.
- The Bank continued to launch blood donation campaigns in many governorates in cooperation with "Blood Bank Directorate" to donate blood where the Bank's employees of all administrative levels donated blood. Some of the Bank's clients participated in the campaign. In addition, a workshop was held on the first aids in cooperation with the Retired Military Cooperative Organization with the participation of many employees.

- The Bank also issued the family card, which is designated to those who are convicted in executive cases at the Sharia Executive courts where holders of these cards can get cash from the card balance through the ATMs or the sale points

#### **H. Energy and Environment**

- The Bank continued providing alternate energy in its headquarters by utilizing the electric power generation using the solar cells, taking advantage of space on the roofs of branches for the installation of those cells, which reduces the electricity consumption and decreases the high electric loads in the Kingdom. Thus, contributing to the national economy and the environment protection. It is worth mentioning that this project began with three branches as first stage. It is currently applied in (18) branches.
- The Bank operated renewed energy system units for Al Rawdah District Mosque in Amman and for other units for two schools in remote areas to meet their need of electricity. The Bank previously did this for a school in a remote area.



Bestowal continues  
to attain greater  
achievements



The Arab Organization for Social Responsibility:  
the social responsibility award at the Arab region level 2015.



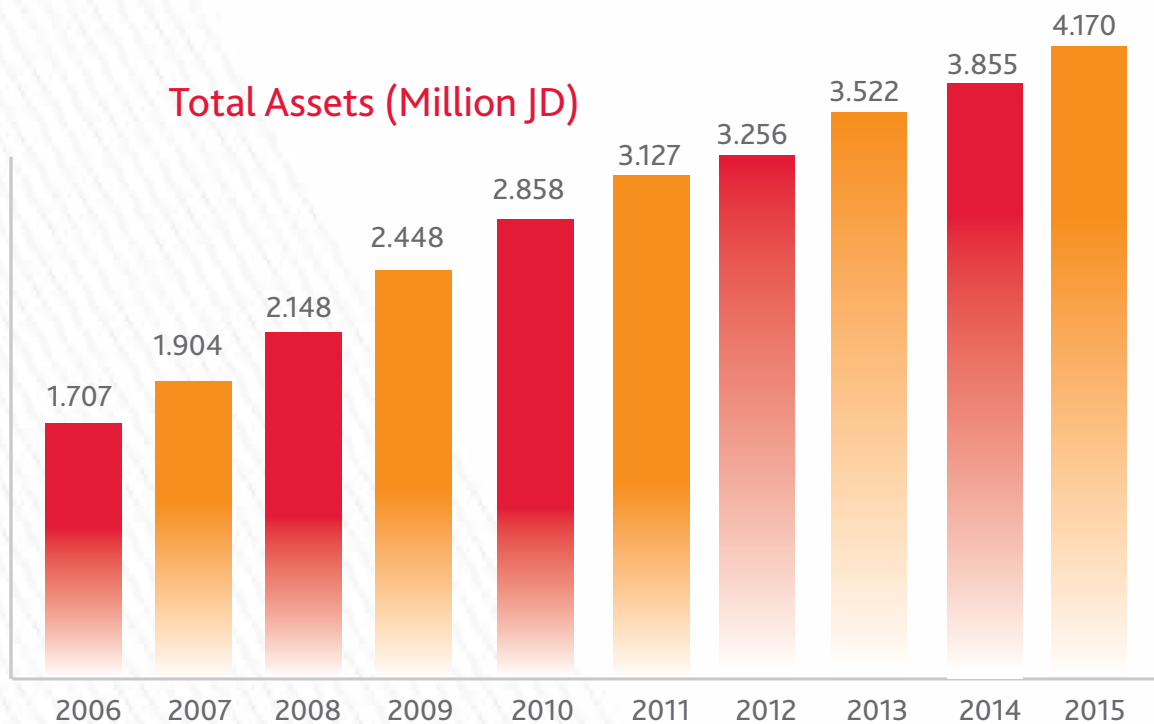
Financial Position

## Sixth: Financial Position

### A. Total Assets:

- At the end of 2015, the total assets amounted to around JD (4,170) million (including off-balance sheet items), compared to JD (3,855) million (including off-balance sheet items) at the end of 2014, with a growth rate of around (8.2%). Following are the relevant details in million JD:

Year	Total Balance Sheet	Off Balance Sheet			Total	Total
		Restricted Investments	Muqarada Bonds	Investment by proxy		
2015	3,799,0	29,1	338,7	3,006	370,8	4,169,8
2014	3,554,7	27,4	270,1	3,0	300,5	3,855,2
Increase (Decrease)	244,3	1,7	68,6	0,006	70,3	314,6
	6.9%	6.3%	25.4%	0.2%	23.4%	8.2%

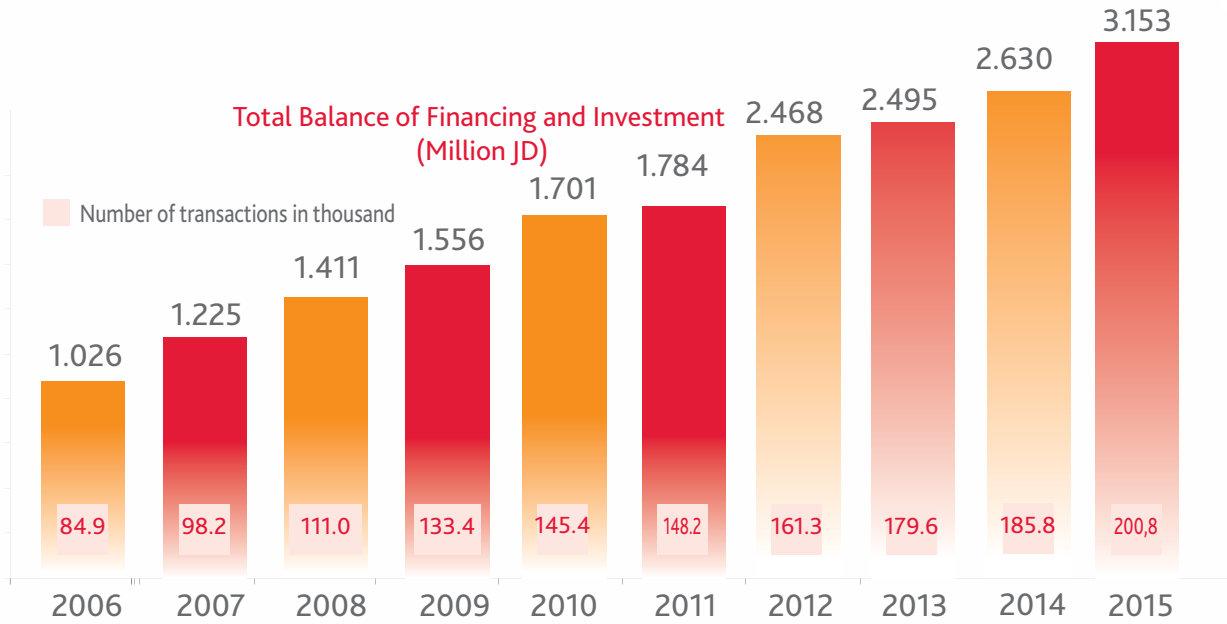


### B. Cash on Hand and at Banks

- At the end of 2015, the total cash on hand and at banks amounted to about JD (946) million, compared to JD (1,105) million at the end of 2014.

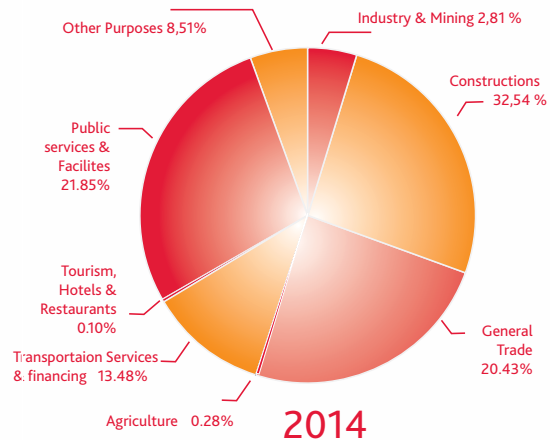
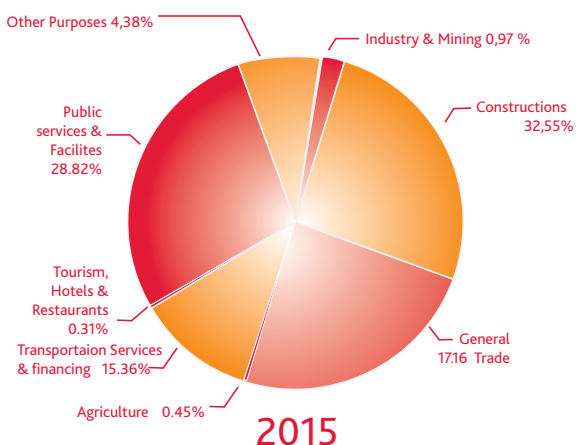
### C. Financing and Investment

- At the end of 2015, the total balances of financing and investment amounted to around JD (3,153) million (including off-balance sheet items), distributed to (200,8) thousand transactions compared to around JD (2,630) million (including off-balance sheet items) at the end of 2014, distributed to (185,8) thousand transactions.



- The financing operations carried out by the Bank in the domestic market during 2015 included various social and economic activities and utilities. Such finances were 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.
- The shares of economic sectors from the financing balances (in million JD) were as follows:

Year	Agriculture	Industry & Mining	General Trade	Construction	Transportation Services	Tourism, Hotels, & Restaurants	Public Services & Facilities	Other Purposes	Total
2015	11,9	25,8	458,0	869,0	410,1	8,3	769,2	117,0	2,669,3
2014	6,4	64,4	468,2	745,8	308,9	2,4	500,9	195,1	2,292,0





- 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 2015 for the most significant needs:

Financed Needs of Individuals	JD (Million)	Number of beneficiaries of Financing
Land, housing and construction materials	212,6	15,742
Transportation means and construction vehicles	285,1	24,749
Furniture	18,0	5,686

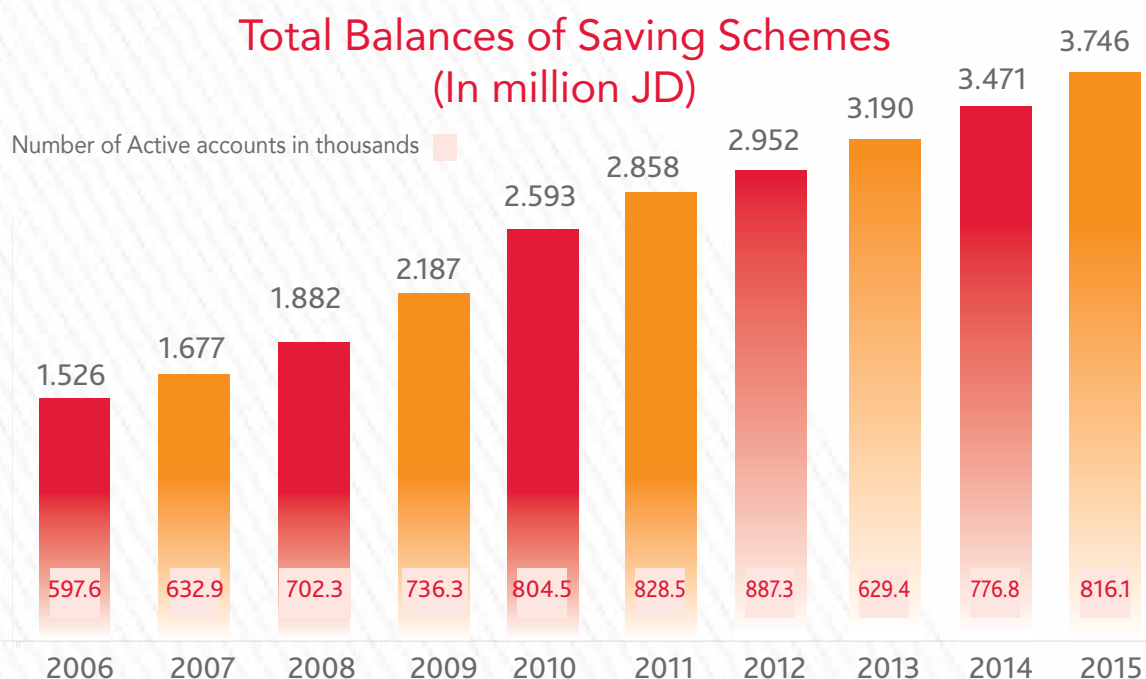
- The outstanding balance of Murabaha financing allocated for such needs from the funds of joint investment and investment portfolios by the end of 2015 was as follows:

Financed Needs of Individuals	JD (Million)	Number of beneficiaries of Financing
Land, housing and building materials	442,4	59,888
Transportation means and construction vehicles	508,2	79,192
Furniture	34,4	17,982

- Moreover, the Bank continued to direct a part of its self-funds, joint investment funds, and investment portfolios 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 2015, the number of companies whose capitals are invested in by the Bank reached (36), and the volume of such investment reached nearly JD (111) million.

#### D. Attracting Savings:

At the end of 2015, the total balances of saving schemes amounted to around JD (3,746) million (including the off-balance sheet items), distributed to (816,1) thousand active accounts compared to around JD (3,471) million (including the off-balance sheet items) at the end of 2014, distributed to (776,8) thousand active accounts.

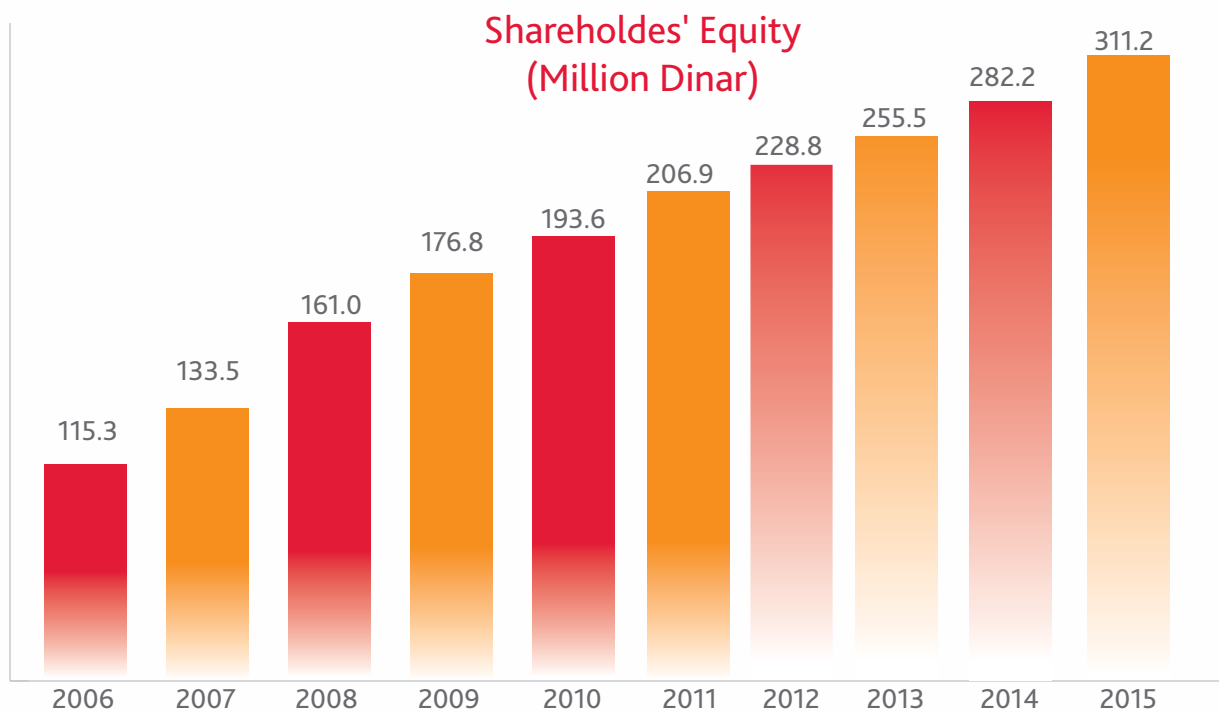


### E. Shareholders' Equity:

- By the end of 2015, the shareholders' equity reached around JD (311) million compared to JD (282) million at the end of 2014. The details are as follows in million JD:

Year	Paid-up Capital	Statutory Reserve	Voluntary Reserve	Reserve of General Banking Risks	Fair Value Reserve - Net	Retained Earnings	Shareholders' Equity
2015	150,00	55,99	14,27	0,70	0,56	85,63	311,15
2014	150,00	52,51	6,83	0,70	0,84	71,33	282,21
Increase (Decrease)	0	7,48	7,45	0,00	(0,28)	14,30	28,94
	0.0%	14.2%	109.1%	0.0%	(33.1%)	20.0%	10.3%

- The Capital Adequacy Ratio (CAR) at the end of 2015 and 2014 amounted to about (21.11%) and (20.95%) respectively according to the Islamic banks CAR standards issued by CBJ, i.e., a ratio exceeding the rate established by CBJ, amounting (12%) at least.



**F. Profits of Joint Investment:**

- The total profits of joint investment during 2015 reached around JD (177,4) million compared to around JD (166,4) million during 2014. 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
2015	175,11	17,51	78,80	31,62	47,18	2,28	0,23	1,14	0,02	0,90
2014	161,13	24,17	64,45	27,07	45,44	5,25	0,79	2,10	0,13	2,23

The rates of profits distribution of 2015 were as follows:

Currency	General Percentage	Term	Notice	Savings
Local Currency	3.40%	3.06%	2.38%	1.70%
Foreign Currencies	0.61%	0.55%	0.43%	0.31%

**G. Bank Profits:**

- In 2015, the Bank's profits before tax amounted to around JD (74,69) million, while the profits after tax amounted to around JD (48,72) million.



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		Paid-up Capital	Shareholders' Equity	Joint Invest-ment Profits	Joint invest-ment risks fund	Profit Before Tax	Profit After Tax	General percentage of profit distribution to local currency accounts	General percentage of profit distribution to foreign currency accounts	Percentage of dividends to shareholders	Number of branches and offices	Number of employees
	Total Balances	No. of Active Accounts (thousands)	Total Balances	Thousand transaction	Total Balances	Thousand transaction											
2006	1,707,4	597,6	1,525,8	84,9	1,026,0	84,9	64,1	115,3	61,2	21,3	23,4	15,5	5.05%	3.17%	10% in cash	63	1,498
2007	1,904,2	632,9	1,676,8	98,2	1,224,8	98,2	65,0	133,5	75,5	20,2	34,4	23,0	5.30%	3.50%	12% in cash 25% stocks (5)	65	1,611
2008	2,147,5	702,3	1,881,7	111,0	1,411,2	111,0	81,3	161,0	101,8	22,9	50,1	35,1	5.70%	2.71%	15% in cash 23.076923% stocks (6)	66	1,656
2009	2,448,1	736,3	2,187,5	133,4	1,556,1	133,4	100,0	176,8	99,8	20,7	38,9	27,9	5.69%	1.25%	12% in cash	69	1,755
2010	2,858,1	804,5	2,593,0	145,4	1,700,8	145,4	100,0	193,6	100,8	14,6	40,7	29,1	3.89%	0.72%	15% in cash	72	1,829
2011	3,127,0	828,5	2,858,3	148,2	1,784,1	148,2	100,0	206,9	109,7	7,3	39,7	28,3	3.35%	0.69%	15% in cash 25% Bonus shares (7)	75	1,904
2012	3,255,5	887,3	2,952,0	161,3	2,468,4	161,3	125,0	228,8	144,6	14,5	51,2	36,4	3.94%	0.83%	15% in cash	79	2,000
2013	3,522,4	629,4(4)	3,190,4	179,4	2,495,2	179,4	125,0	255,5	166,1	8,0	64,7	45,1	4.29%	1.67%	15% in cash 20% Bonus shares (8)	80	1,979
2014	3,855,2	776,8	3,470,8	185,8	2,630,0	185,8	150,0	282,2	166,4	17,3	64,0	45,1	3.52%	1.45%	13% in cash	86	2,051
2015	4,169,8	816,1	3,745,7	200,8	3,152,8	200,8	150,0	311,2	177,4	19,9	74,7	48,7	3.40%	0.61%	15% in cash (9)	93	2,148

(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) The decrease in number of the active accounts in 2013 is attributed to the application of the unified number to the clients in the new banking system

(5) Bonus shares distributed on 16 July 2008.

(6) Bonus shares distributed on 10 September 2009.

(7) Bonus shares distributed on 20 June 2012.

(8) Bonus shares distributed on 10/6/2014

(9) Proposed to be distributed.

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Bestowal continues  
to attain greater  
achievements

# BANKING EXECUTIVE WARD 2015

The **BANKING EXECUTIVE WARD 2015**:  
Best Islamic Banking Services in Jordan



## Future Plan of the Bank for the Year 2016



**Seventh: Future Plan of the Bank for the year 2016**

- 1- Continue the introduction and development of new banking electronic services.
- 2- Expand offering financing to individuals on Murabaha or Ijara Muntahia Bittamleek or Istisna' basis.
- 3- Expand SMEs projects financing grants.
- 4- Issue / participate in Islamic Sukuk tradable in the Exchange, while continue the financing of the government needs by using this instrument and through the direct finance by Murabaha.
- 5- Roll out new financing products meeting the banking market demands and needs after obtaining the Sharia (legal) approval.
- 6- Branching plan:
  - Open three branches in "Abdoun / Amman", "Prince Hassan District / Amman" and Petra Street / Irbid."
  - Open seven offices in Ebin Ebleen / Ajloun, Wasfi Al Tal Street / Amman, Jubeiha / Amman, Theeban / Maadaba, Shafa Badran / Amman, Ein El Basha / Balqa, and Hasa / Tafeileh
- 7- Install and operate new ATMs and replace the old ones, develop and improve their operating management system.
- 8- Provide our clients with services and products Provided by Al Baraka Bankikng Group (ABG) banks, and ABC Banks clients with our services and products, in coordination and cooperation with ABC Management.
- 9- Enhance the corporate governance.
- 10- Continue the application of Basel II and Basel III requirements.

The Banker  
**ISLAMIC**★  
Bank of the Year  
**AWARDS**  
2015

Bestowal continues  
to attain greater  
achievements

The Banker Magazine – London:  
for the third consecutive year,  
the best Islamic bank in Jordan 2015



Board Recommendations  
to the Ordinary General Assembly

## **Eighth: Ordinary General Assembly Agenda**

**Dear Shareholders,**

We hope that this report gave an overview of the Bank's activities and achievements during 2015. The Board of Directors is pleased to present the following agenda to the General Assembly:

- 1- Read the minutes of the General Assembly's previous meeting.
- 2- Listen to the report of the Bank's Sharia Supervisory Board for the fiscal year ended on December 31, 2015.
- 3- Read the report of the company's auditor for the fiscal year ended on December 31, 2015.
- 4- Review the report of the Board for the fiscal year ended on December 31, 2015 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- Approve the decision of the Board of Directors to extend the membership of the Bank's Sharia Supervisory Board members for four years as of 28/4/2015 (2015-2019) in accordance with the Islamic Banks Corporate Governance Instructions No. (61/2015) dated 12/5/2015 issued by the Central Bank of Jordan.
- 8- Elect the company's auditor 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. We also thank the CBJ for their care and understanding of the particularity and business nature of the Islamic banks as regards the regulations and instructions issued thereby.

Last but not least, we proudly and appreciably indicate the important role of our respected jurisprudent 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.

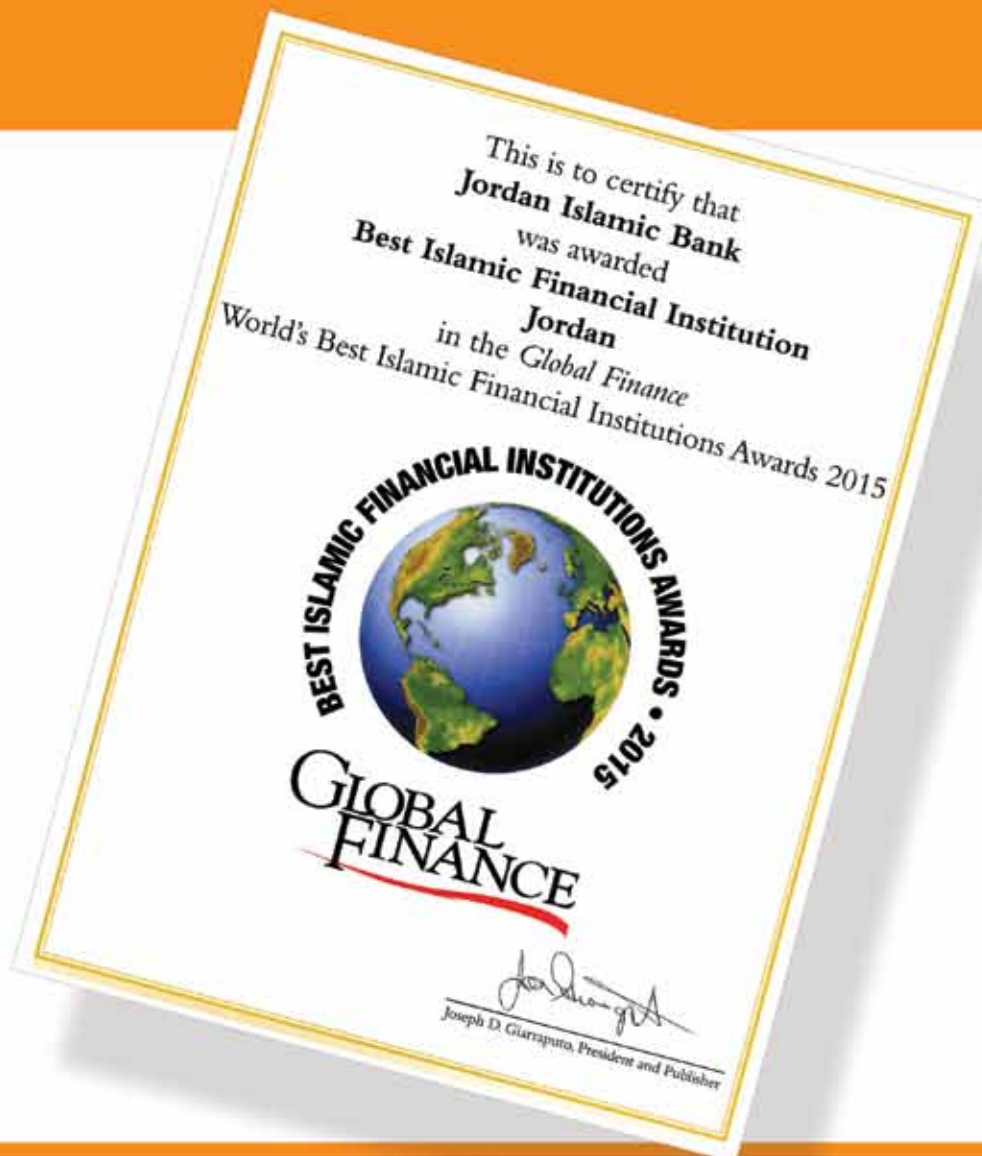
**Board of Directors**



# GLOBAL FINANCE

Global Finance Magazine  
New York :  
for the seventh consecutive year best  
Islamic financial institution in Jordan

## Bestowal continues to attain greater achievements



## Annexes of the Board of Directors Report 2015 Annex I

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

## Annex I

### "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, Jordan Islamic Bank has decided to adopt the sound practices of corporate governance and prepare the corporate governance guide in accordance with the best related international practices and in consistence with Islamic banks corporate governance instructions No. (61/2015) dated 12/5/2015 issued by the Central Bank of Jordan instead of the old guide issued in 2007.
- The Bank prepared and updated the corporate governance guide as of 27/7/2015 and posted it on its website ([www.jordanislamicbank.com](http://www.jordanislamicbank.com)) to comply with it in terms of the Board of Directors (composition, suitability, meetings, secretary's duties, Board of Directors duties and tasks, duties of the Board of Directors members and chairman, responsibility and accountability, and the committees of the Board of Directors), Top Executive Management (The role of the CEO/General Manager, tasks, suitability and responsibility), Sharia supervisory Board (appointment of the Board, suitability, independency, meetings, tasks, responsibilities, and organization of the Board's works), Monitoring and internal & Sharia control environment (monitoring and internal control systems, internal auditing department, internal sharia auditing department, external auditing, risks department, and compliance department), Relation with shareholders and the Joint Investment Account holders. It is worth mentioning that the Bank prepared the first corporate governance guide on 31/12/2007.

#### 2- Relation with shareholders

All legal steps are taken to encourage shareholders, including the small ones, to attend the Ordinary and Extraordinary meetings of the General Assembly, to discuss and vote either personally or by proxy. The Board of Directors members, the Sharia Supervisory Board, the external auditors and representatives of regulatory and official authorities attend the annual meeting of the General Assembly in order to answer any questions that might be raised. A minute is prepared to the General Assembly to brief the shareholders on the comments that have been made in the meeting and the results that have been reached, including the results of voting and the questions of the shareholders and the responses to them. As of the beginning of 2016, the invitation and the agenda of the General Assembly and the minutes of the meetings of the General Assembly will be posted on the Bank's website [www.jordanislamicbank.com](http://www.jordanislamicbank.com).

#### 3. The Joint Investment Accounts Holders Equities and their Relation with the Shareholders

The Bank preserves the rights of the joint investment accounts holders, whether these accounts are for the absolute investment or for the restricted investment in different ways. They could be accessed by various means such as the corporate governance guide and/or the annual report and / or the Bank's website ([www.jordanislamicbank.com](http://www.jordanislamicbank.com)) which also includes the policy governing the relation between the owners of the joint investment accounts with the shareholders.

#### 4. Monitoring and Internal Control Systems

**First:** The executive management responsibility for setting up and maintaining monitoring and internal control systems over the financial reporting in the Bank and maintain those systems:

- The Bank's Board of Directors and top executive management are responsible for the development of internal control procedures capable to achieve the following:
  - Accuracy and integrity of financial and operational data issued by the bank.
  - Efficient and effective performance of the Bank's operations.
  - Effectiveness of the Bank's assets and property protection procedures.
  - Compatibility with the internal working procedures and policies, as well as laws, legislation and regulations in force.

**Second** : the internal audit provides emphatic and advisory independent and objective services to the Board of Directors and executive management in order to assist them in achieving the established objectives, which would improve the effectiveness of risk management and internal control and institutional control.

**Third**: the Internal Audit Department provides reasonable assurance over the effectiveness and efficiency of the monitoring and internal control systems of the Bank and its ability to achieve the following:

- The Board of Directors and executive management are responsible for the development of internal control system and procedures able to achieve the following systems:
- Accuracy and reliability of the financial statements.
- Operations efficiencies.
- Compliance with regulations, instructions and laws in force.
- Preserve the Bank's assets and properties.
- The work continuity under all circumstances.
- Improvement and development of monitoring and internal control, risk management and corporate control operations systems.
- improvement and development of the operations and products to achieve the bank's goals .

**Fourth**: The scope of work of the Internal Audit Department includes all work Centers, activities and operations of the Bank, including its subsidiaries that enable the Bank to assess the appropriateness and effectiveness of internal control and risk management processes and corporate control systems and accomplish its all tasks and responsibilities. In addition, the internal audit Department carries out several tasks, including the following:

- Perform periodic audits based on risk-based audit approach.
- Carry out any special assignments or consultations based on the directives of the audit committee of the Board of Directors or Chief Executive Officer / General Manager.

**Fifth**: The Top Executive Management evaluates the effectiveness of the internal control systems through the following:

- The reports presented by the Internal Audit Department to the Audit Committee of the Board of Directors at its regular meetings about the most related important observations and recommendations.
- Managing the major risks facing the Bank by the Risk Management Department and the Risk Committee of the Board of Directors.
- Setting up and developing the strategies and policies, and implementing the same after the approval of the Board of Directors.
- Adopting 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 Supervisory 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.

**Sixth**: The Top Executive Management checks the monitoring & internal control systems on the date of preparing the financial statements contained in the annual report of the Board of Directors, and the Management enforces the internal control systems constantly.

**In addition, the Board of Directors acknowledges the adequacy of the internal control and monitoring Sharia supervisory systems.**



## 5. Board meetings and details of the Board committees:

A.The Board held six meetings in 2015.

B.Details of the Board Committees are as follows:

Description	Current Members Names	Formation	Tasks and responsibilities	No. of meetings in 2015
Corporate Governance Committee	Dr. Hatim Hafez Al Halawani Al Tamimi (Chairman) Salem Ahmad Jameel Al-Khza'aleh (Vice-Chairman) Adnan Ahmed Yousif Abdelmalek (Member)	It was formed in response to the requirements of the Corporate Governance Guide	Ensure the application of the Corporate Governance Guide	3
Audit Committee	Malak Fawzi Raghieb Ghanim (Chairman) Hamad Abdullah Ali Eqab (Vice-Chairman) Nabeeh Ahmad Salameh Al Zainat (Member)	Already formed in accordance with the Banks Law and the instructions of Jordan Securities Commission	Ensure the adequacy of the external and internal auditing, the control systems, and the internal control, and the compliance with the related financial and accounting regulations	4
Credit Facilities Committee	Adnan Ahmed Yousif Abdelmalek (Chairman) Dr. Hatim Hafez Al Halawani Al Tamimi (Vice-Chairman) Noor "Mohammad Shaher" "Mohamamd Lutfi" Mahayni (Member) Musa Abdul Aziz Mohammed Shihadeh (Member)	It 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	4
Nominations and Remunerations Committee	Issa Haidar Issa Murad (Chairman) Adnan Ahmed Yousif Abdelmalek (Vice-Chairman) Malak Fawzi Raghieb Ghanim (Member)	It was formed in response to the requirements of the Corporate Governance Guide	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	Saleh Yaqoub Mohammad Hussein (Chairman) Adnan Abdullah Al Hamad Al Bassam (Vice-Chairman) Hood Hashem Ahmad Hashem (Member) Musa Abdul Aziz Mohammed Shihadeh (Member) Dr. Hussein Said Mohammad "Aamar Saifan" (Member) Dr. Hosni Abdulaziz Hussein Jaradat (Member)	It was formed in response to the requirements of the Corporate Governance Guide	Ensure that policies and strategies for risks and compliance management are in place	4
Social Responsibility Committee	Salem Ahmad Jameel A;-Khza'aleh (Chairman) Noor "Mohammad Shahir" "Mohammad Lutfi" Mahayni (Vice-Chairman) Dr. Hussein Said Mohammad " Issa Haidar Issa Murad (Member) Hamad Abdullah Ali Eqab (Member) Musa Abdulaziz Mohammad Shehadeh (Member)	It was formed to confirm the Bank's care of the social side	Supervise the Bank's implementation of the social responsibility	1

C.Summary of the meeting attendance of the Board of Directors members and its Committees as of 28/4/2015:

Member	Board of Directors	Audit Committee	Risk management committee	Nominations and Remunerations Committee	Social Responsibility Committee	Corporate Governance Committee	Credit Facilities Committee	Remarks
Number of members	11	3	6	3	5	3	4	-
Number of meetings	4	2	2	2	0	2	2	-
Adnan Ahmed Yousif Abdelmalek	4	-	-	2	-	2	2	-
Dr. Hatim Hafez Al Halawani Al Tamimi	4	-	-	-	-	2	2-	-
Hamad Abdullah Ali Eqab	4	2	-	-	-	-	-	-
Adnan Abdullah Al Hamad Al Bassam	3	-	1	-	-	-	-	He didn't attend the Board of Directors and the Risk Management Committee meetings, session of July 2015
Hood Hashem Ahmad Hashem	4	-	2	-	-	-	-	-
Salem Ahmad Jameel Al-Khza'aleh	4	-	-	-	-	2	-	-
Noor "Mohammad Shahir" "Mohammad Lutfi" Mahayni	4	-	-	-	-	-	2	-
Issa Haidar Issa Murad	4	-	-	2	-	-	-	-
Malak Fawzi Raghieb Ghanim	4	2	-	2	-	-	-	-
Nabeeh Ahmad Salameh Al Zainat	4	2	-	-	-	-	-	-
Saleh Yaqoub Mohammad Hussein	4	-	2	-	-	-	-	-
Musa Abdulaziz Mohammad Shehadeh	-	-	2	-	-	-	-	-
Dr. Hussein Said Mohammad "Aamar Saifan"	-	-	2	-	-	-	-	-
Dr. Hosni Abdulaziz Hussein Jaradat	-	-	2	-	-	-	-	-

D.Summary of the meeting attendance of the Board of Directors members and its Committees from 1/1/2015 to 28/4/2015:

Member	Board of Directors	Audit Committee	Risk management committee	Nominations and Remunerations Committee	Social Responsibility Committee	Corporate Governance Committee	Credit Facilities Committee	Remarks
Number of members	11	3	7	4	4	3	3	-
Number of meetings	2	2	2	1	1	1	2	-
Adnan Ahmed Yousif Abdelmalek	2	-	-	1	-	1	2	-
Musa Abdulaziz Mohammad Shehadeh	2	-	2	-	1	-	2	-
Kamal Sami Salman Asfour	-	-	-	-	-	-	-	He passed away on 8/9/2014
Salem Mohammad Salem Masa'adeh	2	-	2	1	-	-	-	-
Ra'ef Yousif Mahmoud Najm	2	2	-	1	-	-	-	-
Hood Hashem Ahmad Hashem	2	-	2	-	-	-	-	-
Hamad Abdullah Ali Eqab	2	2	-	-	1	-	-	-
Haidar Issa Murad Murad	2	-	-	1	-	1	-	-
Adnan Abdullah Al Hamad Al Bassam	2	-	1	-	-	-	-	He didn't attend the Board of Directors and the Risk Management Committee meetings, session of February 2015
Ayman Abdul Karim Bashir Hatahet	2	2	-	-	1	-	-	-
Noor "Mohammad Shahir" "Mohammad Lutfi" Mahayni	2	-	-	-	1	1	2	-
Dr. Hussein Said Mohammad "Aamar Saifan"	-	-	2	-	-	-	-	-
Dr. Hosni Abdulaziz Hussein Jaradat	-	-	2	-	-	-	-	-
Dr. Abdul Hamid Abdullah Ahmad Abu Saqri	-	-	2	-	-	-	-	-

## F. The authorities delegated by the Board of Directors to its Committees:

### Corporate Governance Committee:

- Guide and oversee the preparation of the Corporate Governance Guide and update it, as needed, and monitor its implementation.
- Ensure the application of Corporate Governance Guide.

### Risk Management Committee:

- Review of risk management policies and recommend them for the Board of Directors approval.
- Assist the Board of Directors in managing the risks facing the Bank, (such as credit risk, market risk, operational risk, liquidity risk).
- Make sure that there are adequate risk management systems such as operational risk management and customers credit rating systems.... Etc.
- Control the exposure risks at the level of the country, currency, and time limits, counterparty, instrument, market, and sector.
- Study setting of risk acceptable limits and recommend them for the Board of Directors approval.
- Follow-up on measuring and controlling the risks facing the Bank.
- Observe and monitor the application of compliance policy, anti-money laundering and terrorist financing policy, economic and trade sanctions policy of our Bank, and the Foreign Account Tax Compliance Act (FATCA) ... Etc.

### Nominations and Remunerations Committee:

- Determine the independent members of the Board of Directors in accordance with the independent member conditions.
- Identify the persons eligible for membership of the Board of Directors, Top Executive Management or Sharia Supervisory Board.
- Assess the performance of the Board and Chief Executive Officer / General Manager of the Bank, Sharia Supervisory Board, and the Top Executive Management and raise recommendation to the Board accordingly.
- Raise recommendation to the Board of Directors to grant annual increase, bonuses .... Etc. to all Bank's employees.

### Audit Committee:

- Review the financial statements of the Bank prior to submission to the Board, in particular, to verify the implementation of the Central Bank instructions on the required provisions.
- Review the accounting issues that have significant impact on the financial statements.
- Review the monitoring and internal control systems of the Bank.
- Review the external auditor's report on the internal control systems and information system and raise recommendations to the Board accordingly.
- Raise recommendations to the Board regarding the appointment of external auditor, his remunerations, and any contracting conditions with him. In addition, to evaluate his independence, taking into account any other work entrusted to him outside the scope of the audit process.
- Ensure the ability of the external auditor to review the Bank's compliance with the legal controls in accordance with the conditions stipulated in the letter signed with him.
- Raise recommendations to the Board with regard to matters related to the internal audit procedures and the work of the internal auditor.

### Credit Facilities Committee:

- Study the applications to obtain direct and indirect banking facilities within the powers of the Committee, and approve the same.

### The Social Responsibility Committee:

- Review the social responsibility report of the Bank and raise recommendations to the Board for approval.
- Lead the social responsibility program of the Bank.
- Follow the work of the social responsibility committee of the Executive Management.



## 6. The Sharia Supervisory Board Meetings:

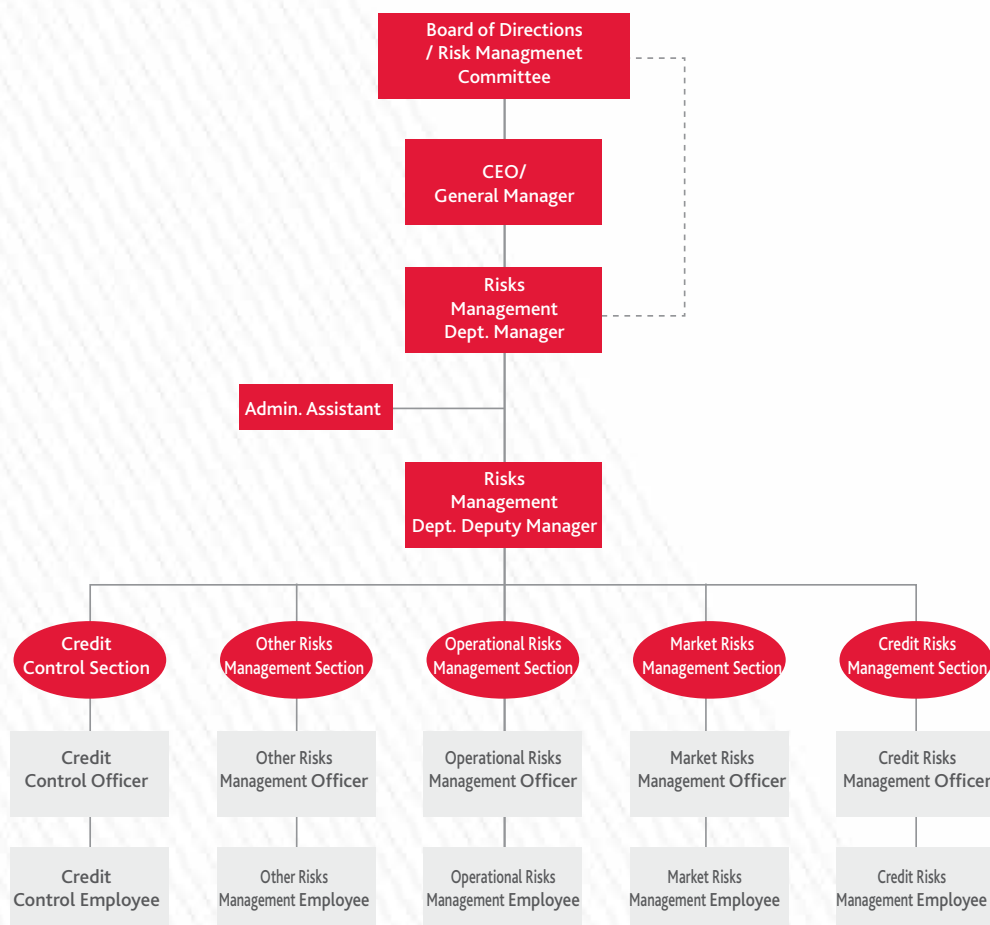
(A) The Board held four meetings in 2015.

(B) A summary of the meeting attendance of the Sharia Supervisory Board

Current Members	Time of attendance	Remarks
Dr. Mahmoud Ali Mosleh Sartawi (Chairman)	4	-
Dr. Abd Sattar Abdul Karim Abu Ghoddeh (Vice-Chairman)	2	He didn't attend with excuse on 26/5/2015 and 19/10/2015
Dr. "Mohammad Khair" Mohammad Salem Al-Issa (Member)	4	-
Dr. Abdul Rahman Ibrahim Zaid Al Kelani (Member)	3	He was appointed on 28/4/2015

## 7- Risk Management Department

(A) According to the organizational structure of the Bank, the Risk Management Department directly reports to the CEO / General Manager, and indirectly to the Risk Management Committee of the Board as shown below:



- (B) The Risk Management Department implements a package of daily and periodic tasks, notably:
- Preparation and review of work procedures policies and documents as well as Bank's controls and activities related to the credit risk, market risk, operational risk, liquidity risk, rate of return risk, and other risks, by using of modern methods and techniques for evaluation and management of the same.
  - Preparation of acceptable risk levels (Risk Appetite) for all activities of the Bank and compare them with the realized ones.
  - Prepare periodic reports on various risks.
  - Preparation of Internal Capital Adequacy Assessment Process (ICAAP) report, get it approved by the Board and send it to the Central Bank of Jordan on an annual basis.
  - Preparation of Stress Testing scenarios to know our Bank's ability to withstand shocks, under the corporate governance instructions of Islamic banks.
  - Review the credit rating process of the Bank's customers who were granted finances by the degree of their risks.
  - Monitor the credit, which include a review of the credit reports of the Bank's customers before and after the credit decision to ensure meeting the requirements of the administrative approvals to grant financing.
  - Analyze and evaluate the risks of the various activities of the Bank.
- (C) The most important developments on the risk management processes in 2015:
- The Department was provided with suitable computerized systems that help to efficiently manage the risks and the work assigned to the Department. At the beginning of 2016, the computerized system was implemented to manage the operational risks.
  - The Risk Management Department was provided with sufficient number of employees to assist in the performance of the Department's work and the application of the new systems.
- (D) The Bank's risks are stated in Note (59) under the financial statements of the bank for 2015.

#### 8. Remuneration policy:

- (A) The remunerations of the Board of Directors and committees of the Board:
- The provisions of this policy shall apply in consistency with the regulations in force at the Bank and as per the instructions of the Central Bank of Jordan, the Jordanian Companies Law and the instructions of the Securities Commission.
  - The scope of work includes the annual bonuses, transportation allowance, the member per diem, in particular non-resident member and committees membership allowance..
- (B) The remunerations of the Top Executive Management, and employees incentives and bonuses:
- The provisions of this policy shall apply in consistency with the regulations in force at the Bank such as Jordan Islamic Bank Staff Bylaws, and the Jordanian Labor Law No. 8 of 1996, as amended.
  - The scope of work includes the dividends, end of service bonus, special work bonus, and annual increases which are linked to the performance evaluation, end of service benefits, moral bonus and in-kind bonus.

**9. Transparency and disclosure:**

- (A). Annex II includes the organizational structure of the Bank.
- (B) The Board of Directors acknowledges their responsibility for the accuracy and adequacy of the Bank's financial statements.
- (C) Annex II contains the information required for each member of the Board of Directors (the qualifications, experience, the amount of contribution to the capital of the Bank, independence, date of appointment, any memberships in boards of directors of other companies, and the remunerations obtained from the Bank). Regarding the finances granted to them from the Bank, and any other operations, Note (56) in the consolidated financial statements of the Bank shows the contracts, projects and arrangements made by the Bank with subsidiaries or sister or affiliated companies, or with Chairman of the Board of Directors or the Board members or the General Manager or any employee of the Bank or their relatives.
- (D) Annex II contains the information required for each of the Sharia Supervisory Board members, as well as the Sharia remunerations earned by them, and the amounts paid for each of them in form of travel expenses inside and outside the Kingdom.
- (E) Annex II includes the benefits and bonuses earned by the Top Executive Management in form of wages, remunerations, salaries, and bonuses ....etc. and payments made for each of them as travel and transport expenses inside the Kingdom.
- (F) New Board of Directors was elected on 28/04/2015, as explained in the introduction to this report and in Annex II also. There were no resignations among the Sharia Supervisory Board members or Top Executive Management during the year.
- (G) Annex II includes the names of shareholders who hold (1%) or more of the Bank's capital.

### Acknowledgement

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

None of the Board of Directors members obtained any benefits during his work in the Bank without declaring the same, either in cash or in-kind, and either for himself in person or to any person related to him, during the past year.

Member  
Albaraka Banking Group Co.  
Represented by  
H.E. Mr. Hamad Abdullah Ali Eqab

Vice-Chairman  
H.E. Dr. Hatim Hafez Al Halawani Al  
Tamimi

Chairman  
Albaraka Banking Group Co.  
Represented by  
H.E. Mr. Adnan Ahmed Yousif  
Abdulmalek

Member  
H.E. Salem Ahmad Jameel Al  
Khaza'aleh

Member  
Albaraka Banking Group Co.  
Represented by  
H.E. Mr. Hood Hashem Ahmad  
Hashem

Member  
Albaraka Banking Group Co.  
Represented by  
H.E. Mr. Adnan Abdullah Al Hamad Al  
Bassam

Member  
H.E. Malak Fawzi Raghib  
Ghanim

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

Member  
H.E. Mr. Noor "Mohammad Shafer"  
"Mohamamd Lutfi" Mahayni

Member  
H.E. Mr. Saleh Yaqoub Mohammad  
Hussein

Member  
H.E. Mr. Nabeeh Ahmad Salameh Al  
Zainat



### Acknowledgement

The Sharia Supervisory Board of Jordan Islamic Bank hereby acknowledges that:

None of the Board of Directors members obtained any benefits during his work in the Bank without declaring the same, either in cash or in-kind, and either for himself in person or to any person related to him, during the past year.

Vice-Chairman  
Dr. Abd Sattar Abu Goddeh

Chairman  
Dr. Mahmoud Ali Mosleh Al Sartawi

Member  
Dr. Abdul Rahman Ibrahim  
Zaid Al Kelani

Member  
Dr. "Mohammad Khair"  
Mohammad Salem Al-Issa

Bestowal continues  
to attain greater achievements



Cambridge Analytica IF London :  
Best Islamic Retail Bank– Jordan 2015



Annexes of the Board of Directors Report 2015  
Annex II

“Disclosure Requirements in the Instructions  
of Financial Securities Commission”

## Annex II

## "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, offices, and the number of employees therein.
- c. By the end of 2015, the volume of the Bank's capital investment (property and equipment, net) reached about JD (63,6) 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
AlOmariah Schools Co.	Limited Liability	Education	8,6	94.4%	760	4,930	Al Barakah Quarter, Wasfi Attal St,/ Amman
AlSamaha Funding and Investment	Limited Liability	Financing	8,0	98.7%	18	2,320	Al Madina Al Munawarah Street / Amman
Future Applied Computer Technology Co.	Limited Liability	Services	5,0	100%	94	2,900	Wasfi Attal St,/ Amman
Sanabel AlKhair For Financial Investments Co.	Limited Liability	Brokerage	5,0	100%	12	4,060	Housing Bank Complex/ Amman

3-

A- The table below provides the names of the natural current and previous members of the Board of Directors, the representatives of the legal members, and an overview about each of them, who is non-executive and/or independent:

Name of Member	Academic Qualification	Practical Experience
<p>H.E. Mr. Adnan Ahmed Yousif AbdelMalek Bahraini Citizen, Chairman Representative of Al-Baraka Banking Group/ Bahrain, Non-executive and non-independent member Chairman as of 29/4/2007 Board member as of 28/10/2000 Date of birth: 1/1/1955.</p>	<p>Master in Business Administration, University of Hull, United Kingdom in 1998</p>	<p>He joined the banking industry in 1975 in the US Banks. He joined the Arab Banking Corporation as a deputy CEO and the Chairman of the Board of Directors. 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. He is the chairman and vice-chairman of many banks of Albaraka Banking Group in many countries. He obtained many awards and medals.</p>
<p>H.E. Dr. Hatim Hafez Al Halawani Al Tamimi Jordanian Citizen, Vice-Chairman. Non-executive and independent member Vice - Chairman as of 28/4/2015 Board member as of 28/4/2015 Date of birth: 7/2/1948</p>	<p>PhD., in Industrial and Energy Management, University of Stirling, Scotland, 2001 MA in Industrial and Energy Management, University of Stirling, Scotland Bachelor degree in Mechanical Engineering, Egypt, 1971</p>	<p>Former Minister of Industry, Trade and Supply, Former Minister of Information Technology and Communications, former Minister of Water and Irrigation, Former chairman and board member in some companies.</p>
<p>H.E. Mr. Hamad Abdullah Ali Eqab Bahraini Citizen Board member, Representative of Albaraka Banking Group / Bahrain. Non-executive and non-independent member Board member as of 29/4/2007 Date of birth: 1/1/1970</p>	<p>Bachelor of Accounting, University of Bahrain, 1993 Certified Public Accountant (CPA), 1996 Certified Global Management Accountant (CGMA), 2012</p>	<p>Various banking experiences in the internal and external auditing, and financial control. 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, and the vice- chairman of the Accounting and Auditing Standards Board at the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) / Bahrain.</p>
<p>H.E. Mr. Hood Hashem Ahmad Hashem Bahraini citizen, Board member, Representative of Albaraka Banking Group / Bahrain Non-executive and non-independent member Board member as of 26/4/2011 Date of birth: 15/5/1965</p>	<p>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</p>	<p>He 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 a number of Albaraka Banking Group banks.</p>



<p>H.E. Mr. Salem Ahmad Jameel Al Khaza'aleh Jordanian citizen, Board member Non-executive and independent member Board member as of 28/4/2015 Date of birth: 1/2/1963</p>	<p>Master in Philosophy, University of Jordan, 1992 Higher Diploma in philosophy studies, University of Jordan, 1987. Bachelor of Law, University of Jordan, 1985</p>	<p>Former Minister of Legal Affairs, former Minister of Industry and Trade, former Minister of Public Sector Development, Former President of the audit bureau, in addition of many other positions in the public and private sectors.</p>
<p>H.E. Mr. Noor "Mohammad Shafer" "Mohammad Lutfi" Mahayni Jordanian citizen, Board member Non-executive and independent member Board member as of 26/4/2011 Date of birth: 1/1/1956</p>	<p>Bachelor of Islamic and Arabic Studies, American Open University, Washington. Studied in the Faculty of Civil Engineering, Damascus University Diploma degree in Accounting, 1981</p>	<p>Businessman, Board Chairman and member in a number of companies.</p>
<p>H.E. Mr. Issa Haidar Issa Murad Jordanian Citizen, Board member Non-executive and independent member Board member as of 28/4/2015 Date of birth: 23/6/1964</p>	<p>Bachelor degree in Economy, Business Management and Accounting, University of Jordan, 1985.</p>	<p>Former president of Amman Chamber of Commerce, member of many economic and social institutions, current and former member of Board of Directors in a number of companies</p>
<p>H.E. Mr. Adnan Abdullah Al-Hamad Al-Bassam Bahraini citizen, Board member Representative of Albaraka Banking Group / Bahrain Non-executive and non-independent member. Board member as of 26/4/2011 Date of birth: 12/10/1968</p>	<p>Bachelor in Accounting from Southern Oregon University, USA, 1994 Certified Public Accountant (CPA), 1999</p>	<p>He worked in the field of accounting and auditing, He is currently a delegated member in Al-Bassam Investment Company. He is a Chairman / board member in many companies. He is also a board member in a number of Albaraka Banking Group banks.</p>

Name of Member	Academic Qualification	Practical experience
<p>H.E. Mrs. Malak Fawzi Raghieb Ghanim                      Jordanian Citizen, Board member                      Non-executive and independent member                      Board member as of 28/4/2015                      Date of birth: 28/10/1954</p>	<p>Master degree in Banks and Finance, Italy, 1987.                      Bachelor in Accounting, University of Jordan, 1976.</p>	<p>Former consultant in the instructions preparation committee which regulate and govern the bonds, former expert in the International Monetary Fund (IMF), training expert, she worked for the Central Bank of Jordan in the position of the Banks Control Department Manager, former Board member of the Islamic Insurance Company.</p>
<p>H.E. Dr. Nebeeh Ahmad Salameh Al Zainat                      Jordanian Citizen, Board member                      Non-executive and independent member                      Board member as of 28/4/2015                      Date of birth: 7/11/1946</p>	<p>PhD., in Economy, Arab Institute of Research and Studies, Cairo, 2002.                      Program in Investment Assessment and Management, Harvard University, 1988.                      Master degree in Economy, University of Jordan, 1982.                      Bachelor degree in Economy, University of Jordan, 1969.</p>	<p>Former General Manager of Jordanian Investment Corporation, former Chairman of the Board of Arab Potash Company, chairman and board member in many industrial, financial, and service companies, and public institutions.</p>
<p>H.E. Mr. Saleh Yaqoub Mohammad Hussein                      Jordanian Citizen, Board member                      Non-executive and independent member                      Board member as of 28/4/2015                      Date of birth: 25/6/1949.</p>	<p>Higher Studies Diploma in Finance and Economy, 1977, Sorbonne University, Paris.                      Diploma degree in finance and economy, Institute of Public Administration, 1977, Paris.                      Bachelor degree in Economy and Statistics, 1970, University of Jordan.</p>	<p>Former Deputy Governor of the Central Bank of Jordan, former director of Securities Depository Center, former advisor at the Jordan Securities Commission and the International Monetary Fund, former board member of the Social Security Corporation, former executive director at the Islamic Development Bank, Jeddah, Chairman and member of the boards of directors in many companies and enterprises.</p>

Name of Member	Academic Qualification	Practical experience
H.E. Mr. Musa Abdul Aziz Mohammed Shihadeh Jordanian Citizen, Vice-Chairman up to 28/4/2015 Date of birth: 12/12/1941	Master in Business Administration 1979, University of San Francis Co. USA Bachelor of Commerce 1969, Arab University of Beirut	He joined the banking industry in 1961 and he is currently the 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, and banks. He is member of economic and social societies, committees, and forums.
H.E. (Eng.) Raef Yousif Mahmoud Najm Jordanian Citizen, Board member up to 28/4/2015 Date of birth: 1926	BSc, Civil Engineering, 1951, Cairo University	Former Minister of Awqaf and former Minister of Public Works. He is currently partner in Jordan Center for Engineering Consultations.
H.E. Mr. Salem Mohammed Salem Massa'deh Jordanian Citizen, Board member up to 28/4/2015 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. Haidar Issa Murad Murad Jordanian Citizen, Board member up to 28/4/2015 Date of birth: 1940	Bachelor of Commerce – Accounting, 1962	Former senate in the Upper House, former president and member of Amman Chamber of Industry and Commerce.
H.E. Mr. Ayman Abdel Kareem Basher Hatahit Jordanian Citizen, Board member up to 28/4/2015 Date of birth: 1962	Bachelor of Business Administration, London- 1982	Businessman, Board Chairman and member in many companies, Vice-Chairman of Jordan Chamber of Industry, vice-Chairman of Jordan Enterprise Development Corporation, Board member in King Hussein Cancer Center, Board member in Tkiyet Um Ali.
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	Businessman and Board member in a number of companies.

\* He passed away on 8 sep 2014

B. Below are the names and positions of the Sharia Supervisory Board and an overview about each of them:

Name Member	Academic Qualification	Practical Experience
<p>H.E. Dr. Mahmoud Ali Mosleh Al Sartawi Chairman of the Sharia Supervisory Board Chairman since 26/5/2015. Member of the Sharia Supervisory Board since 26/4/2005. Date of birth: 22/9/1943</p>	<p>PhD., in (comparative jurisprudence), Al-Azhar University, 1976, Master degree in comparative jurisprudence, Al-Azhar University, 1972. Bachelor degree in Islamic Law, Al-Azhar University, 1967.</p>	<p>Professor of Comparative Jurisprudence at the University of Jordan, lecturer in many universities, member of the sharia supervisory board at the Islamic Insurance Company and Jordan Engineers Association, member in many committees, advisor to write Islamic Education books at the Ministry of Education, he was awarded Al Hussein Medal of First Class in serving Islam.</p>
<p>H.E. Dr. Abd Sattar Abdul Karim Abu Goddeh, Vice-Chairman of Sharia Supervisory Board from 26/5/2015 Member of Sharia Supervisory Board since 27/9/1994 Date of Birth: 28/1/1940</p>	<p>PhD., in Islamic Law (comparative jurisprudence), Al-Azhar University, 1975 Master degree in Hadith Science, Al-Azhar University, 1967. Master degree in Islamic Law, Al-Azhar University, 1966 Bachelor degree in Law, Damascus University, 1965. Bachelor degree in Islamic Law, Damascus University, 1964</p>	<p>Advisor and manager of development and research, and the chairman of the sharia board of Albarakah Banking Group, member of the International Islamic Fiqh Academy, Jeddah, member of the International Sharia Zakat Board, Standards Board member, Sharia Board member at the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI). He authored many books and publications.</p>
<p>H.E. Dr." Mohammad Khair" Mohammad Salem Al-Issa Sharia Supervisory Board member since 25/4/2012 Date of birth: 8/4/1957.</p>	<p>PhD., in the Holy Quran Interpretation and Science, Omdurman University, 1999. Master degree in the Holy Quran Interpretation and Science, University of Jordan, 1990. Bachelor degree in Religion Principles, Islamic University in Madinah, 1979</p>	<p>Member of General IFTAA Department for eight years, former Mufti for the Public Security, former religion preacher and lecturer at the Police Academy, lecturer in many universities, he has many books and researches, former member of the sharia supervisory board an Islamic Insurance Company (Albarakah for Takaful).</p>
<p>H.E. Dr. Abdul Rahman Ibrahim Zaid Al Kelani Sharia Supervisory Board member from 28/4/2015 Date of birth: 14/8/1970.</p>	<p>PhD., in jurisprudence, University of Jordan, 1996. Master degree in jurisprudence, University of Jordan, 1992. Bachelor degree in jurisprudence, University of Jordan, 1990.</p>	<p>Professor of Islamic Jurisprudence, University of Jordan, Expert at the International Islamic Fiqh Academy, member of the central sharia supervisory board of the Islamic sukuk, head of Jordan Islamic Scholars League, former member, president, and teacher at many institutions and universities. He has many researches and books.</p>



C. 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	Practical Experience
<p>H.E. Mr. Musa Abdul Aziz Mohammed Shihadeh CEO/ General Manager Date of birth: 12/12/1941</p>	<p>Master in Business Administration 1979, University of San Francis Co., / USA Bachelor of Commerce, Arab University of Beirut, 1969</p>	<p>He joined the banking industry in 1961 and he is currently the 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, and banks. He is member of economic and social societies, committees, and forums.</p>
<p>Mr. "Mohammed Majed" Mahmoud Rashid Allan Deputy General Manager Date of birth: 24/2/1953</p>	<p>Bachelor of Business Administration, Arab University of Beirut, 1986 Higher Diploma in Banking and Finance, Institute of Banking Studies, Amman, 1978</p>	<p>He joined the banking industry in 1974. In 1980, he joined Jordan Islamic Bank. Currently, he holds the position of Deputy General Manager and a Board member in one of the companies.</p>
<p>Dr. Hussein Said "E'mar Sai'fan" Deputy General Manager Date of birth: 26/11/1963</p>	<p>PhD, Islamic Banks, 2006 Master in Banking and Finance Sciences / Islamic Banks, 1994 Bachelor of Accounting / Economics and Statistics, 1985</p>	<p>He joined the Bank in 1987 and currently holds the position of Deputy General Manager. He is also a Board member in more than one company.</p>
<p>Mr. Nai'm Mohammad Najem ALKhmous Assistant General Manager Date of birth: 27/2/1965</p>	<p>Master degree in Business Administration, 2014 Bachelor degree in Computer Engineering, 1990</p>	<p>He worked for the Bank for 8 years. Then he worked for Consulting company and Al-Rajhi Bank/KSA. In 2009, he rejoined the Bank and is currently holds the position of Assistant General Manager. He is board member in more than one company.</p>
<p>Dr. Hosni Abdul Aziz Hussein Jaradat Executive Director "A" Date of birth: 15/2/1957</p>	<p>PhD degree in Islamic Banking, 2009 Master degree in Islamic Banking, 1995 Bachelor of Economics, 1979</p>	<p>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 one company.</p>
<p>Dr. Abdulhamid Abdullah Ahmad Abu Saqri Executive Director Date of birth: 6/10/1963</p>	<p>PhD, Islamic Banks, 2010 Master in Islamic Banks, 2001 Bachelor of Accounting and Economics, 1986 Certified Public Accountant (JCPA), 2005</p>	<p>He started the banking work in 1988. He joined the Bank in 1992 and currently holds the position of Financial Department Executive Director. He is a Board member in more than one company.</p>

<p>Mr. Bashir Abde Rabo AlHaj Bashir Okasheh Executive Director Date of birth: 1963</p>	<p>Bachelor degree in Economics and Finance, 1986</p>	<p>He worked in local banks for 15 years and joined the Bank in 2003. He currently holds the position of Investment Portfolios Executive Director. He is a Board member in more than one company.</p>
<p>Mr. "Mohammed Fawaz" Sudqi Sadiq Imam Executive Director Date of birth: 15/12/1962</p>	<p>Master degree of Banks and Finance Management, 2006. Bachelor degree of Accounting, 1985, USA.</p>	<p>He started his banking work in 1985. He joined the Bank in 1995 and worked in the Bank's branches for 17 years. After that, he joined Wahda Bank / Libya. In 2012, he rejoined the Bank. He currently holds the position of Treasury and Banking Relations Executive Director. He is a company Board member.</p>
<p>Mr. Mahdi Deeb Mohammad Al-Khalili Date of birth: 17/2/1956</p>	<p>General Diploma in 1984</p>	<p>He started his work in 1977. He joined the Bank in 1979. He currently holds the position of Shareholders Relations Unit Manager.</p>
<p>Mr. "Mohamamd Fahmi" "Mohammad Khalil" Fahmi Al-Ja'abari Date of birth: 16/10/1964</p>	<p>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(CICA), 2008 Certified Control Systems Developer(CCS), 2008</p>	<p>He joined the Bank in 1988. He currently holds the position of Internal Auditing Department Manager. He is a Board member in more than one company.</p>
<p>Dr. Abdullah Atiyeh Abdullah Atiyeh Date of birth: 21/5/1969</p>	<p>PhD., in Philosophy, Islamic Banking, 2015. Master degree in Business Administration, Finance and Banks, 2007. Diploma In Banking, financial, and Islamic studies, 2002. Diploma, in Banking and Finance, 1989. CICS, 2004.</p>	<p>He joined the Bank in 1993. He currently holds the position of Internal Control Department Manager.</p>
<p>Mr. Ra'fat Ismail Mohammad Abu Afifeh Date of birth: 27/6/1979</p>	<p>Master degree in Computer Science, 2005 Bachelor degree in Computer Science, 2002. ISA Certificate, 2015. CIISA certificate, 2006.</p>	<p>He worked in the banking sector inside and outside Jordan. He joined the Bank in 2008. He currently holds the position of Information Security Department Manager.</p>

Mr. Mansour Mahmoud Mohammad Aqel Date of birth: 10/9/1966	Bachelor in Accounting, 1999. Diploma in Accounting, 1987. CIB Certificate, 2011.	He joined the Bank in 1989. He currently holds the position of External Operations Department Manager.
Mr. Ziad Farid Mohammad Abu Ziad Date of birth: 3/3/1968	Master in Islamic Banks, 2005. Bachelor in Accounting, 1992. CAMS Certificate, 2008. Arab Certified Accountant Certificate, 1997.	He worked in Talal Abu Gazaleh company. He joined the bank in 1995 and currently holds the Position of Compliance Department Manager
Mr. Raed Subhi Mohammad Atta Date of birth: 23/9/1973	Master in Islamic Banks, 2008 Bachelor in Accounting, 1995. CIB Certificate, 2010.	He joined the Bank in 1995. He currently holds the position of Central (Local) Operations Department Manager.
Dr. Ali Mohamamd Ahmad Abu El Izz Date of birth: 22/10/1979	PhD., In jurisprudence, 2010 Master in jurisprudence and legal studies, 2006. Bachelor in jurisprudence, 2001. Professional executive master degree in Islamic finance, 2015 CIPA certificate, 2013 CIB certificate, 2011. CSAA certificate, 2010	He joined the Bank in 2009. He currently holds the position of the Sharia Internal Auditing Department Manager, and the Secretary of the Sharia Supervisory Board.
Mr. Mohammad Jabr Hassan Mite'b Date of birth: 5/2/1967	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: 1/6/1978	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.

4- Following are the names of shareholders holding 1% or more:

Name	At the end of 2015			At the end of 2014		
	Ownership	No. of shares	Mortgaged	Ownership	No. of shares	Mortgaged
Albaraka Banking Group Co.,/ Bahrain	66.005%	99,007,50	-	66.005%	99,007,50	-
Social Security Corporation	4.792%	7,189,035	-	4.373%	6,560,115	-
Hussein bin Mohsen bin Hussein Al Harthi	2.116%	3,174,987	-	2.116%	3,174,987	-
Hani Masud Darweesh Ahmad	1.327%	1,199,127	-	1.327%	1,991,127	-
Hajj Fund	1.268%	1,902,433	-	1.268%	1,902,433	-

5- The Bank's market share of the banks' activities in Jordan at the end of 2014 and 2015 were as follows:

Item	At the end of 2015	At the end of 2014
Total Assets at our Bank/ Total Assets of the banks	8.8%	8.6%
Total Balances of savings schemes at our Bank/ Total client deposits at banks	11.5%	11.5%
Total balances of financing and investment at our Bank/ total direct credit facilities of banks	14.9%	13.6%

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 or revenues.

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 2015 from many international rating agencies including:

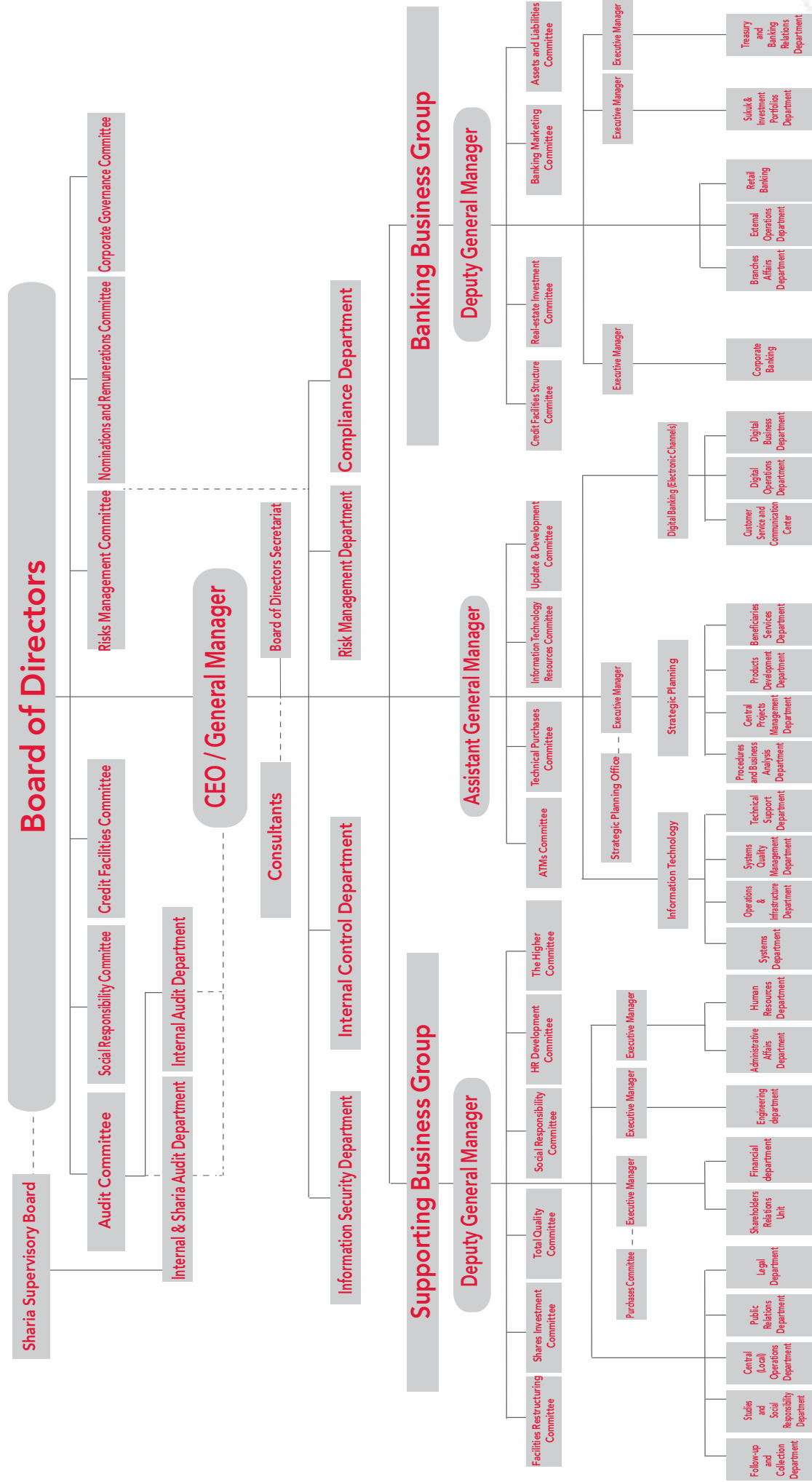
- Standard & Poor's: (BB-/Stable/B), the same rating of the Kingdom.
- Fitch rating: (BB-/stable/B).
- Capital Intelligence: Financial Strength Rating (FSR):(BBB-) and FCRs :(BB-/B/stable).
- Islamic International Rating Agency (IIRA): "Stable (BB+/A-3" for foreign currencies, "Stable (BBB-/A-3) for local currency at the international scale, (Stable/A+(jo)/A1(jo)) at the national scale, and AA (SQR) for Sharia Quality indicating the Bank's compliance with the Islamic Sharia rules in its transactions as the first and biggest Islamic bank in Jordan observing the application of the sharia aspects.

The Bank also obtained many international awards in 2015, the most important are:

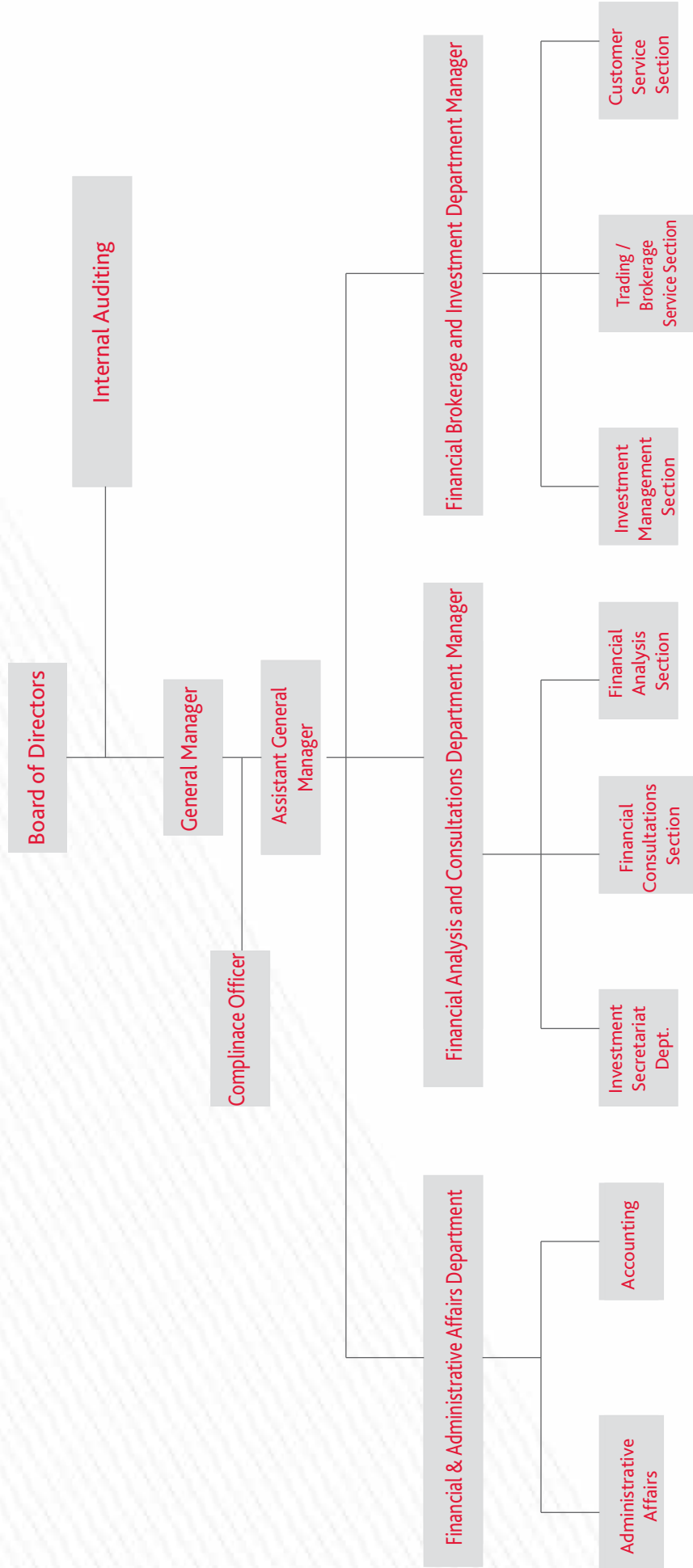
- Award from the ISO / Geneva:  
ISO 26000 certificate from the International Organization for Standardization Geneva for its participation in the social responsibility project on uptake and use of ISO 26000 in the Middle East and North Africa (MENA).
- An award from the Arab Organization of Social Responsibility :  
The social responsibility award at the Arab region level 2015
- An award from the Global Finance Magazine – New York:  
Best Islamic Financial institution – Jordan 2015.
- Three awards from the World Finance Magazine – London:  
Best Banking Group – Jordan 2015  
Best Islamic Bank – Jordan 2015  
An award for his excellency the Chairman of the Board of Directors / General Manager "Business Leadership and Outstanding Contribution to Islamic Finance 2015"
- An award from the Banker Magazine – London  
Best Islamic Bank in Jordan 2015
- Two awards from emeafinance magazine / London:  
Best Islamic Bank in the Middle East 2015.  
Best Islamic Bank in Jordan – 2015.
- Two awards from the World Islamic Banking Conference:  
Best Performance at the regional level – Levant countries 2015  
Best Performance at the country level – Jordan 2015
- An award from the Critics Choice – Cambridge Analytica IF London  
Best Islamic Bank in retail field – Jordan 2015
- The Banking Executive award from the World Union of Arab Bankers:  
The strongest Arab Bank in the Islamic banking services 2015
- An award from the Islamic Finance News / Malaysia  
Best Islamic Bank in Jordan 2014

# Organizational Structure of Jordan Islamic Bank

9-A



## The Organizational Structure of Sanabel AlKhair For Financial Investments Co. Ltd



(B) At the end of 2015, the total number of employees was (2,148) 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	
10	69	1137	380	85	3	102	250	112	467	2148

While the distribution of the subsidiaries employees in 2015 was as follows:

Company	PhD	Master	High Diploma	Bachelor	Diploma	General secondary certificate	Less than general secondary certificate	Total
AlOmariah Schools Co. Ltd.	5	34	63	363	65	21	209	760
AlSamaha Funding and Investment Co. Ltd.	0	3	0	10	2	0	3	18
Future Applied Computer Technology Co. Ltd.	0	3	0	73	15	2	1	94
Sanabel AlKhair For Financial Investments Co. Ltd.	0	0	0	7	3	0	2	12

(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 business. Such risks are outlined in note No, (59) of 2015 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 2015.

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 2011-2015:

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	
				JD	Fils
2011	39,725,238	Distributing JD 15,000,000 in cash, at 15% of the capital, and distributing bonus stocks at 25% in cash*	206,876,009	2	750
2012	51,198,005	Distributing JD 18,750,000 in cash at 15% of the capital	228,796,253	2	810
2013	64,680,715	Distributing JD 18,750,000 in cash at 15% of the capital, and to distribute bonus shares at 20%.**	255,459,471	3	420
2014	63,971,706	Distributing JD 19,500,000 in cash at 13% of the capital	282,212,524	3	680
2015	74,685,076	The Board of Directors recommended to distribute JD 22,500,000 in cash at 15% of the capital	311,154,659	3	550

\*Free shares were distributed on 20/6/2012.

\*\* Free shares were distributed on 10/6/2014.

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

Year	Shareholders Equity/ Deposits	Financing & Investment/ Deposits	Financing & Investment/ Assets	Deposits/ Assets	Profits before Tax/ Average Assets	Profits before tax/ Average Shareholders' Equity	Profits after Tax/ Average Shareholders' Equity	Profits after Tax/ Average Paid-up Capital
2015	9.19%	82.50%	73.52%	89.11%	2.03%	25.17%	16.42%	32.48%
2014	8.87%	75.13%	67.22%	89.47%	1.87%	23.80%	16.79%	32.82%

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

16- (a) The auditing fees of the Bank in 2015 reached JD (100) thousand, while the auditing fees of subsidiaries are disclosed in item (2) above.

(b) The total remunerations of the Sharia Supervisory Board reached JD (60) thousand in 2015.

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 (wife and minor children):

Name	Position	Nationality	Number of shares at the end of 2015	Number of shares at the end of 2014
Albaraka Banking Group represented by:		Bahraini	99,007,500	99,007,500
H.E. Mr. Adnan Ahmed Yousif Abdelmalek	Chairman	Bahraini	0	0
H.E. Mr. Hamad Abdullah Ali Eqab	Member	Bahraini	0	0
H.E. Mr. Adnan Abdullah Al-Hamad Al-Bassam	Member	Bahraini	0	0
H.E. Mr. Hood Hashem Ahmad Hashem	Member	Bahraini	0	0
H.E. Dr. Hatim Hafez Al Halawani Al Tamimi	Vice-chairman	Jordanian	10,000	0
Mr. Salem Ahmad Jameel Al Khaza'aleh	Member	Jordanian	5,000	0
H.E. Mr. Noor "Mohammad Shafer" "Mohammad Lutfi" Mahayni	Member	Jordanian	15,000	15,000
H.E. Mr. Issa Haidar Issa Murad	Member	Jordanian	5,000	0
Spouse of Issa Haidar Issa Murad		Jordanian	4,310	4,310
Mrs. Malak Fawzi Raghieb Ghanim	Member	Jordanian	5,000	5,000
Dr. Nabeeh Ahmad Salameh Al Zainat	Member	Jordanian	5,117	4,617
Spouse of Dr. Nabeeh Ahmad Salameh Al Zainat		Jordanian	1,740	1,740
Mr. Saleh Yaqoub Mohammad Hussein	Member	Jordanian	5,000	0
H.E. Mr. Musa Abdul Aziz Mohammed Shihadeh up to 28/4/2015	Vice Chairman	Jordanian	60,000	50,000
Spouse of Mr. Musa Abdul Aziz Mohammed Shihadeh	-	Jordanian	12,000	12,000
H.E. Eng. Raef Yousif Mahmoud Najm up to 28/4/2015	Member	Jordanian	108,536	108,536
H.E. Mr. Salem Mohammed Salem Massaedah up to 28/4/2015	Member	Jordanian	126,000	126,000
Spouse of H.E. Mr. Salem Mohammed Salem Massaedah	-	Jordanian	2,214	2,214
H.E. Mr. Haidar Issa Murad Murad up to 28/4/2015	Member	Jordanian	11,538	11,538
H.E. Mr. Ayman Abdulkareem Hatahit up to 28/4/2015	Member	Jordanian	16,153	16,153
Mr. Kamal Sami Salman Asfour *	Member	Jordanian	0	5,000*

\*The shares are attached in accordance with article (133) of the Companies Law No. (22) of 1997, due to his demise on 8/9/2014.

(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 2015	Number of shares at the end of 2014
1- H.E. Mr. Musa Abdul Aziz Mohammed Shihadeh	CEO/ General Manager	Jordanian	60,000	50,000
- Spouse of H.E. Mr. Musa Abdul Aziz Mohammed Shihadeh	-	Jordanian	12,000	12,000
2- Mr. "Mohammed Majed" Mahmoud Rashid Allan	Deputy General Manager	Jordanian	15,000	15,000
3- Dr. Hussein Said "Aamar Saifan"	Deputy General Manager	Jordanian	0	0
Spouse of Dr. Hussein Said "Aamar Saifan"	-	Jordanian	12,000	12,000
4- Mr. Nai'm Mohammad Najem AlKhmous	Assistant General Manager	Jordanian	0	0
5- Dr. Hosni Abdel Aziz Hussein Jaradat	Risk Management Manager	Jordanian	0	0
6- Dr. Abdulhamid Abdullah Ahmad Abu Saqri	Financial Department Manager	Jordanian	0	0
7- Mr. Mohammad Fawaz Sedqi Sadeq Al Emam	Treasury and Banking Relations Manager	Jordanian	0	0
8- Mr. Mahdi Theeb Mohammad Al-Khalili	Shareholders Unit Manager	Jordanian	600	600
Spouse of Mr. Mahdi Theeb Mohammad Al-Khalili	-	Jordanian	489	489
9- Mr. "Mohammad Fahmi" "Mohammad Khalil" Fahmi Al Jabri	Internal Auditing Manager	Jordanian	0	0
10. Dr. Abdullah Atiyeh Abdullah Atiyeh	Internal Control Manager	Jordanian	0	0
11. Mr. Rafat Ismail Mohammad Abu Afifeh	Information Security Manager	Jordanian	0	0
12. Mr. Mansour Mahmoud Mohammad Aqel	External Operations Manager	Jordanian	0	0
13. Mr. Ziad Farid Mohammad Abu Ziad	Compliance Manager	Jordanian	0	0
14. Mr. Raed Subhi Mohammad Atta	Central Operations Manager	Jordanian	0	0
15. Dr. Ali Mohammad Ahmad Abu El Izz	Internal Sharia Audit Manager and Secretary of Sharia Supervisory Board	Jordanian	0	0
16- Mr. Mohammad Jabr Hassan Meti'b	Legal advisor	Jordanian	0	0
17- Mr. Fadi Ali Shehadeh Abdulrahim	BOD Secretary	Jordanian	0	0

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

(D) The Sharia Supervisory Board members don't hold shares in the Bank.

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 2015:

Name	Board Membership Remuneration (JD)	Board Committees Membership Remuneration (JD)	Transportation Allowances (JD)	Travel Expenses (JD)	Allowances (JD)	Total
<b>Albaraka Banking Group Co. represented by four members:</b>						
H.E. Mr. Adnan Ahmed Yousif AbdelMalek	5,000	5,600	18,000	5,787	4,473	38,860
H.E. Mr. Hamad Abdullah Ali Eqab	5,000	3,500	18,000	5,494	4,153	36,147
H.E. Mr. Adnan Abdullah Al Hamad Al Bassam	5,000	1,400	18,000	3,982	2,875	31,257
H.E. Mr. Hood Hashem Ahmad Hashem	5,000	2,800	18,000	5,365	4,153	35,318
H.E. Dr. Hatim Hafez Al Halawani Al Tamimi*	0	2,800	12,150	0	0	14,950
H.E. Mr. Salem Ahmad Jameel Al Khaza'aleh*	0	1,400	12,150	0	0	13,550
H.E. Mr. Noor "Mohammad Shafer" "Mohammad Lutfi" Mahayni	5,000	2,800	18,000	0	0	25,800
H.E. Mr. Issa Haidar Issa Murad *	0	1,400	12,150	0	0	13,550
H.E. Mrs. Malak Fawzi Raghieb Ghanim *	0	2,800	12,150	0	0	14,950
H.E. Dr. Nabeeh Ahmad Salameh Al Zainat *	0	1,400	12,150	0	0	13,550
H.E. Mr. Saleh Yaqoub Mohammad Hussein *	0	1,400	12,150	0	0	13,550
H.E. Mr. Musa Abdul Aziz Mohammed Shihadeh **	5,000	0	5,900	0	0	10,900
H.E. Eng. Raef Yousif Mahmoud Najm **	5,000	2,100	5,900	0	0	13,000
H.E. Mr. Salem Mohammed Salem Massaedah **	5,000	2,100	5,900	0	0	13,000
H.E. Mr. Ayman Abdulkareem Baheer Hatahit **	5,000	2,100	5,900	0	0	13,000
H.E. Mr. Haidar Issa Murad Murad **	5,000	1,400	5,900	0	0	12,300
H.E. Mr. Kamal Sami Salman Asfour ***	3,439	0	0	0	0	3,439

\* As of 28/4/2015

\*\* Up to 28/4/2015

\*\*\* He passed away on 8/9/2014.



(B) below are the benefits and remunerations that the senior management staff, with executive authorities of the bank received as wages, salaries and remunerations...etc, and the amounts paid for each as travel and transportation expenses inside and outside Jordan during the fiscal year 2015:

Name	Salaries	Remunerations	Travel & transportation expenses	Board Committees membership remunerations	Total
Mr. Musa Abdelaziz Mohammed Shihadeh/ CEO –General Manager *	435,852	234, 232	27,170	4,900	702,154
Mr. "Mohammed Majed" Mahmoud Rashid Allan/ Deputy General Manager*	215,688	60,000	3,042	0	278,730
Dr. Hussein Said Mohammad "E'mar Sai'fan"/ Deputy General Manager*	218,488	66,000	12,237	2,800	299,525
Mr. Nai'm Mohammad Najem AlKhmous/ Assistant General Manager	159,656	37,000	16,197	0	212,853
Dr. Hosni Abdul Aziz Hussein Jaradat/ Manager of Risks Management Dept.	66,553	6,082	5,895	2,800	81,330
Dr. Abdulhamid Abdullah Ahmad Abu Saqri,/ Manager of Financial Dept.	47,144	3,200	1,817	1,400	53,561
Mr. "Mohammad Fawaz" Sudqi Sadiq Al Imam, /Manager of Treasury &Banking Relations Dept.	52,010	3,200	4,773	0	59,983
Mr. Mahdi Deeb Mohammad Al-Khalili/ Manager of Shareholders Relations Unit	35,718	1,626	0	0	37,344
Mr. "Mohamamd Fahmi" "Mohammad Khalil" Fahmi Al-Ja'abari/ Manager of Internal Audit Dept.	32,248	2,350	0	0	34,598
Dr. Abdulla Attiya Abdulla Attiya/ Manager of Internal control Dept.	23,919	1,070	0	0	24,989
Mr. Raafat Ismail Mohamed Abu Afifa/Manager of the Information Security Dept.	39,844	1,390	2,160	0	43,394
Mr. Mansour Mahmoud Mohamad Aqil/ Manager of Foreign Operations Dept.	25,050	1,125	0	0	26,175
Mr. Ziad Farid Mohammad Abu Ziad/ Compliance Department Manager	26,435	4,500	4,065	0	35,000
Mr. Raed Subhi Mohammad Ata/ Manager of (Local) Central Operations Dept.	21,613	1,230	1,363	0	24,206
Dr. Ali Mohammad Ahmad Abu Elizz/ Manager of Internal Sharia Audit Dept.	27,157	972	1,003	0	29,132
Mr. Mohammad Jabr Hassan Mite'b/ Legal counselor	42,000	0	1,843	0	43,843
Mr. Fadi Ali Shehadeh Abdulrahim/ Board Secretary	22,856	1,525	0	0	24,381

\*Each one of them uses a private car from the bank

(C) Below are the legal remunerations of the Sharia Supervisory Board chairman and members, and the amounts paid to each of them as travel and transportation expenses inside and outside the Kingdom in 2015 were as follow:

Name	Legal remunerations	Travel expenses	Total
Dr. Mahmoud Ali Mosleh Al Sartawi	16,250	2,716	18,966
Dr. Abd Sattar Abdul Karim Abu Goddeh	16,250	0	16,250
Dr. " Mohammad Khair" Mohammad Salem Al-Issa	16,250	0	16,250
Dr. Abdul Rahman Ibrahim Zaid Al Kelani	11,250	0	11,250

19- The Board's report included a statement of donations and grants paid by the Bank during the fiscal year 2015.

20- Note No; (56) in the Bank's consolidated financial statements shows the contracts, projects and agreements signed by the company with other subsidiaries, sister companies, associates, Chairman, Board members, General Manager, or 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 Jordan Islamic Bank hereby acknowledges that:

A. 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  
Albaraka Banking Group Co.  
Represented by  
H.E. Mr. Hamad Abdullah Ali Eqab

Vice-Chairman of the Board  
H.E. Dr. Hatim Hafez Al Halawani  
Al Tamimi

Chairman of the Board  
Albaraka Banking Group Co.  
Represented by  
H.E. Mr. Adnan Ahmed Yousif  
Abdulmalek

Member  
H.E. Mr. Salem Ahmad Jameel  
Al Khaza'aleh

Member  
Albaraka Banking Group Co.  
Represented by  
H.E. Mr. Hood Hashem Ahmad  
Hashem

Member  
Albaraka Banking Group Co.  
Represented by  
H.E. Mr. Adnan Abdullah Al Hamad  
Al Bassam

Member  
H.E. Mrs. Malak Fawzi Raghieb  
Ghanim

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

Member  
H.E. Mr. Noor "Mohammad  
Shaher" "Mohamamd Lutfi"  
Mahayni

Member  
H.E. Mr. Saleh Yaqoub  
Mohammad Hussein

Member  
H.E. Dr. Nabeeh Ahmad  
Salameh Al Zainat

### 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

CEO / General Manager  
H.E. Mr. Musa Abdul Aziz  
Mohammad Shihadeh

Chairman  
Albaraka Banking Group Co.  
Represented by  
H.E. Mr. Adnan Ahmed Yousif  
AbdelMalek

**IFN**  
*Awards*  
2015

Bestowal continues to attain greater achievements

Islamic Finance News / Malaysia  
best Islamic bank in Jordan



Annexes of the Board of Directors Report 2015

Annex III

The Guidelines of Corporate Governance Guide for Public Shareholding Companies Listed in Amman Stock Exchange



### Annex III

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

Jordan Islamic Bank decided to adopt the sound Corporate Governance Practices and prepared the "Corporate Governance Guide" in accordance with the best related international practices and in consistence with Islamic banks corporate governance instructions No. (61/2015) dated 12/5/2015 issued by the Central Bank of Jordan instead of the old guide issued in 2007.

The Bank prepared and updated the corporate governance guide as of 27/7/2015 and posted it on its website ([www.jordanislamicbank.com](http://www.jordanislamicbank.com)) to comply with it in terms of the Board of Directors (composition, suitability, meetings, secretary's duties, Board of Directors duties and tasks, duties of the Board of Directors members and chairman, responsibility and accountability, and the committees of the Board of Directors), Top Executive Management (The executive role of the General Manager, tasks, suitability and responsibility), Sharia supervisory Board (appointment of the Board, suitability, independency, meetings, tasks, responsibilities, and organization of the Board's works), Monitoring and internal control environment (monitoring and internal control systems, internal auditing department, internal sharia auditing department, external auditing, risks department, and compliance department), Relation with shareholders and the Joint Investment Account Holder. It is worth mentioning that the Bank prepared the first corporate governance guide on 31/12/2007.

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.

Item (1): The Board of Directors shall be elected in accordance with the Companies Law and the corporate governance guide of our Bank.

#### 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): Regarding the inclusion of shareholders' proposals about certain issues on the General Assembly agenda, to include an item in the General Assembly agenda reading "any other issues the General Assembly proposes to include in the agenda."

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

Chapter Two: Committees formed by the Board of Directors

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 Bank's 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. As of the beginning of 2016, the the invitation and the agenda of the General Assembly and the minutes of the meetings of the General Assembly will be posted on the Bank's website [www.jordanislamicbank.com](http://www.jordanislamicbank.com).
- 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.

#### Section Five: Disclosure and Transparency

##### Chapter Four: The External Auditor

Item (2): The Company has an external auditor who has been auditing the Company's works for more than four consecutive years as this does not violate the Companies Law or the Corporate Governance Guide of our Bank.

2021

Bestowal continues  
to attain greater  
achievements



# WORLD FINANCE

The World Finance Magazine  
London

- For the sixth consecutive year, best banking group in Jordan
- For the fourth consecutive year, best Islamic bank in Jordan
- An award for his excellency the CEO / General Manager "Business Leadership and Outstanding Contribution to Islamic Finance"



Annual Report of Sharia Supervisory Board  
for the Fiscal Year ended on 31/12/2015



**Annual Report of Sharia Supervisory Board  
for the Fiscal Year ended on 31/12/2015**

Date: 1 Rabee Thani 1437 AH  
Corresponding to 24 January 2016 AD

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 31/12/2015. 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 31/12/2015, 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: 14 Rabee Thani 1437 AH corresponding to 24 January 2016 AD

Chairman  
Dr. Mahmoud Al Sartawi

Vice-Chairman  
Dr. Abd Sattar Abu Goddeh

Member  
Dr. Mohammad Khair Al-Issa

Member  
Dr. Abdul Rahman Al-Kelani

2021

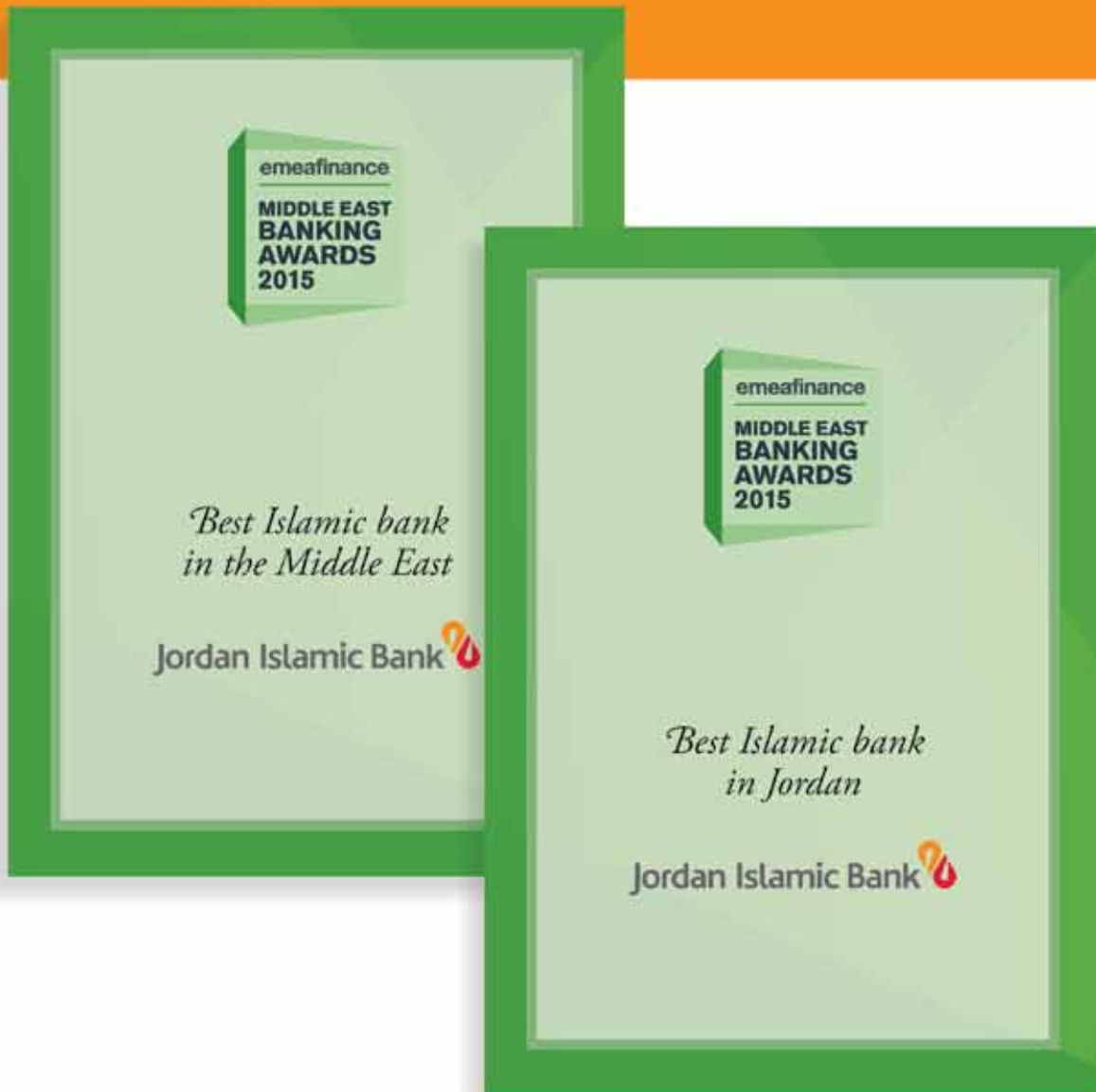
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to attain greater  
achievements

emeafinance

**MIDDLE EAST  
BANKING  
AWARDS  
2015**

EMEA Finance - London

- For the third consecutive year, best Islamic bank – in the Middle East
- Best Islamic bank in Jordan



The Auditor's Report



**Independent Auditors Report to the Shareholders of  
Jordan Islamic Bank - Public Shareholding Limited Company  
Amman- The Hashemite Kingdom of Jordan**

**Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of Jordan Islamic Bank Jordanian Public Shareholding Company, which consists of the consolidated statement of financial position as at 31 December 2015, 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 Auditing Standards of the Islamic Financial Institutions, as well as defining the internal control system necessary to prepare consolidated financial statement that are free of material misstatements whether due to fraud or error.

**Auditors' Responsibility:**

Our responsibility is to express an opinion on these consolidated 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 of any material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment including the assessment of the risks of material misstatements of the consolidated 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 consolidated 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 consolidated 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 consolidated financial position of the Bank as of 31 December 2015, and its consolidated financial performance, 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.

For / Ibrahim Al-Abbasi & Co.  
Ahmad Mohammad Abbasi  
License No. 710

Amman  
9 February 2016 AD corresponding to  
30 Rabee Thani 1437 AH.



**Bestowal continues  
to attain greater  
achievements**

**NS  
GO  
EN**

**Consolidated Financial Statement  
December 31, 2015**



**Jordan Islamic Bank**  
Public Shareholding Limited Company

Amman - Jordan

Table of Contents

	Statement
Consolidated Statement of Financial Position	A
Consolidated Statement of Income	B
Consolidated Statement of Comprehensive Income	C
Consolidated Statement of Changes in Equity	D
Consolidated Statement of Cash Flows	E
Consolidated Statement of Sources and Uses of the Amounts of Al Qard Al Hasan Fund	F
	Page
Notes to the Consolidated Financial Statements	95-160

## Statement (A)

## Consolidated Statement of Financial Position As of December 31, 2015

Description	Notes	2015	2014
		JD	JD
Assets			
Cash and balances at Central Banks	4	891,885,751	1,043,645,511
Balances at Banks and Banking Institutions	5	46,393,358	61,105,828
Investment Accounts at Banks and Banking Institutions	6	7,444,500	-
Deferred Sale and Other Receivables –Net	7	2,076,857,795	1,772,701,427
Ijara Muntahia Bittamleek Assets–Net	8	483,095,875	415,315,832
Finances -Net	9	27,713,826	25,306,116
Financial assets at fair value through the ownership equity - self constructed	10	7,704,513	9,147,288
Financial assets at fair value through the joint investment accounts holders equity	11	53,503,493	38,504,448
Investments in Affiliates	12	15,065,698	15,554,640
Real Estate Investments	13	108,008,613	92,765,907
Al Qard Al Hasan -Net	14	6,149,576	5,682,658
Property and Equipment- Net	15	63,602,355	61,427,431
Intangible Assets	17	3,032,112	3,140,064
Other Assets	18	8,533,970	10,442,218
<b>Total Assets</b>		<b>3,798,991,435</b>	<b>3,554,739,368</b>
Liabilities, Joint Investment Accounts Holders' Equity, Non-controlling interests and equity			
Liabilities			
Banks and Banking Institutions Accounts	19	3,175,947	4,123,679
Client Current and Call Accounts	20	1,113,286,046	1,026,732,071
Cash Margins	21	43,590,592	34,803,175
Accounts Payable	22	1,571,695	1,793,040
Miscellaneous Provisions	23	5,800,000	5,500,000
Income Tax Provision	24	22,458,115	16,803,852
Deferred Tax Liabilities	25 B	302,772	452,637
Other Liabilities	26	20,715,812	16,449,563
<b>Total Liabilities</b>		<b>1,210,900,979</b>	<b>1,106,658,017</b>

The accompanying notes from (1) to (66) constitute an integral part of these consolidated financial statements

Description	Notes	2015	2014
		JD	JD
Unrestricted Investment Accounts	27 A	2,225,318,925	2,114,844,822
Investment Accounts Holders' Reserve-Subsidiaries & Affiliates	27 B	11,120,183	9,677,738
Fair Value Reserve	28 A	10,562,145	13,287,644
Deferred Tax Liabilities	25 A	5,687,308	7,154,885
Total Joint Investment Accounts Holders' Equity		2,252,688,561	2,144,965,089
Non-Controlling Interests	27 B	1,172,977	1,084,865
Total Joint Investment Accounts Holders' Equity & Non-Controlling Interests		2,253,861,538	2,146,049,954
Investment Risks Fund	29	19,908,073	17,250,490
Income Tax Provision of Investment Risks Fund	29	3,166,186	2,568,383
Equity			
Shareholders' Equity			
Paid-up Capital	30	150,000,000	150,000,000
Statutory Reserve	31	59,988,116	52,512,180
Voluntary Reserve	31	14,272,844	6,825,322
General Banking Risks Reserve	31	700,000	700,000
Fair Value Reserve	28 B	562,291	840,612
Retained Earnings	32	85,631,408	71,334,410
Total Equity -Shareholders' Equity		311,154,659	282,212,524
<b>Total Liabilities, Joint Investment Accounts Holders' Equity, Non-Controlling Interests, and equity</b>		<b>3,798,991,435</b>	<b>3,554,739,368</b>
Accounts Managed for Others			
Restricted Investments	53	29,105,895	27,370,269
Muqaradah Bonds	54	338,680,764	270,118,307
Investment by proxy accounts	55	3,005,625	3,000,000

The accompanying notes from (1) to (66) constitute an integral part of these consolidated financial statements

## Statement (B)

Consolidated Income statement  
For the Year Ended December 31, 2015

Description	Notes	2015	2014
		JD	JD
Deferred Sale Revenues	33	138,919,246	132,462,420
Finance Revenues	34	421,406	403,337
Profits of financial assets at fair value through the joint investment accounts holders' equity	35	1,273,507	1,278,272
Share of funds involved in investment from the profit distributed by Affiliates and Subsidiaries	36	788,507	688,807
Real Estate Revenues	37	1,098,537	1,312,418
Revenues of Leased Assets and Ijara Muntahia Bittamleek	38	34,741,112	30,051,475
Revenues of other Investments	39	148,323	183,560
<b>Revenues of Joint Investment Accounts</b>		177,390,638	166,380,289
Net Business Results of Subsidiaries	40	2,111,037	1,970,868
Share of funds involved in investment from the profits of affiliates		399,259	1,154,468
<b>Total Revenues of Joint Investment Accounts</b>		179,900,934	169,505,625
Share of Unrestricted Investment Accounts Holders	41	(48,077,761)	(47,669,874)
Unrestricted Investment Accounts Holders' Share of the Net Business Results of Subsidiaries		(2,014,582)	(1,871,501)
Non-Controlling Interests' Share of the Net Business Results of Subsidiaries		(96,455)	(99,367)
Share of funds involved in investment from the profits of affiliates		(399,259)	(1,154,468)
Share of the Investment Risk Fund	29	(17,739,064)	(24,957,043)
<b>Bank's Share of the Joint Investment Accounts Revenues</b>	42	111,573,813	93,753,372
Bank's Self-Profits	43	172,630	205,265
Bank's Share of Restricted Investments Revenues as a Speculator	44	778,521	2,173,675
Bank's Share of Restricted Investments Revenues as a proxy	44	34,324	7,111
Banking Services Revenues	45	14,439,910	13,053,866
Foreign Currency Profits	46	2,191,995	2,191,191
Other Revenues	47	5,286,810	4,344,935
<b>Gross Income</b>		134,478,003	115,729,415
Employee expenditures	48	(32,452,148)	(30,916,256)
Depreciation and Amortization	16	(9,042,325)	(5,038,710)
Other expenses	49	(17,798,454)	(16,052,743)
(Losses) Surplus Assets Impairment- self constructed	14	(200,000)	400,000
Miscellaneous Provisions	50	(300,000)	(150,000)
<b>Total Expenses</b>		(59,792,927)	(51,757,709)
Profit before Tax		74,685,076	63,971,706
Income Tax	24	(25,964,620)	(18,842,331)
<b>Profit after Tax</b>		48,720,456	45,129,375
<b>Basic and Diluted Earnings per Share</b>	51	JD / Fils	JD/Fils
		0/325	0/301

The accompanying notes from (1) to (66) constitute an integral part of these consolidated financial statements



### Statement (C)

#### Consolidated Statement of Comprehensive Income For the Year Ended December 31, 2015

Description	2015	2014
	JD	JD
Profit after tax	48,720,456	45,129,375
Add: Other Comprehensive Income after Tax Items :		
Change in fair value reserve of the financial assets - Net	(278,321)	373,451
Profits realized from the sale of financial assets at the fair value through equity	-	227
<b>Total Comprehensive Income for the Year</b>	<b>48,442,135</b>	<b>45,503,053</b>

## Statement (D)

## Consolidated Statement of Changes in Equity For the Year Ended December 31, 2015

	Paid-up Capital		Statutory Reserve	Voluntary Reserve	General Banking Risks Reserve*	Fair Value Reserve **	Retained Earnings	Total
	JD	JD						
Balance as at 1st January 2015	150,000,000	52,512,180	6,825,322	700,000	840,612	71,334,410	282,212,524	
Profit after tax	-	-	-	-	-	48,720,456	48,720,456	
Profits realized from sale of financial assets at the fair value through equity – self-constructed	-	-	-	-	-	-	-	
Change in the fair value reserve	-	-	-	-	(278,321)	-	(278,321)	
<b>Total Comprehensive Income for the Year</b>	-	-	-	-	(278,321)	48,720,456	48,442,135	
Transferred to (from) reserves	-	7,475,936	7,447,522	-	-	(14,923,458)	-	
Distributed Dividends	-	-	-	-	-	(19,500,000)	(19,500,000)	
<b>Balance as at December 31, 2015</b>	<b>150,000,000</b>	<b>59,988,116</b>	<b>14,272,844</b>	<b>700,000</b>	<b>562,291</b>	<b>85,631,408</b>	<b>311,154,659</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, 2015 without the prior approval of the Central Bank of Jordan.

\*\* It shall be prohibited to dispose of the balance of the Fair Value Reserve amounting to JD 562,291 as of December 31, 2015.

The accompanying notes from (1) to (66) constitute an integral part of these consolidated financial statements

## Consolidated Statement of Changes in Equity For the Year Ended December 31, 2014

For the Year Ended December 31, 2014	Paid-up Capital		Statutory Reserve		Voluntary Reserve		General Banking Risks Reserve*		Fair Value Reserve **		Retained Earnings		Total	
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Balance as at 1st January 2014	125,000,000	46,109,666	15,429,586	700,000	467,161	67,753,058	255,459,471							
Profit after tax	-	-	-	-	-	45,129,375	45,129,375							
Profits realized from sale of financial assets at the fair value through equity – self-constructed	-	-	-	-	-	227	227							
Change in the fair value reserve	-	-	-	-	373,451	-	373,451							
<b>Total Comprehensive Income for the Year</b>	-	-	-	-	<b>373,451</b>	<b>45,129,602</b>	<b>45,503,053</b>							
<b>Capital increase</b>	<b>25,000,000</b>	-	<b>(15,000,000)</b>	-	-	<b>(10,000,000)</b>	-							
Transferred to (from) reserves	-	6,402,514	6,395,736	-	-	(12,798,250)	-							
Distributed Dividends	-	-	-	-	-	(18,750,000)	(18,750,000)							
<b>Balance as at December 31, 2014</b>	<b>150,000,000</b>	<b>52,512,180</b>	<b>6,825,322</b>	<b>700,000</b>	<b>840,612</b>	<b>71,334,410</b>	<b>282,212,524</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, 2014 without the prior approval of the Central Bank of Jordan.

\*\* It shall be prohibited to dispose of the balance of the Fair Value Reserve amounting to JD 840,612 as of December 31, 2014.

The accompanying notes from (1) to (66) constitute an integral part of these consolidated financial statements

## Statement (E)

## Consolidated Statement of Cash Flows For the Year Ended December 31, 2015

Description	Notes	2015	2014
		JD	JD
<b>Cash Flows from Operating Activities</b>			
Profit before Tax		74,685,076	63,971,706
Amendments to Non-Cash Items:			
Depreciations and Amortizations		9,042,325	5,038,710
Investment Risk Fund		3,255,386	8,973,785
Employee leaves provision		150,000	150,000
Provision for Staff End of Service		150,000	-
Losses (surplus) assets impairment- Self-Constructed		200,000	(400,000)
Provision for acquired real estates		6,871	-
Impairment Provision for acquired Real Estates		3,676	-
Profits of selling properties and equipment		(818)	(12,788)
Exchange Rates Effect on Cash and Cash Equivalent		(1,406,132)	(1,417,647)
<b>Profit before Change in Assets and Liabilities</b>		<b>86,086,384</b>	<b>76,303,766</b>
<b>Change in Assets and Liabilities</b>			
(Increase) Decrease in investment Accounts at Banks and Banking Institutions for more than 3 Months		(7,444,500)	2,127,000
Increase in Deferred Sales and Other Receivables		(304,156,368)	(11,155,345)
Increase in Finances		(2,407,710)	(3,075,074)
Increase in Ijara Muntahia Bitamleek Assets		(67,780,043)	(73,144,815)
(Increase) Decrease in Al Qard Al Hasan		(666,918)	1,033,437
Decrease (Increase) in Other Assets		1,908,248	(1,161,416)
Increase in Current and Call Accounts		86,553,975	88,147,203
Increase in Accounts Payable		(221,345)	324,478
Increase in Cash Margins		8,787,417	4,986,046
Increase in other liabilities		4,266,249	2,011,332
<b>Net change in Assets and Liabilities</b>		<b>(281,160,995)</b>	<b>10,092,846</b>
<b>Net Cash Flows (used in) from Operating Activities before Tax</b>		<b>(195,074,611)</b>	<b>86,396,612</b>
Paid Taxes		(20,310,357)	(19,170,160)
<b>Net Cash Flows (used in)from Operating Activities</b>		<b>(215,384,968)</b>	<b>67,226,452</b>
<b>Cash Flows from Investment Activities</b>			
Sale of financial assets at fair value through the equity		1,013,100	116,356
Purchase of financial assets at fair value through the equity		-	(6,390,000)
Sale of financial assets at fair value through the joint investment accounts Holders' equity		9,742,249	26,902,917
Purchase of financial assets at fair value through the joint investment account holders equity		(27,216,410)	(11,247,809)
Purchase of investment in affiliates		(3,068)	-
Sale of Real Estate Investments		554,107	281,582
Purchase of Real Estate Investments		(17,523,831)	(13,432,183)
Sale of Properties and Equipment		100,094	36,150
Purchase of Equipment and Properties		(8,950,489)	(7,412,610)
Purchase of intangible assets		(2,258,084)	(1,664,530)
<b>Net Cash Flows used in Investment Operations</b>		<b>(44,542,332)</b>	<b>(12,810,127)</b>
<b>Cash Flow from Financing Operations</b>			
Increase in Unrestricted Investment Accounts Holders Equity		112,496,670	141,218,405
Dividends Distributed to Shareholders		(19,500,000)	(18,750,000)
<b>Net Cash Flow from Financing Operations</b>		<b>92,996,670</b>	<b>122,468,405</b>
<b>Net (decrease) increase in cash and cash equivalent</b>		<b>(166,930,630)</b>	<b>176,884,730</b>
Exchange Rates Effect on Cash and Cash Equivalent		1,406,132	1,417,647
<b>Cash and Cash Equivalent at Year-Beginning</b>	52	<b>1,100,627,660</b>	<b>922,325,283</b>
<b>Cash and Cash Equivalent at Year-End</b>	52	<b>935,103,162</b>	<b>1,100,627,660</b>

The accompanying notes from (1) to (66) constitute an integral part of these consolidated financial statements



## Statement (F)

Consolidated Statement of Sources and Uses of the Amounts of Al Qard Al Hasan Fund  
For the Year Ended December 31, 2015

Description	2015	2014
	JD	JD
Year Beginning Balance	8,382,658	9,416,095
<b>Sources of the Fund Money from:</b>		
The amounts that the Bank is authorized to use	17,252,411	19,380,040
Outside the Bank	1,331,983	1,046,101
<b>Total Sources of the Fund money during the Year</b>	<b>18,584,394</b>	<b>20,426,141</b>
<b>Uses of the Fund's Money for:</b>		
Education	1,443,910	1,732,396
Medical Treatment	655,410	685,230
Marriage	279,140	335,131
Overdraft Accounts	14,748,210	14,353,422
Social Advances for the Bank Employees	2,124,642	2,286,525
<b>Total Uses During the Year</b>	<b>19,251,312</b>	<b>19,392,704</b>
<b>Year-End Balance</b>	<b>9,049,576</b>	<b>8,382,658</b>
Less :Assets Impairment Provision – Self-Constructed	(2,900,000)	(2,700,000)
<b>Year-End Balance, Net</b>	<b>6,149,576</b>	<b>5,682,658</b>

The accompanying notes from (1) to (66) constitute an integral part of these consolidated financial statements

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to attain greater  
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**Notes to the Consolidated  
Financial Statements**

## Notes to the Consolidated Financial Statements As on December 31, 2015

### 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, 73 branches and 20 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 9, 2016 and are subject to the approval of the General Assembly of Shareholders, and the Central Bank of Jordan.
- The Bank's Sharia Supervisory Board reviewed and checked the consolidated financial statements in their meeting No. (01/2016) held on 24 January 2016 and issued their annual report.
- 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 except the financial assets at the fair value through the equity rights and the financial assets at the fair value through the joint investment account equity holders and investment in real estates held for use as all of them are reflected at the fair value on the date of the consolidated 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.



**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 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's loses control over subsidiaries.
- The non-controlling equity represents 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 at cost.

**The Bank has the following subsidiaries as on 31 December 2015:**

Company Name	Paid up capital	Bank's Ownership Rate%	Company's nature of business	Place of work	Date of acquisition
	JD				
Omariah Schools Company Ltd.	8,550,000	94.4%	Education	Amman	1987
Al Samaha Funding and Investment Company Ltd.	8,000,000	98.7%	Funding	Amman	1998
Future Applied Computer Technology Company Ltd	5,000,000	100%	Services	Amman	1998
Sanabel Al-Khair for Financial Investments	5,000,000	100%	Brokerage	Amman	2005

**Sectors Information:**

- The business sector 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 sectors, which will be measured in accordance with the reports used by the general manager and decision makers of the Bank.
- The geographic segment is associated with the provision of products or services in a specific economic environment subject to risks and revenues different from those of sectors operating in other economical environments.

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

- 10% shall be allocated to the Investment Risks Fund pursuant to Article (55) of the Jordanian Banks Law (2014: 15%).
- The Bank's share as speculator was deducted this year at 45% for Jordanian Dinar and 50% for foreign currencies of total joint investment profits (2014: 40% for Jordanian Dinar, 40% for foreign currencies).
- 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, and the Bank donated a sum of 400,000 Dinars from its share the joint investment funds to the unrestricted investment accounts in the Dinar, in 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 (Muqarada bonds) and restricted investment accounts are managed under speculation contracts.
  - The investment by proxy accounts are managed under brokerage contracts.
  - The Bank's share as a speculator was not deducted on 30 June 2015, while it was deducted at a rate of 10% on 31 December 2015 from the total profits of the Muqarada bonds compared to a deduction of 15% on 30 June 2014 and 20% on 31 December 2014. The general rate of the profits distributed to the Muqarada bonds holders amounted 4% on 30 June 2015 and 3.55% on 31 December 2015 compared to 4.21% on 30 June 2014 and 3.88% on 31 December 2014.
  - The Bank's share as a speculator was deducted at a rate of 15%, 25% from the restricted investment accounts profits in the Jordanian Dinar and 40% from the restricted investment accounts profits in foreign currencies. In addition, the general rate of the profits distributed to the restricted investment accounts amounted 0.15% as on 31 December 2015 (2014: 0.15%).
  - The profit was distributed after deducting the Bank's share as speculator to the investment portfolios (Muqarada bonds) 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-Istisna'a Contracts :

- Is a contract of sale between Mustasnia (the purchaser) and the Sania (the seller) where the later shall, at the request of the first – manufacture a described commodity (masnoo) or obtain it upon the delivery provided that the manufacturing material and / or the labor cost are provided by the Sania for agreed upon price and in accordance with the repayment method, to be paid immediately upon signing the contract or in installments or deferred.

### Back-to-Back Istisna'a:

- It is two separated contracts, one with the client in which the Bank is the Sania, and the other with the Sania (contractor) in which the Bank is manufacturer. The profit is achieved through the price difference in the two contracts, and mostly one contract is immediate (with the Sania) and the second is deferred (with the client).
- Istisna'a costs include direct costs and indirect costs of the Istisna'a activities that can allocated on objective grounds for certain contracts. Such costs don't include the general and administrative expenses, marketing expenses, and research and development costs.
- the Istisna'a costs realized in the financial period and the pre-contracting costs are recognized in in-progress Istisnaa account (in Istisna'a) or in the Istisna'a costs account (in back-to-back Istisna'a).
- If the Mustasnia (the purchaser) fails to pay the agreed upon price in full and agree to make repayment in installments during the execution of the contract or after the completion of the contract, deferred gains shall be recognized and deducted from the Istisna'a receivables balance in the Bank's Financial Center, whether the method used to prove the Istisna'a revenues is the completion percentage or the full contracts method. The deferred profits shall be divided to the future fiscal years where each financial year is allocated its share of the profits, whether the payment was made in cash or not.
- Istisna'a contracts are reflected in the amounts paid by the Bank from the beginning of the contract, while the back-to-back Istisna'a contracts are reflected in the net value of the contract. Any impairment in the cash value is stated in the income statement.
- Any additional costs paid by the Bank in back-to-back Istisna'a as a result of breaching the contractual obligations are stated as loss in the income statement are they don't count in the calculation of the Istisna'a costs.
- Should the Bank retains the Masnoo for any reason, such assets are measured at the cash value expected to be achieved or at the cost, whichever is less, and the difference is recognized as a loss, if any, in the income statement in the financial period in which they occur.

## 3. 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 consolidated 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.
- 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 affiliates 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 Bittamleek:** 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.
- Investments in real estate «held for use» are recorded at cost in accordance with the cost model or fair value model.
- Investments in real estate «held for use» are recorded at cost in accordance with the cost model less the accumulated depreciation and any impairment provision, if any. While they are measured at the fair value in case of the fair value model and increase in value is reflected in the fair value reserve.
- Unrealized losses resulting from valuation of investments in real estate in accordance with the fair value model shall be stated in the 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 income statement under the item of unrealized profits (losses) of real estate investments from the valuation of investment in real estate.
- 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 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 investments in real estate 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 income statement.
- If the cost model or the fair value mode is used, the model shall be applied to all investments in real estate.
- Investments in real estate «held for sale» shall be recorded at the book value or the fair value less the sale costs, whichever is less, and they shall not be depreciated. The differences shall be reflected in the consolidated income statement.
- Investment in real estate shall be classified as «held for sale» if they are expected to be sold within 12 months from the date of their acquisition. Should they are not sold within the said period, they shall be reclassified as mentioned above.
- The Bank records all investments in real state as «held-for-use» in accordance with the fair value model.

**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 think tanks.

**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.

- The Bank adjusted the depreciation rates in 2015 in accordance with the Costs, Provisions, Depreciation, and Exemption Law No. (55) for the year 2015, published in the Official Gazette on 1/7/2015 and came into force as of 1/1/2015, as show below

Item	Depreciation rate before adjustment %	Depreciation rate after adjustment %
Buildings	2%	2%
Equipment, Appliances, Furniture	2.5% - 15%	5%-20%
Transportation Means	15%	15%
Computers	25%	35%

The effect of adjusting the depreciation rates was as shown below:

As at 31/12/2015	Balance before adjustment	Effect of adjusting the depreciation rates	Balance after adjustment
	JD	JD	JD
Depreciation of properties and equipment	4,902,799	1,773,490	6,676,289

- 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 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.
- The intangible assets amortization rates were adjusted in accordance with Costs, Provisions, Depreciation, and Exemption Law No. (55) for the year 2015 as shown below :

Item	amortization rate before adjustment %	amortization rate after adjustment %
Computer Programs	25%	50%

The effect of adjusting the amortization rates was as shown below:

As at 31/12/2015	Balance before adjustment	Effect of adjusting the amortization rates	Balance after adjustment
	JD	JD	JD
amortization of intangible assets	1,192,280	1,173,756	2,366,036

#### 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-deductible expenses in the fiscal year but rather in subsequent years, accumulated taxably accepted losses or non-deductible items for tax purposes.
- The Bank shall deduct income tax provision pursuant to the Interim Income Tax Law No. (24) of 2014 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.

**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 investment profits and non-operating finances that are not recognized as investment profits and are stated in the outstanding investment profits.
- 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.
- Nonfinancial assets and nonfinancial liabilities shall be translated at foreign currencies and shall be stated at fair value on the date of determining their fair value.
- The profits and losses resulting from foreign currencies translation shall be stated in the consolidated income statement.
- The translation differences of non-cash assets and liabilities at foreign currencies (such as stocks) shall be recorded in the fair value reserve.

**Cash and Cash Equivalent:**

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

**(3) Using Estimates:**

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

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

- Impairment provision of sale receivables and finances: the Bank shall deduct 10% of the net revenues of joint investment accounts to be transferred to the Joint Investment Risk Fund in accordance with Article (55) of the Banks Law. Then this rate shall be compared to the provision of these receivables and finances within the bases established by the Central Bank of Jordan.
- Income Tax Provision: income tax shall be charged to the relevant fiscal year in accordance with the accounting systems, laws and standards. Deferred tax assets and liabilities as well as the necessary tax provision shall be calculated and stated.

- The Bank's management shall carry out a periodic review of the financial assets carried at cost to estimate any impairment in their value, and impairment is stated according to the financing body of those investments.

#### (4) Cash and Balances at Central Banks:

The details of this item are as follows:

Description	December 31, 2015	December 31, 2014
	JD	JD
Cash in Treasury	112,724,475	97,026,344
<b>Balances at the Central Bank of Jordan:</b>		
Current Accounts	550,159,105	730,109,494
Mandatory Cash Reserve	229,002,171	216,509,673
<b>Total Balances at the Central Bank of Jordan</b>	<b>779,161,276</b>	<b>946,619,167</b>
<b>Total</b>	<b>891,885,751</b>	<b>1,043,645,511</b>

- In compliance with the rules of the Islamic Sharia and in accordance with the Memorandum and Articles of Association, the Bank does not charge any interests on balances and current accounts with the Central Bank of Jordan.
- An amount of JD 10,834,548 and an amount of 60,009,892 were deducted as of December 31, 2015 and December 31, 2014 consecutively, representing cash balances of restricted investment accounts, Muqarada Bonds accounts and investment by proxy accounts not yet invested.
- There are no due amounts for more than three months as on December 31, 2015 and December 31, 2014.
- There are no restricted withdrawing amounts except the mandatory cash reserve as on December 31, 2015 and December 31, 2014.

#### (5) Balances at Banks and Banking Institutions

The details of this item are as follows:

Description	Local Banks and Banking Institutions		Foreign Banks and Banking Institutions		Total	
	Dec. 31, 2015	Dec. 31, 2014	Dec. 31, 2015	Dec. 31, 2014	Dec. 31, 2015	Dec. 31, 2014
	JD	JD	JD	JD	JD	JD
Current and Call Accounts	3,564,263	57,719	29,391,700	40,831,714	32,955,963	40,889,433
Unrestricted Investment Accounts that are due within 3 months or less	-	-	13,437,395	20,216,395	13,437,395	20,216,395
<b>Total</b>	<b>3,564,263</b>	<b>57,719</b>	<b>42,829,095</b>	<b>61,048,109</b>	<b>46,393,358</b>	<b>61,105,828</b>

- In compliance with the rules of the Islamic Sharia and in accordance with the Memorandum and Articles 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, 2015 and December 31, 2014.

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

The details of this item are as follows:

Description	Foreign Banks and Banking Institutions	
	December 31, 2015	December 31, 2014
	JD	JD
Accounts due within 3-6 months	2,127,000	-
Accounts due within 6-9 months	5,317,500	-
<b>Total</b>	<b>7,444,500</b>	<b>-</b>

- There are no restricted withdrawing amounts at the local and foreign banks and banking institutions as on December 31, 2015 and December 31, 2014.

**(7) Deferred Sale Receivables and Other Receivables – Net**

The details of this item are as follows:

Description	Joint		Self-Constructed		Total	
	Dec. 31, 2015	Dec. 31, 2014	Dec. 31, 2015	Dec. 31, 2014	Dec. 31, 2015	Dec. 31, 2014
	JD	JD	JD	JD	JD	JD
<b>Individuals (Retail):</b>						
Murabaha to the Purchase-Orderer	619,982,556	557,730,026	-	-	619,982,556	557,730,026
Forward Sale	4,016,619	1,507,188	79,000	237,000	4,095,619	1,744,188
Forward Ijara	1,649,418	796,618	-	-	1,649,418	796,618
Due Ijara receivables	2,764,013	2,544,901	-	-	2,764,013	2,544,901
Client Receivables	2,833,958	1,034,561	7,369,038	5,456,790	10,202,996	6,491,351
Property Financing	409,769,581	361,056,626	-	-	409,769,581	361,056,626
<b>Major Companies:</b>						
International Murabaha	11,949,691	29,035,330	-	-	11,949,691	29,035,330
Istisna'	2,102,775	-	-	-	2,102,775	-
Murabaha to the Purchase-Orderer	365,079,552	404,817,612	-	-	365,079,552	404,817,612
<b>Small and Medium Enterprises:</b>						
Murabaha to the Purchase-Orderer	156,224,450	146,436,536	-	-	156,224,450	146,436,536
Government and public sector	822,195,920	543,946,355	263,875	668,638	822,459,795	544,614,993
<b>Total</b>	<b>2,398,568,533</b>	<b>2,048,905,753</b>	<b>7,711,913</b>	<b>6,362,428</b>	<b>2,406,280,446</b>	<b>2,055,268,181</b>
Less: Deferred Revenues*	(241,730,876)	(202,673,495)	-	-	(241,730,876)	(202,673,495)
Less: Outstanding Revenues**	(9,867,016)	(8,759,790)	-	-	(9,867,016)	(8,759,790)
Less: Impairment Provision (note 29)	(77,299,759)	(70,608,469)	(525,000)	(525,000)	(77,824,759)	(71,133,469)
<b>Net Deferred Sales &amp; Other Receivables</b>	<b>2,069,670,882</b>	<b>1,766,863,999</b>	<b>7,186,913</b>	<b>5,837,428</b>	<b>2,076,857,795</b>	<b>1,772,701,427</b>

\* Deferred revenues include the revenues of Murabaha to the purchase-orderer, forward sale, and forward Ijara.

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



Below is the movement of the impaired provision for deferred sale receivables and other receivables and finances – self constructed:

For the year ended December 31, 2015	Individuals	Property Financing	Major Companies	Small & Medium Enterprises	Government and public sector	Total
	JD	JD	JD	JD	JD	JD
Year-Beginning Balance	525,000	-	-	-	-	525,000
Deducted from revenues during the year	32,856	-	-	-	-	32,856
Used from the provision during the eriod (liabilities and written off finances)	(32,856)	-	-	-	-	(32,856)
<b>Year-End Balance</b>	<b>525,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>525,000</b>

As of December 31, 2015	Individuals	Property Financing	Major Companies	Small & Medium Enterprises	Government and public sector	Total
	JD	JD	JD	JD	JD	JD
Impaired provision of non-operating Al Qard Al Hasan on the single client basis	283,921	-	-	-	-	283,921
Impaired provision of under monitoring Al Qard Al Hasan on the single client basis	132,009	-	-	-	-	132,009
Impaired provision of under monitoring Al Qard Al Hasan on the portfolio basis	109,070	-	-	-	-	109,070
<b>Year-End Balance</b>	<b>525,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>525,000</b>

For the year ended December 31, 2014	Individuals	Property Financing	Major Companies	Small & Medium Enterprises	Government and public sector	Total
	JD	JD	JD	JD	JD	JD
Year-Beginning Balance	500,510	-	-	-	-	500,510
Deducted from revenues during the year	121,979	-	-	-	-	121,979
Used from the provision during the period (liabilities and written off finances)	(97,489)	-	-	-	-	(97,489)
<b>Year-End Balance</b>	<b>525,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>525,000</b>

As of December 31, 2014	Individuals	Property Financing	Major Companies	Small & Medium Enterprises	Government and public sector	Total
	JD	JD	JD	JD	JD	JD
Impaired provision of non-operating Al Qard Al Hasan on the single client basis	343,776	-	-	-	-	343,776
Impaired provision of under monitoring Al Qard Al Hasan on the single client basis	132,288	-	-	-	-	132,288
Impaired provision of under monitoring Al Qard Al Hasan on the portfolio basis	48,936	-	-	-	-	48,936
<b>Year-End Balance</b>	<b>525,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>525,000</b>

- There are no dispensable provisions due to settlements or debt payments and transferred to other receivables, finances, and Ijara as on December 31, 2015 and December 31, 2014.

The movement on the forward sale receivables was as follow:

For the year ending 31 December 2015	Forward sale receivables	Deferred revenues
	JD	JD
Year-Beginning Balance	1,744,188	224,191
Additions	3,977,119	499,291
Disposals	(1,625,688)	(245,291)
<b>Year-End Balance</b>	<b>4,095,619</b>	<b>478,191</b>

Below is the movement on the outstanding revenues:

Description	Joint				
	For the year ended December 31, 2015				
	Individuvs	Property Financing	Major Companies	Small & Medium Enterprises	Total
	JD	JD	JD	JD	JD
Year-Beginning Balance	3,025,067	1,604,314	2,827,981	1,302,428	8,759,790
Add: outstanding revenues during the year	1,873,726	993,711	1,751,650	806,723	5,425,810
Less: outstanding revenues transferred to the deferred revenues	(2,483,329)	(371,136)	(1,082,221)	(381,898)	(4,318,584)
<b>Year-End Balance</b>	<b>2,415,464</b>	<b>2,226,889</b>	<b>3,497,410</b>	<b>1,727,253</b>	<b>9,867,016</b>

Description	Joint				
	For the year ended December 31, 2014				
	Individuvs	Property Financing	Major Companies	Small & Medium Enterprises	Total
	JD	JD	JD	JD	JD
Year-Beginning Balance	2,978,229	1,181,674	2,655,305	1,445,302	8,260,510
Add: outstanding revenues during the year	1,566,063	621,368	1,396,258	759,993	4,343,682
Less: outstanding revenues transferred to the deferred revenues	(1,519,225)	(198,728)	(1,223,582)	(902,867)	(3,844,402)
<b>Year-End Balance</b>	<b>3,025,067</b>	<b>1,604,314</b>	<b>2,827,981</b>	<b>1,302,428</b>	<b>8,759,790</b>

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

The details of this item are as follows:

Description	Joint		
	December 31, 2015		
	Cost	Accumulated Depreciation	Net Value
	JD	JD	JD
Assets of Ijara Muntahia Bittamleek / real estates	651,431,517	(168,335,642)	483,095,875

Description	Joint		
	December 31, 2014		
	Cost	Accumulated Depreciation	Net Value
	JD	JD	JD
Assets of Ijara Muntahia Bittamleek / real estates	561,412,059	(146,096,227)	415,315,832

- The total unpaid accrued Ijara installments amounted JD 2,764,013 as of December 31, 2015 compared to JD 2,544,901 as of December 31, 2014, and they are reflected in the deferred sale and other receivables as shown in note No. (7).

**(9) Finances – Net**

The details of this item are as follows:

Description	Joint		Self-Constructed		Total	
	Dec. 31, 2015	Dec. 31, 2014	Dec. 31, 2015	Dec. 31, 2014	Dec. 31, 2015	Dec. 31, 2014
	JD	JD	JD	JD	JD	JD
Individual (Retail):						
Diminishing Musharaka	27,632,315	25,206,620	254,707	271,204	27,887,022	25,477,824
Less: Impairment Provision	(173,196)	(171,708)	-	-	(173,196)	(171,708)
<b>Net Finances</b>	<b>27,459,119</b>	<b>25,034,912</b>	<b>254,707</b>	<b>271,204</b>	<b>27,713,826</b>	<b>25,306,116</b>

- Deferred sales, Ijara receivables, finances, other receivables and non-operating Al Qard Al Hasan amounted JD 104,148,938 as of December 31, 2015, i.e. 4.26% of the balance of deferred sales, Ijara receivables, other receivables, finances and Al Qard Al Hasan compared to JD 96,344,941 as of December 31, 2014, i.e. 4.61% of the balance utilized at the end of the previous year.
- Deferred sales, Ijara receivables, other receivables and non-operating Al Qard Al Hasan amounted JD 94,281,922 as of December 31, 2015, i.e. 3.87% of the balance of deferred sales, other receivables and non-operating Al Qard Al Hasan compared to JD 87,585,151 as of December 31, 2014, i.e. 4.21% of the balance utilized at the end of the previous year.
- Deferred sales, other receivables, and finances granted to and guaranteed by the Government of Jordan amounted JD 822,459,795 as of December 31, 2015, i.e. 33.79% of the balance of deferred sales, Ijara receivables, other receivables and finances compared to JD 544,614,993 as of December 31, 2014, i.e. 26.17% of the balance utilized at the end of the previous year.

**(10) Financial Assets at fair value through the equity – self constructed**

The details of this item are as follow:

Description	December 31, 2015	December 31, 2014
	JD	JD
Financial assets with market prices:		
Companies shares	1,722,636	1,469,972
Total financial assets with market prices	1,722,636	1,469,972
Financial assets without market prices:		
Companies shares	981,877	1,677,316
Muqarada bonds	5,000,000	6,000,000
Total financial assets without market prices	5,981,877	7,677,316
<b>Total financial assets at fair value through the equity – self constructed</b>	<b>7,704,513</b>	<b>9,147,288</b>

- Financial assets reflected at cost due to the impossibility of determining their fair value amounted JD 5,000,000 as on December 31, 2015 compared to JD 6,000,000 as of December 31, 2014.

**(11) Financial assets in the fair value through the joint investment accounts holders equities**

The details of this item are as follow:

Description	Joint	
	December 31, 2015	December 31, 2014
	JD	JD
Financial assets with market prices:		
Companies Shares	21,550,488	21,821,333
Islamic Sukuk	10,008,953	-
<b>Total financial assets with market prices</b>	<b>31,559,441</b>	<b>21,821,333</b>
Financial assets without market prices:		
Companies shares	2,361,660	2,086,620
Islamic banks portfolio	6,823,892	7,157,995
Islamic Sukuk	4,608,500	4,608,500
Muqarada bonds	8,150,000	2,830,000
<b>Total financial assets without market prices</b>	<b>21,944,052</b>	<b>16,683,115</b>
<b>Total financial assets at fair value through the joint investment accounts holders equities</b>	<b>53,503,493</b>	<b>38,504,448</b>

- The total financial assets reflected at cost due to the impossibility of determining their fair value as on December 31, 2015 amounted JD 21,944,052 compared to JD 16,683,115 as on December 31, 2014.



**(12) Investments in Affiliates:**

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	Joint			
						Investment cost		Value under the ownership equity method	
						Dec. 31, 2015	Dec. 31, 2014	Dec. 31, 2015	Dec. 31, 2014
Jordan Center for International Trading Co	Jordan	28.4	Commercial	Dec. 31	1983	1,071,082	1,071,082	1,552,021	1,527,718
AlAmin Investment Co.	Jordan	29.9	Services	Dec. 31	1995	4,083,258	4,083,258	3,924,168	4,229,956
Islamic Insurance PLC.	Jordan	33.4	Insurance	Dec. 31	1995	4,633,380	4,630,312	5,873,021	5,886,377
Arabian Steel Pipes Mfg. Co.	Jordan	26.0	Industry	Dec. 31	1994	5,127,585	5,127,585	3,716,488	3,910,589
<b>Total affiliates / Joint</b>						<b>14,915,305</b>	<b>14,912,237</b>	<b>15,065,698</b>	<b>15,554,640</b>

- Investments in affiliates / joint are stated under the ownership equity method noting that their fair value on December 31, 2015 amounted JD 12,876,622 compared to JD 15,400,175 on December 31, 2014.

**(13) Real Estate Investments**

Held-for-use:

Details of this item are as follows:

Description	Joint	
	December 31, 2015	December 31, 2014
	JD	JD
Real Estate investments *	108,019,160	92,765,907
Provision for acquired real-estates **	(6,871)	
Impairment provision for acquired real-estates***	(3,676)	
Net Assets	108,008,613	92,765,907

\*The real estate investments are carried at fair value, noting that its book value (cost) is JD 94,245,811 as of December 31, 2015 compared to JD 77,276,087 as of December 31, 2014.

\*\* The provision for the real-estates acquired before January 1, 2011 was calculated as of January 1, 2015 at a rate of 10% for the first year (2015) in accordance with the instructions of the Central Bank of Jordan.

\*\*\* The impairment provision for the acquired real-estates was calculated as of January 1, 2015 in accordance with the instructions of the Central Bank of Jordan.

**(14) Al Qard Al Hasan (Good Loans)- Net:**

Details of this item are as follows:

Description	December 31, 2015	December 31, 2014
	JD	JD
Al Qard Al Hasan	9,049,576	8,382,658
Less: Assets Impairment Provision-Self Constructed *	(2,900,000)	(2,700,000)
Al Qard Al Hasan-Net	6,149,576	5,682,658

\* The transaction of assets impairment provision-self constructed is as follows:

Description	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
<b>2015</b>						
Assets Impairment provision-Self Constructed	2,700,000	200,000	-	-		2,900,000
<b>Total</b>	<b>2,700,000</b>	<b>200,000</b>	<b>-</b>	<b>-</b>		<b>2,900,000</b>

Description	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
<b>2014</b>						
Assets Impairment provision-Self Constructed	3,100,000	-	-	-	(400,000)	2,700,000
<b>Total</b>	<b>3,100,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(400,000)</b>	<b>2,700,000</b>

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

Details of this item are as follows:

Description	December 31, 2015					
	Lands	Buildings	Equipment, machines and Furniture	Transportation means	Computers	Total
	JD	JD	JD	JD	JD	JD
Cost						
Year-Beginning Balance	18,611,652	29,339,504	39,969,113	1,741,066	11,139,694	100,801,029
Additions	1,880,550	497,609	4,765,452	753,872	2,233,211	10,130,694
Disposals	(45,938)	(434,259)	(601,131)	(180,693)	(43,082)	(1,305,103)
Year-End Balance	20,446,264	29,402,854	44,133,434	2,314,245	13,329,823	109,626,620
Accumulated Depreciation	-	(5,190,091)	(26,107,388)	(745,041)	(9,242,215)	(41,284,735)
Depreciation for the year	-	(417,368)	(4,697,272)	(99,608)	(1,462,041)	(6,676,289)
Disposals	-	61,957	146,540	-	2,485	210,982
Accumulated depreciation at the end of the year	-	(5,545,502)	(30,658,120)	(844,649)	(10,701,771)	(47,750,042)
Net book value of property and equipment	20,446,264	23,857,352	13,475,314	1,469,596	2,628,052	61,876,578
Payments for purchase of property and equipment	-	-	708,460	-	87,931	796,391
Projects in Progress	-	929,386	-	-	-	929,386
<b>Net property and equipment at the end of the year</b>	<b>20,446,264</b>	<b>24,786,738</b>	<b>14,183,774</b>	<b>1,469,596</b>	<b>2,715,983</b>	<b>63,602,355</b>

Description	December 31, 2014					
	Lands	Buildings	Equipment, machines and Furniture	Transportation means	Computers	Total
	JD	JD	JD	JD	JD	JD
Cost						
Year-Beginning Balance	18,611,652	27,181,622	34,876,104	1,558,034	10,819,512	93,046,924
Additions	-	2,343,599	5,268,349	367,967	405,690	8,385,605
Disposals	-	(185,717)	(175,340)	(184,935)	(85,508)	(631,500)
Year-End Balance	18,611,652	29,339,504	39,969,113	1,741,066	11,139,694	100,801,029
Accumulated Depreciation	-	(4,784,843)	(23,247,838)	(700,709)	(8,360,933)	(37,094,323)
Depreciation for the year	-	(405,248)	(2,891,026)	(80,982)	(881,282)	(4,258,538)
Disposals	-	-	31,476	36,650	-	68,126
Accumulated depreciation at the end of the year	-	(5,190,091)	(26,107,388)	(745,041)	(9,242,215)	(41,284,735)
Net book value of property and equipment	18,611,652	24,149,413	13,861,725	996,025	1,897,479	59,516,294
Payments for purchase of property and equipment	-	-	1,588,575	-	322,337	1,910,912
Projects in Progress	-	225	-	-	-	225
<b>Net property and equipment at the end of the year</b>	<b>18,611,652</b>	<b>24,149,638</b>	<b>15,450,300</b>	<b>996,025</b>	<b>2,219,816</b>	<b>61,427,431</b>

- The depreciated properties and equipment amounted JD 30,326,915 as of December 31, 2015 compared to JD 28,166,632 as of December 31, 2014.

**(16) Depreciation and Amortization**

Details of this item are as follows:

Description	December 31, 2015	December 31, 2014
	JD	JD
Property and equipment Depreciation	6,676,289	4,258,538
Intangible Assets Amortization	2,366,036	780,172
<b>Total</b>	<b>9,042,325</b>	<b>5,038,710</b>

**(17) Intangible Assets**

Details of this item are as follows:

Description	December 31, 2015	December 31, 2014
	Computer systems and software	Computer systems and software
	JD	JD
Beginning Year Balance	2,832,696	1,381,844
Additions	2,048,160	2,231,024
Amortization for the year	(2,366,036)	(780,172)
Total	2,514,820	2,832,696
Payments for purchasing software and programs	517,292	307,368
<b>Year – End balance</b>	<b>3,032,112</b>	<b>3,140,064</b>

**(18) Other Assets**

Details of this item are as follows:

Description	December 31, 2015	December 31, 2014
	JD	JD
Receivable Revenues	378,531	1,841,057
Pre-paid Expenses	346,803	346,698
Temporary Debit Accounts	3,200,742	3,648,460
Stationery and Publications	863,541	1,034,331
Pre-paid Leases	895,325	562,614
Revenue and Mail Stamps	661,593	583,881
Credit Card Accounts	1,579,460	1,506,548
Trusts of Settlement Guarantee Fund	25,000	25,000
Center JONET account	306,317	664,610
Others	276,658	229,019
<b>Total</b>	<b>8,533,970</b>	<b>10,442,218</b>



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

Details of this item are as follows:

Description	December 31, 2015			December 31, 2014		
	Inside the Kingdom	Outside the Kingdom	Total	Inside the Kingdom	Outside the Kingdom	Total
	JD	JD	JD	JD	JD	JD
Current and Call Accounts	88,555	3,087,392	3,175,947	88,555	4,035,124	4,123,679
<b>Total</b>	<b>88,555</b>	<b>3,087,392</b>	<b>3,175,947</b>	<b>88,555</b>	<b>4,035,124</b>	<b>4,123,679</b>

**(20) Client Current and Call Accounts**

Details of this item are as follows:

Description	December 31, 2015				
	Individuals	Major Companies	Small and Medium Enterprises	Government and Public Sector	Total
	JD	JD	JD	JD	JD
Current Accounts	725,461,994	14,095,888	168,210,019	8,600,060	916,367,961
Call Accounts	195,951,151	15,988	950,946	-	196,918,085
<b>Total</b>	<b>921,413,145</b>	<b>14,111,876</b>	<b>169,160,965</b>	<b>8,600,060</b>	<b>1,113,286,046</b>

Description	December 31, 2014				
	Individuals	Major Companies	Small and Medium Enterprises	Government and Public Sector	Total
	JD	JD	JD	JD	JD
Current Accounts	672,881,475	15,983,117	147,086,595	13,403,657	849,354,844
Call Accounts	177,082,993	-	294,234	-	177,377,227
<b>Total</b>	<b>849,964,468</b>	<b>15,983,117</b>	<b>147,380,829</b>	<b>13,403,657</b>	<b>1,026,732,071</b>

- The government and public sector deposits inside the Kingdom amounted JD 8,600,060, i.e. 0.77% of the total current and call accounts of clients as of December 31, 2015 compared to JD 13,403,657, i.e. 1.31% as of December 31, 2014.
- Dormant accounts amounted JD 46,633,171 as of December 31, 2015 compared to JD 56,097,290 as of December 31, 2014.
- The attached deposits (restricted withdrawal) amounted JD 8,800,530, i.e. 0.79% of the total current and call accounts of clients as of December 31, 2015 compared to JD 12,456,451, i.e. 1.21% as of December 31, 2014.

**(21) Cash Margins (Deposits)**

Details of this item are as follows:

Description	December 31, 2015	December 31, 2014
	JD	JD
Deposits against Sale Receivables and Finance and Other Receivables	14,032,207	12,871,812
Deposits against Indirect Facilities	23,934,594	19,704,925
Other Deposits	5,623,791	2,226,438
<b>Total</b>	<b>43,590,592</b>	<b>34,803,175</b>

**(22) Accounts Payable**

Details of this item are as follows:

Description	December 31, 2015	December 31, 2014
	JD	JD
Client Accounts Payable	1,571,695	1,793,040
<b>Total</b>	<b>1,571,695</b>	<b>1,793,040</b>

**(23) Other Provisions**

Details of this item are as follows:

Description	2015			
	Year- Beginning Balance	Formed during the year	Utilized during the year	Year-End Balance
	JD	JD	JD	JD
End of Service Provision	2,750,000	150,000	-	2,900,000
Employee Leaves Provision	2,750,000	150,000	-	2,900,000
<b>Total</b>	<b>5,500,000</b>	<b>300,000</b>	<b>-</b>	<b>5,800,000</b>

Description	2014			
	Year- Beginning Balance	Formed during the year	Utilized during the year	Year-End Balance
	JD	JD	JD	JD
End of Service Provision	2,750,000	-	-	2,750,000
Employee Leaves Provision	2,600,000	150,000	-	2,750,000
<b>Total</b>	<b>5,350,000</b>	<b>150,000</b>	<b>-</b>	<b>5,500,000</b>

### (24) Income Tax Provision:

#### A. Bank's Income Tax Provision

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

Description	December 31, 2015	December 31, 2014
	JD	JD
Year-Beginning Balance	16,803,852	17,131,681
Paid Income Tax	(15,307,350)	(15,682,660)
Accrued Income Tax	25,964,620	18,842,331
Prepaid income tax	(5,003,007)	(3,487,500)
<b>Year-End Balance</b>	<b>22,458,115</b>	<b>16,803,852</b>

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

Description	December 31, 2015	December 31, 2014
	JD	JD
Accrued Income Tax for the Year Profits	25,964,620	18,842,331
<b>Total</b>	<b>25,964,620</b>	<b>18,842,331</b>

\* The accrued income tax for the financial year ending at December 31, 2015 was calculated in accordance with the income tax law No. 34 of 2014.

\*\* The accrued taxes payable by the Bank were settled until the end of 2014.

\*\*\* A settlement was made to the tax due from Future Applied Computer Technology Company Ltd, Al Samaha Funding and Investment Company Ltd., and Sanabel Al-Khair for Financial Investments till the end of 2014.

### (25) Deferred Tax Liabilities:

Details of this item are as follows:

Description	December 31, 2015					December 31, 2014
	Beginning-Year Balance	Released Amounts	Added Amounts	End-Year Balance	Deferred Tax	Deferred Tax
	JD	JD	JD	JD	JD	JD
<b>A. Deferred tax liabilities - Joint*</b>						
Financial assets at fair value through the Joint Investment Accounts holders equities	4,952,709	(2,476,605)	-	2,476,104	866,636	1,733,448
Investments in real estate	15,489,820	(1,716,471)	-	13,773,349	4,820,672	5,421,437
<b>Total</b>	<b>20,442,529</b>	<b>(4,193,076)</b>	<b>-</b>	<b>16,249,453</b>	<b>5,687,308</b>	<b>7,154,885</b>
<b>B. Deferred tax liabilities – self constructed **</b>						
Financial assets at fair value through the equity – self constructed	1,293,249	(428,186)	-	865,063	302,772	452,637
<b>Total</b>	<b>1,293,249</b>	<b>(428,186)</b>	<b>-</b>	<b>865,063</b>	<b>302,772</b>	<b>452,637</b>

\* The deferred tax liabilities include an amount of JD 5,687,308 as of December 31, 2015 compared to JD 7,154,885 as of December 31, 2014 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 302,772 as of December 31, 2015 compared to JD 452,637 as of December 31, 2014 resulting from the profits of valuating financial and non-financial assets which stated in the fair value reserve of ownership equity.

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

#### A. Joint

Description	December 31, 2015	December 31, 2014
	JD	JD
Year-Beginning Balance	7,154,885	3,358,179
Additions	-	3,796,706
Disposals	(1,467,577)	-
<b>Total</b>	<b>5,687,308</b>	<b>7,154,885</b>

#### B. Self-Constructed

Description	December 31, 2015	December 31, 2014
	JD	JD
Year-Beginning Balance	452,637	200,212
Additions	-	252,425
Disposals	(149,865)	-
<b>Total</b>	<b>302,772</b>	<b>452,637</b>

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

Description	December 31, 2015	December 31, 2014
	JD	JD
Accounting Profit	74,685,076	63,971,706
Non-Taxable Profits	(1,182,791)	(1,485,924)
Taxably Unacceptable Expenses	744,703	355,597
Taxable Profit	74,246,988	62,841,379
Attributable to:		
The Bank	74,048,571	62,673,333
Subsidiaries	198,417	168,046
legal Income Tax Rate- the Bank	35%	30%
legal Income Tax Rate - Subsidiaries	24%	24%
Actual income tax rate	34.8%	29.5%

#### (26) Other Liabilities

Details of this item are as follows:

Description	December 31, 2015	December 31, 2014
	JD	JD
Acceptable Checks	1,695,797	2,097,609
Revenues received in advance	1,741,444	1,855,846
Al Qard Al Hasan Fund	1,331,983	1,046,101
Temporary Trusts	591,276	607,896
Miscellaneous Credit Balances	1,897,759	1,457,277
Checks for Notes Payment	6,399,809	3,688,164
In transit transactions between the Head Office and branches	9,489	83,894
Managers Checks	5,519,121	4,922,673
Others	1,529,134	690,103
<b>Total</b>	<b>20,715,812</b>	<b>16,449,563</b>



### (27.A) Unrestricted Investment Accounts

Details of this item are as follows:

Description	December 31, 2015					
	Individuals	Major Companies	Small and Medium Enterprises	Government and Public Sector	Banks	Total
	JD	JD	JD	JD	JD	JD
Saving Accounts	468,550,442	766,550	3,830,613	18,081	338,688	473,504,374
Notice Accounts	12,499,233	4,112	716,908	15,789,084	-	29,009,337
Time Accounts	1,567,473,512	4,716,963	76,099,245	21,437,733	5,000,000	1,674,727,453
<b>Total</b>	<b>2,048,523,187</b>	<b>5,487,625</b>	<b>80,646,766</b>	<b>37,244,898</b>	<b>5,338,688</b>	<b>2,177,241,164</b>
Depositors' Share in Investment Returns	45,318,229	121,646	1,796,388	825,622	15,876	48,077,761
<b>Total Unrestricted Investment Accounts</b>	<b>2,093,841,416</b>	<b>5,609,271</b>	<b>82,443,154</b>	<b>38,070,520</b>	<b>5,354,564</b>	<b>2,225,318,925</b>

Description	December 31, 2014					
	Individuals	Major Companies	Small and Medium Enterprises	Government and Public Sector	Banks	Total
	JD	JD	JD	JD	JD	JD
Saving Accounts	435,315,215	1,458,607	5,143,366	36,589	859,915	442,813,692
Notice Accounts	11,366,070	160,370	31,313	19,455,390	-	31,013,143
Time Accounts	1,480,090,966	6,883,311	80,151,589	21,222,247	5,000,000	1,593,348,113
<b>Total</b>	<b>1,926,772,251</b>	<b>8,502,288</b>	<b>85,326,268</b>	<b>40,714,226</b>	<b>5,859,915</b>	<b>2,067,174,948</b>
Depositors' Share in Investment Returns	44,101,040	298,341	2,119,171	931,890	219,432	47,669,874
<b>Total Unrestricted Investment Accounts</b>	<b>1,970,873,291</b>	<b>8,800,629</b>	<b>87,445,439</b>	<b>41,646,116</b>	<b>6,079,347</b>	<b>2,114,844,822</b>

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

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

- The total profits percentage amounted 3.40% as of December 31, 2015 compared to 3.52% as of December 31, 2014, and the General profits percentage in foreign currencies amounted 0.60% as of December 31, 2015 compared to 1.45% as of December 31, 2014.
- The unrestricted investment accounts (Government of Jordan and Public Sector) inside the Kingdom amounted JD 38,070,520, i.e. 1.71% of the total unrestricted investment accounts as of December 31, 2015 compared to JD 41,646,116, i.e. 1.97% as of December 31, 2014.
- The attached investment accounts (restricted withdrawal) of the total unrestricted investment accounts amounted JD 8,997,297, i.e. 0.40% as of December 31, 2015 compared to JD 12,456,451, i.e. 0.6% as of December 31, 2014.

## (27.B) Reserve of Investment accounts Holders and Non-Controlling Interests – Affiliates and Subsidiaries

Details of this item are as follows:

Description	Joint	
	December 31, 2015	December 31, 2014
	JD	JD
Reserve of Investment Accounts Holders – Subsidiaries	10,969,790	9,035,335
Reserve of Investment Accounts Holders – Affiliates	150,393	642,403
Total	11,120,183	9,677,738
Non-Controlling Interests	1,172,977	1,084,865

## (28) Fair Value Reserve

The Details of this item are as follows:

### (A) Joint

Description	Joint	
	December 31, 2015	December 31, 2014
	JD	JD
Financial Assets Reserve at fair value through the joint investment accounts holders equities	1,609,468	3,219,261
Real estate investments reserve	8,952,677	10,068,383
<b>Total</b>	<b>10,562,145</b>	<b>13,287,644</b>

### (B) Self-constructed

Description	Self-constructed	
	December 31, 2015	December 31, 2014
	JD	JD
Financial Assets Reserve at fair value through the equity – self constructed	562,291	840,612
<b>Total</b>	<b>562,291</b>	<b>840,612</b>

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

Description	December 31, 2015		
	Financial Assets at fair value	Real Estate Investments	Total
	JD	JD	JD
Year-Beginning Balance *	4,952,709	15,489,820	20,442,529
Unrealized losses	(2,471,793)	(1,495,311)	(3,967,104)
Deferred Tax Liabilities	(866,636)	(4,820,672)	(5,687,308)
Profits Transferred to the Consolidated Income Statement	(4,812)	(221,160)	(225,972)
<b>Year-End Balance</b>	<b>1,609,468</b>	<b>8,952,677</b>	<b>10,562,145</b>

Description	December 31, 2014		
	Financial Assets at fair value	Real Estate Investments	Total
	JD	JD	JD
Year-Beginning Balance	(1,719,530)	12,913,461	11,193,931
Unrealized profits	6,727,515	3,012,539	9,740,054
Deferred Tax Liabilities	(1,733,448)	(5,421,437)	(7,154,885)
Profits Transferred to the Consolidated Income Statement	(55,276)	(436,180)	(491,456)
<b>Year-End Balance</b>	<b>3,219,261</b>	<b>10,068,383</b>	<b>13,287,644</b>

\* The fair value reserve is reflected at the beginning of the year after the addition of the deferred tax liabilities for the previous year at the sum of JD 7,154,885.

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

Description	Financial assets at fair value	
	December 31, 2015	December 31, 2014
	JD	JD
Year-Beginning Balance*	1,293,249	667,373
(Losses) Unrealized profits	(428,186)	626,103
Deferred Tax Liabilities	(302,772)	(452,637)
Profits transferred to the consolidated comprehensive income statement after tax	-	(227)
<b>Year-End Balance</b>	<b>562,291</b>	<b>840,612</b>

\* The fair value reserve is reflected at the beginning of the year after the addition of the deferred tax liabilities for the previous year at the sum of JD 452,637.

**(29) Investment Risk Fund:****A. The transaction in the Investment Risk Fund is as follows:**

Description	December 31, 2015	December 31, 2014
	JD	JD (adjusted Note 2)
Year-Beginning Balance	83,498,467	76,019,472
Add: investment profits transferred this year	17,739,064	24,957,043
Net Tax Settlement	18,591	6,357
Recovered amounts from previous years losses	624,745	73,706
Less: losses amortized during the year*	(5,752,675)	(14,447,002)
Less: payments on the tax account for 2015 and 2014	(1,209,017)	(542,726)
Net accrued tax**	(3,166,186)	(2,568,383)
<b>Year-End Balance</b>	<b>91,752,989</b>	<b>83,498,467</b>

\* The losses charged to the Fund as at December 31, 2015 represent debt amortization losses at the sum of JD 5,752,675 compared to a sum of JD 6,962,546 as at 31 December 2014, and realized losses from sale of investment in shares at the sum of JD 7,484,456 as at 31 December 2014 in accordance with the provisions of Article (55) of the Banks Law and the Interpretation issued by the Bureau of Laws Interpretation.

- A rate of 10% was deducted on 31 December 2015 from the net joint investment profits realized from different transactions , and the amount was transferred to the Investment Risk Fund (2014:15%).
- 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:**

Description	December 31, 2015	December 31, 2014
	JD	JD
<b>Year – End Balance</b>	<b>91,752,989</b>	<b>83,498,467</b>
Deferred Sales Receivables (impairment provision)	75,761,684	68,936,374
Ijara Muntahia Bittamleek (impairment provision)	1,538,075	1,672,095
Finances (impairment provision)	173,196	171,708
Acquired properties	6,871	-
Acquired properties impairment	3,676	-
Total impairment provision	77,483,502	70,780,177
Share of Reciprocal Insurance Fund - deferred sales receivables (impairment provision)	(5,602,526)	(4,520,209)
Share of Reciprocal Insurance Fund – Ijara Muntahia Bittamleek (impairment provision)	(36,060)	(11,991)
<b>Remaining Balance **</b>	<b>19,908,073</b>	<b>17,250,490</b>

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



Description	December 31, 2015	December 31, 2014
	JD	JD
Income tax payable on amounts transferred from the investment profits	4,375,203	3,111,109
Less: payment on the tax account for 2015 and 2014	(1,209,017)	(542,726)
<b>New due tax</b>	<b>3,166,186</b>	<b>2,568,383</b>

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

- The income tax for the Investment Risks Fund for 2014 was settled, and the tax payable on the Fund was paid in accordance with the related Sharia fatwa.

### C. Reciprocal Insurance Fund

Movement on the reciprocal fund was as follows:

Description	December 31, 2015	December 31, 2014
	JD	JD
Year – beginning balance	53,590,986	44,652,078
Add: fund accounts profit during 2014, 2013	1,675,081	1,249,397
Add: insurance premiums collected during the year	17,007,692	13,803,945
Less: insurance premiums paid to Islamic Insurance Company during the year	(3,287,685)	(2,480,163)
Less: payment on the account of tax for 2015, 2014	(916,590)	(560,366)
Less: Fund income tax for the year	(3,090,203)	(2,669,289)
Less: Fund Committee members remunerations	(16,000)	(16,000)
Less: compensation paid to the Fund accounts auditors during the year	(1,740)	-
Less: amortized losses during the year	(725,271)	(388,616)
<b>Year – End balance</b>	<b>64,236,270</b>	<b>53,590,986</b>

- The Reciprocal Insurance Fund system is based on paragraph (D/3), Article (54) of the Banking Law No. (28) for the year 2000.
- Prior approval of the Central Bank of Jordan must be obtained in case of making any amendment to the Reciprocal Insurance Fund regulation.
- In case of stopping the Reciprocal Insurance Fund for any reason, the Board of Directors shall determine the way of disposing of the Fund's money in good acts.
- The Central Bank of Jordan approved under its letter No. 10/1/12160 on 9/10/2014 to consider the Reciprocal Insurance Fund a mitigant of risk exposure.
- Compensation payment for the subscriber from the Fund is made as determined by the Bank from the subscriber's outstanding debt insured in Murabaha or in any other form of forward sale or as determined by the Bank from the debt and/or the remaining amount from the finance asset in Ijara in the following cases:
  - Death of subscriber.
  - The subscriber's physical disability, in whole or partially.
  - The subscriber's insolvency to pay due to lack of income source for at least one year, without having what to sell, to pay his debt, or possessing the leased estate, and he has no hope to have income source in one coming year enabling him to pay or to continue in the finance lease.

The Reciprocal Insurance Fund balance is distributed as follows:

Description	December 31, 2015	December 31, 2014
Year – end balance	64,236,270	53,590,986
Deferred Sales Receivables (impairment provision)	(5,602,526)	(4,520,209)
Ijara Muntahia Bittamleek Receivables (impairment provision)	(36,060)	(11,991)
<b>Surplus of Reciprocal Insurance Fund</b>	<b>58,597,684</b>	<b>49,058,786</b>

- The impairment provision of the deferred sales and the Ijara Muntahia Bittamleek receivables included in the Reciprocal Insurance Fund as on December 31, 2014 was calculated in accordance with the Central Bank of Jordan instructions.

### (30) Capital:

- The capital amounted to JD 150 million (2014: JD 150 million) distributed to 150 million shares (2014: 150 million shares).

### (31) Reserves:

#### • Statutory Reserve:

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

#### • Voluntary Reserve:

The accumulated amounts in this item 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. The General Assembly has the right 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.

The restricted reserves are as follows:

Description	JD	Nature of Restriction
Statutory Reserve	59,988,116	Pursuant to the Banking Law
General Banking Risks Reserve	700,000	As per the Central Bank Instructions

### (32) Retained Earnings:

Details of this item are as follows:

Description	December 31, 2015	December 31, 2014
	JD	JD
Year-Beginning Balance	71,334,410	67,753,058
Profit after tax	48,720,456	45,129,375
Profits realized from sale of financial assets at the fair value through equity	-	227
Transferred to Statutory Reserve	(7,475,936)	(6,402,514)
Transferred to Voluntary Reserve	(7,447,522)	(6,395,736)
Dividends distributed to the shareholders	(19,500,000)	(18,750,000)
Transferred to increase capital	-	(10,000,000)
<b>Year-End Balance</b>	<b>85,631,408</b>	<b>71,334,410</b>

### Proposed Dividends:

The rate of cash dividends proposed to be distributed to shareholders for 2015 amounted to 15% of the capital, i.e., JD 22,500,000, Compared to distributing cash dividends at 13% of the capital i.e. 19,500,000 in the previous year.

### (33) Deferred Sales Revenues:

The details of this item are as follows:

Description	Joint		Self-constructed	
	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
	JD	JD	JD	JD
<b>Individuals (Retail):</b>				
Murabaha to Purchase-Orderer	45,140,693	41,152,361	-	-
Forward Sale	163,695	34,957	158,000	158,000
Forward Ijara	111,883	41,804	-	-
<b>Real Estate Finances</b>	<b>31,553,929</b>	<b>29,335,666</b>	-	-
<b>Major Companies:</b>				
International Murabaha	33,343	58,107	-	-
Murabaha to Purchase-Orderer	20,643,318	20,823,707	-	-
<b>Small and Medium Enterprises:</b>				
Murabaha to Purchase-Orderer	9,223,572	9,001,272	-	-
<b>Government and public sector</b>	<b>32,048,813</b>	<b>32,014,546</b>	-	-
<b>Total</b>	<b>138,919,246</b>	<b>132,462,420</b>	<b>158,000</b>	<b>158,000</b>

### (34) Finances Revenues:

The details of this item are as follows:

Description	Joint		Self-Constructed		Total	
	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
	JD	JD	JD	JD	JD	JD
<b>Individuals (Retail):</b>						
Diminishing Musharaka	368,077	331,337	4,502	3,189	372,579	334,526
<b>Small &amp; Medium Enterprises:</b>						
Diminishing Musharaka	53,329	72,000	-	-	53,329	72,000
<b>Total</b>	<b>421,406</b>	<b>403,337</b>	<b>4,502</b>	<b>3,189</b>	<b>425,908</b>	<b>406,526</b>

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

The details of this item are as follows:

Description	Joint	
	December 31, 2015	December 31, 2014
	JD	JD
Returns of Company Stock Distributions	535,146	552,780
Profits of selling financial assets at the fair value	4,812	55,276
Islamic Banks Portfolio Revenues	287,887	308,036
Islamic Leasing Sukuk Revenues	427,937	344,455
Investment funds Revenues	17,725	17,725
<b>Total</b>	<b>1,273,507</b>	<b>1,278,272</b>

### (36) Share of funds involved in investment from Dividends Distributed by Affiliates and Subsidiaries:

The details of this item are as follows:

Joint	Distributed Dividends			
	Ownership Percentage %	Distribution Percentage %	December 31, 2015	December 31, 2014
			JD	JD
<b>Affiliates:</b>				
Jordanian Center for International Trading Co.	28.4	8.0	77,120	77,120
ALamin Investment Co.	29.9	6.0	178,287	178,287
Islamic Insurance Co.	33.4	7.5	299,100	199,400
Arabian Steel Pipes Mfg. Co.	26.0	10.0	234,000	234,000
<b>Total</b>			<b>788,507</b>	<b>688,807</b>

### (37) Real Estate Revenues:

The details of this item are as follows:

Description	Joint	
	December 31, 2015	December 31, 2014
	JD	JD
Profits realized from investments in Real Estate	1,098,537	1,312,418
<b>Total</b>	<b>1,098,537</b>	<b>1,312,418</b>

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

The details of this item are as follows:

Description	Joint	
	December 31, 2015	December 31, 2014
	JD	JD
Ijara Muntahia Bittamleek	34,741,112	30,051,475
<b>Total</b>	<b>34,741,112</b>	<b>30,051,475</b>

### (39) Other Investments Revenues

The details of this item are as follows:

Description	December 31, 2015	December 31, 2014
	JD	JD
Revenues of Investment Deposits at Islamic Financial Institutions	148,323	176,658
Other revenues	-	6,902
<b>Total</b>	<b>148,323</b>	<b>183,560</b>



### (40) Net Business Results of Subsidiaries

The details of this item are as follows:

Description	December 31, 2015	December 31, 2014
	JD	JD
Revenues		
School installments and transportation	9,538,314	8,464,444
Profits of financial assets	143,083	-
Muqarada Bonds Revenues	103,685	140,832
Projects Revenues	1,567,608	932,916
Other Revenues	435,218	480,559
Total Revenues	11,787,908	10,018,751
Expenses		
Administrative Expenses	(7,223,249)	(6,441,807)
Depreciations	(955,281)	(531,349)
Provision for bad debts	(202,851)	(21,300)
Other expenses	(1,295,490)	(1,053,427)
Total expenses	(9,676,871)	(8,047,883)
<b>Net business results</b>	<b>2,111,037</b>	<b>1,970,868</b>

### (41) Share of Unrestricted Investment Accounts Holders:

The details of this item are as follows:

Description	December 31, 2015	December 31, 2014
	JD	JD
Banks and Institutions	15,876	219,432
Clients:		
Saving Accounts	6,120,486	5,899,562
Notice Accounts	696,283	664,789
Time Accounts	41,245,116	40,886,091
<b>Total</b>	<b>48,077,761</b>	<b>47,669,874</b>

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

The details of this item are as follows:

Description	December 31, 2015	December 31, 2014
	JD	JD
As a Speculator	79,939,959	66,552,116
As a Capital Owner	31,633,854	27,201,256
<b>Total</b>	<b>111,573,813</b>	<b>93,753,372</b>

**(43) Bank's Self Profits:**

The details of this item are as follows:

Description	December 31, 2015	December 31, 2014
	JD	JD
Deferred sales Revenues Note (33)	158,000	158,000
Finances Revenues (Note 34)	4,502	3,189
Shares Dividends	1,380	1,900
Profits of financial assets at the fair value through the equity	7,771	8,064
Profits of financial assets at the fair value through the consolidated income statement	977	34,112
<b>Total</b>	<b>172,630</b>	<b>205,265</b>

**(44) The Bank's Share of the Restricted Investment Revenues as Speculator and/or Proxy:**

The details of this item are as follows:

Description	As proxy	As speculator	As proxy	As speculator
	December 31, 2015	December 31, 2015	December 31, 2014	December 31, 2014
	JD	JD	JD	JD
Restricted Investment Revenues	103,034	97,324	20,503	88,474
Less: Share of Restricted Investment Accounts Holders	(68,710)	(66,196)	(13,392)	(65,283)
<b>Net</b>	<b>34,324</b>	<b>31,128</b>	<b>7,111</b>	<b>23,191</b>
Muqarada Bonds Profits	-	14,667,124	-	13,979,336
Less: Share of Muqarada Bonds Accounts Holders	-	(13,919,731)	-	(11,828,852)
<b>Net</b>	<b>-</b>	<b>747,393</b>	<b>-</b>	<b>2,150,484</b>
<b>Total</b>	<b>34,324</b>	<b>778,521</b>	<b>7,111</b>	<b>2,173,675</b>

**(45) Banking Services Revenues:**

The details of this item are as follows:

Description	December 31, 2015	December 31, 2014
	JD	JD
Documentary Credit Commissions	910,880	1,028,923
Guarantee Commissions	2,475,184	2,169,111
Collection Policies Commissions	474,367	509,821
Transfers Commissions	662,680	663,658
Salary Transfer Commissions	3,730,326	3,376,826
Bounced Checks Commissions	2,412,050	1,254,567
Account Management Commissions	1,316,662	1,317,341
Check book commissions	401,099	374,795
Cash deposits commissions in foreign currencies	120,322	134,719
Brokerage Commissions	386,066	464,543
Checks collection commissions	119,934	121,532
Other Commissions	1,430,340	1,638,030
<b>Total</b>	<b>14,439,910</b>	<b>13,053,866</b>

### (46) Foreign Currency Profits:

The details of this item are as follows:

Description	Self-Constructed	
	December 31, 2015	December 31, 2014
	JD	JD
Resulting from Trading	785,863	773,544
Resulting from Valuation	1,406,132	1,417,647
<b>Total</b>	<b>2,191,995</b>	<b>2,191,191</b>

### (47) Other Revenues:

The details of this item are as follows:

Description	December 31, 2015	December 31, 2014
	JD	JD
Collected Rentals	89,797	99,029
Post, Mail and Telephone	372,037	328,683
Safe Box Leasing	165,030	161,394
Credit Card Commissions	3,514,144	3,184,160
Other Revenues	1,145,802	571,669
<b>Total</b>	<b>5,286,810</b>	<b>4,344,935</b>

### (48) Employee Expenses

The details of this item are as follows:

Description	December 31, 2015	December 31, 2014
	JD	JD
Salaries, Benefits and allowances	25,489,448	24,374,626
Bank's contribution to Social Security	2,905,172	2,650,908
Medical Expenses	2,536,395	2,265,202
Training Expenses	189,097	159,589
Per diem	201,622	168,183
Meals Provision	123,261	143,989
End of service benefits	790,139	963,751
Solidarity Insurance	217,014	190,008
<b>Total</b>	<b>32,452,148</b>	<b>30,916,256</b>

**(49) Other Expenses**

The details of this item are as follows:

Description	December 31, 2015	December 31, 2014
	JD	JD
Post, Mail, Telephone	1,526,589	1,281,763
Stationery, Publications and Supplies	1,686,047	1,443,594
Systems and programs maintenance	783,516	315,611
Credit Cards	1,337,464	1,010,424
Rentals	1,467,229	1,372,509
Water, Electricity and Heating	2,356,495	2,335,335
Maintenance, Repairs and Cleaning	1,109,960	1,200,989
Insurance Premiums	556,015	479,958
Travel and Transportation Expenses	903,557	759,714
Legal Fees and Consultations	290,644	206,983
Professional fees	104,060	164,060
Subscriptions and Memberships	684,829	504,396
Donations	909,860	690,324
Charges, licenses, and taxes	829,385	860,069
Hospitality and Tips	145,504	125,452
Promotion and Advertising	1,917,009	1,806,578
Saving Accounts Rewards	149,600	149,750
Board Committees Remunerations	46,900	39,900
Master Card and Visa Accounts Rewards	122,159	20,242
Board Members Remunerations	74,283	53,440
Investor Protection Fund	10,408	12,971
Doubtful Debts	32,856	121,979
Overdraft accounts coverage	256,438	571,456
Others	497,647	525,246
<b>Total</b>	<b>17,798,454</b>	<b>16,052,743</b>

**(50) Miscellaneous Provisions**

The details of this item are as follows:

Description	December 31, 2015	December 31, 2014
	JD	JD
End of service provision	150,000	-
Employee Leaves Provision	150,000	150,000
<b>Total</b>	<b>300,000</b>	<b>150,000</b>

**(51) Basic and Diluted Earning per Share for the year profit**

The details of this item are as follows:

Description	December 31, 2015	December 31, 2014
	JD	JD
Profit for the Year after tax (JD)	48,720,456	45,129,375
Weighted Average Number of Shares (Share)	150,000,000	150,000,000
<b>Basic and diluted earnings per Share from the profit for the year (JD/Fils)</b>	<b>0/325</b>	<b>0/301</b>



**(52) Cash and Cash Equivalent**

The details of this item are as follows:

Description	December 31, 2015	December 31, 2014
	JD	JD
Cash and Balances with Central Banks that are due within three months	891,885,751	1,043,645,511
Add: Balances with Banks and Banking Institutions that are due within three months	46,393,358	61,105,828
Less: Accounts with Banks and Banking Institutions that are due within three months	(3,175,947)	(4,123,679)
<b>Total</b>	<b>935,103,162</b>	<b>1,100,627,660</b>

**(53) Restricted Investments**

The details of this item are as follows:

Description	Real Estate Trading		International Murabaha		Cash Balances		Murabaha Financing		Total	
	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Year-Beginning Investments	311,352	311,352	24,033,252	22,521,483	2,409,990	3,563,063	647,495	358,363	27,402,089	26,754,261
Deposits	-	-	8,726,079	12,747,658	3,737,684	4,052,493	4,351,545	616,417	16,815,308	17,416,568
Drawings	-	-	(8,623,582)	(11,265,256)	(4,469,449)	(5,205,566)	(772,261)	(363,201)	(13,865,292)	(16,834,023)
Investment Profits	-	-	24,610	42,630	-	-	72,714	45,844	97,324	88,474
Bank's fees as speculator or proxy	-	-	(15,381)	(13,263)	-	-	(15,747)	(9,928)	(31,128)	(23,191)
Year-End Investments	311,352	311,352	24,144,978	24,033,252	1,678,225	2,409,990	4,283,746	647,495	30,418,301	27,402,089
Less: Deferred profits	-	-	-	-	-	-	(1,312,406)	(31,820)	(1,312,406)	(31,820)
<b>Year – End Balance, Net</b>	<b>311,352</b>	<b>311,352</b>	<b>24,144,978</b>	<b>24,033,252</b>	<b>1,678,225</b>	<b>2,409,990</b>	<b>2,971,340</b>	<b>615,675</b>	<b>29,105,895</b>	<b>27,370,269</b>

**(54) Muqarada Bonds:**

This item represents the following:

Description	Financial assets for trading		Real Estate Trading		Murabaha		Cash Balances		Ijara Muntahia Bittamleek		Total	
	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Year-Beginning Balance	56,910,082	52,447,053	27,184,174	27,159,674	116,119,896	94,420,291	55,803,518	32,137,253	47,348,090	30,992,602	303,365,760	237,156,873
Number of Investment Units at Year-Beginning	-	-	-	-	-	-	-	-	-	-	519,869	412,190
Value of Investment Units at Year-Beginning	-	-	-	-	-	-	-	-	-	-	259,934,500	206,095,000
Deposits	4,387,007	6,452,202	2,812,946	80,133	105,191,929	32,293,561	67,240,684	33,450,986	45,272,005	16,149,040	224,904,571	88,425,922
Drawings	(5,941,224)	(4,737,082)	(2,793,310)	(395,582)	(12,739,031)	(17,578,254)	(114,600,811)	(9,784,721)	(3,491,399)	(1,550,248)	(139,565,775)	(34,045,887)
Investment Profits (losses)	(2,078,530)	3,147,832	890,393	406,469	12,104,188	8,323,692	-	-	3,751,073	2,101,343	14,667,124	13,979,336
Bank's Fees as peculator or Proxy	-	(399,923)	(62,603)	(66,520)	(483,493)	(1,339,394)	-	-	(201,297)	(344,647)	(747,393)	(2,150,484)
Total	53,277,335	56,910,082	28,031,600	27,184,174	220,193,489	116,119,896	8,443,391	55,803,518	92,678,472	47,348,090	402,624,287	303,365,760
Less: deferred portfolios profits	-	-	-	-	(30,148,645)	(16,360,711)	-	-	(33,794,878)	(16,886,742)	(63,943,523)	(33,247,453)
Year-End Balance	53,277,335	56,910,082	28,031,600	27,184,174	190,044,844	99,759,185	8,443,391	55,803,518	58,883,594	30,461,348	338,680,764	270,118,307
Number of Investment Units at Year-End	-	-	-	-	-	-	-	-	-	-	656,775	519,869
Value of Investment Units at Year-End	-	-	-	-	-	-	-	-	-	-	328,387,500	259,934,500
Due portfolio uncollected profits	-	-	-	-	-	-	-	-	196,422	227,654	196,422	227,654
Profits Adjusted Reserve	2,296,866	2,421,959	-	-	-	-	-	-	-	-	2,296,866	2,421,959
Investment Risk Provision	-	-	-	-	7,996,308	7,533,821	-	-	-	-	7,996,308	7,533,821
Other liabilities	-	-	10,515	373	-	-	-	-	-	-	10,515	373
<b>Year-End Balance</b>	<b>2,296,866</b>	<b>2,421,959</b>	<b>10,515</b>	<b>373</b>	<b>7,996,308</b>	<b>7,533,821</b>	<b>-</b>	<b>-</b>	<b>196,422</b>	<b>227,654</b>	<b>10,500,111</b>	<b>10,183,807</b>

**(55) Investment by Proxy Accounts – Central Bank of Jordan:**

The details of this item are as follows:

Description	December 31, 2015	December 31, 2014
	JD	JD
Investment by Proxy Accounts – Central Bank of Jordan	3,005,625	3,000,000
<b>Total</b>	<b>3,005,625</b>	<b>3,000,000</b>

- 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 to support the sector of very small, small and medium enterprises. 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%.

**(56) Transactions with Related Parties:**

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

Company Name	Capital		
	Ownership Rate	December 31, 2015	December 31, 2014
Omariah Schools Company Ltd.	94.4%	8,550,000	8,550,000
Al Samaha Funding and Investment Company Ltd.	98.7%	8,000,000	8,000,000
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.



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

Description	Related Parties				Total	
	Parent Company	Affiliates	Subsidiaries	Board Members and Senior Management	December 31, 2015	December 31, 2014
	JD	JD	JD	JD	JD	JD
Items within the consolidated statement of financial position:						
Deferred sale receivables	-	5,094,404	443,976	193,533	5,731,913	5,886,336
Financing of employee housing / Musharaka	-	-	-	304,800	304,800	148,655
Musharaka Financing	-	-	9,106	-	9,106	44,659
Deposits	46,223	9,472,953	3,927,216	1,278,487	14,724,879	26,181,230
Items beyond the consolidated statement of financial position:						
Guarantees and L/Cs	-	1,418,660	790,133	-	2,208,793	3,391,874
<b>Description</b>						<b>December 31, 2015</b>
Items of consolidated income statement:						
Received revenues	-	246,183	86,756	22,092	355,031	298,660
Paid Profits	-	290,102	202,885	9,619	502,606	290,915

- The general rate of the profits distributed to the investment accounts in the Jordanian Dinar reached 3.40 % as on December 31, 2015 (2014: 3.52%).
- The general rate of the profits distributed to the investment accounts in the US Dollar reached 0.60 % as on December 31, 2015 (2014: 1.45%).
- The Murabaha rate of the granted finances reached 4% - 5.5% per annum as on December 31, 2015 (2014: 4% - 5.5%).
- The profit rate of the Musharaka finances granted to the employees reached about 2% - 4.8% per annum as on December 31, 2015 (2014: 2% - 4.8%).
- The rate of guarantees commission reached 1% - 4% per annum as on December 31, 2015 (2014: 1% - 4%), and 1/4% - 3/8% on letters of credit for quarters as on December 31, 2015 (2014: 1/4% - 3/8% for quarters).

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

Description	December 31, 2015	December 31, 2014
	JD	JD
Salaries, Remunerations and Transportation	2,011,199	1,967,248
End of service benefits	-	153,630
<b>Total</b>	<b>2,011,199</b>	<b>2,120,878</b>

**(57) Fair Value of Financial Instruments**

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

- **First Level:** market prices quoted in effective markets for the same assets and liabilities.
- **Second Level:** Other techniques where all inputs with significant impact on the fair value is directly or indirectly observable from market information.
- **Third Level:** Other techniques where inputs with significant impact on the fair value are used but not based on observable market information.

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

December 31, 2015	First Level	Second Level	Third Level	Total
	JD	JD	JD	JD
<b>Financial Assets at fair value through the joint investment accounts holders equities</b>				
Companies shares	31,559,441	-	-	31,559,441
<b>December 31, 2014</b>				
<b>Financial Assets at fair value through the joint investment accounts holders equities</b>				
Companies shares	21,821,333	-	-	21,821,333

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

- As shown in note 10 and 11, the financial assets not listed on the financial markets amount JD 26,944,052 that are carried at cost because the Bank was unable to estimate their fair value.

### (59) Risk Management

- The Bank manages its different banking risks through following comprehensive measures of risk management, including the proper control by the Board of Directors and the senior Management, in order to determine, measure, follow-up, control and report relevant categories of risks, and to maintain an adequate capital to face such risks. These measures take into consideration the appropriate steps to comply with the Sharia principles.
- The Bank's organizational structures complement each other in risk management, each according to its competences. This helps in developing and controlling policies and regulations at an appropriate level for each type of risk the Bank faces with a view to realizing the acceptable level of returns to shareholders without compromising the financial solvency of the Bank. In this framework, the work of the Risk Management Department at the Bank complements with the committees emanating from the Board of Directors and the Executive Management (Risk Management Committee and Assets and Liabilities Management Committee).

### Qualitative and Quantitative Disclosures:

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

- The daily practice of banking activities involves the Bank's exposure to many risks including the credit risk resulting from the other party's default or failure to fulfill its obligations towards the Bank, which consequently results in losses. On its part, the Bank ensures that these risks do not surpass the already specified general framework in the Bank's credit policy and seeks to maintain their levels within the balanced relationship between risks, returns and liquidity. In addition to the Risk Management Department, a number of committees in the Board of Directors and Executive Management manage the credit risks at the Bank associated, by determining the ceilings of credit facilities that can be granted to a single client 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:

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

### 3. Identifying Methods of Risk Mitigation:

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

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

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

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

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

- The Bank develops the required procedures and policies to determine the method of reviewing credits and maintaining the impartiality and integration of the decision making process, ensuring that the credit risks are accurately assessed, properly approved, continually followed-up, and continually monitored.
- The general framework of the credit policy involves the authorities of approving credits, clarifying the credit limits and the method of specifying the degree of risk.

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

Description	Joint		Self-Constructed	
	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
	JD	JD	JD	JD
<b>Items within the consolidated statement of financial position:</b>				
Balances with Central Banks	-	-	779,161,276	946,619,167
Balances with banks and banking institutions	13,437,395	20,216,395	32,955,963	40,889,433
Investment Accounts with Banks and Banking Institutions	7,444,500	-	-	-
<b>Deferred sales and other receivables:</b>				
Individuals	538,653,523	483,555,584	12,993,614	10,614,448
Real Estate Finances	334,056,694	287,909,612	79,000	237,000
<b>Companies:</b>				
Major Companies	321,468,239	378,654,482	-	-
Small and Medium Enterprises (SMEs)	129,264,770	124,354,211	-	-
Government and public sector	746,227,656	492,390,110	263,875	668,638
<b>Finances</b>				
Musharaka:				
Real-estates finances	27,459,119	25,034,912	199,707	271,204
Individuals	-	-	55,000	-
<b>Items beyond the consolidated statement of financial position:</b>				
Guarantees	-	-	112,253,077	93,925,757
L/Cs	-	-	50,151,678	41,096,936
Acceptances	-	-	5,511,775	5,136,711
Unutilized Limits	-	-	122,269,462	114,334,630
<b>Total</b>	<b>2,118,011,896</b>	<b>1,812,115,306</b>	<b>1,115,894,427</b>	<b>1,253,793,924</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 guarantees for 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 Receivables and Finances are distributed according to the risk degree as in the following table:

Description	Joint						Self - Constructed									
	Individuals		Real Estate Finances		Companies		Government and public sector		Banks and Banking Institutions		Total					
	JD		JD		Major companies	SMEs	JD		JD		JD					
2015	JD		JD		JD		JD		JD		JD		JD		JD	
Low Risk	2,572,298	-	11,949,691	1,516,010	822,195,920	-	838,233,919	-	-	-	-	263,875	779,161,276	779,425,151		
Acceptable Risk	588,722,031	388,932,075	302,961,642	121,004,115	-	20,881,895	1,422,501,758	12,534,404	278,707	-	-	-	32,955,963	45,769,074		
Accrued: *																
Until 30 days	15,668	9,207	15,627	3,061	-	-	43,563	33	-	-	-	-	-	33		
From 31 to 60 Days	756,469	671,018	760,670	902,442	-	-	3,090,599	5,899	-	-	-	-	-	5,899		
Under-control	15,451,960	28,995,079	31,251,961	8,979,386	-	-	84,678,386	1,458,955	-	-	-	-	-	1,458,955		
Non-operating:																
Below Standard	1,793,746	1,717,158	1,121,491	354,815	-	-	4,987,210	598,471	-	-	-	-	-	598,471		
Doubtful	1,292,133	793,407	3,851,591	1,700,001	-	-	7,637,132	204,196	-	-	-	-	-	204,196		
Depreciated	21,414,396	16,964,177	27,995,642	22,670,123	-	-	89,044,338	1,677,588	-	-	-	-	-	1,677,588		
<b>Total</b>	<b>631,246,564</b>	<b>437,401,896</b>	<b>379,132,018</b>	<b>156,224,450</b>	<b>822,195,920</b>	<b>20,881,895</b>	<b>2,447,082,743</b>	<b>16,473,614</b>	<b>278,707</b>	<b>-</b>	<b>-</b>	<b>263,875</b>	<b>812,117,239</b>	<b>829,133,435</b>		
Less: Deferred Revenues	71,348,143	61,746,033	25,591,401	7,077,035	75,968,264	-	241,730,876	-	-	-	-	-	-	-		
Less: Outstanding Revenues	2,415,464	2,226,889	3,497,410	1,727,253	-	-	9,867,016	-	-	-	-	-	-	-		
Less: Impairment provision	18,829,434	11,913,161	28,574,968	18,155,392	-	-	77,472,955	3,425,000	-	-	-	-	-	3,425,000		
<b>Net</b>	<b>538,653,523</b>	<b>361,515,813</b>	<b>321,468,239</b>	<b>129,264,770</b>	<b>746,227,656</b>	<b>20,881,895</b>	<b>2,118,011,896</b>	<b>13,048,614</b>	<b>278,707</b>	<b>-</b>	<b>-</b>	<b>263,875</b>	<b>812,117,239</b>	<b>825,708,435</b>		

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

Description	Joint										Self - Constructed														
	Individuals		Real Estate Finances		Companies		Government and public sector		Banks and Banking Institutions		Total		Real Estate Finances		Major companies		SMEs		Government and public sector		Banks and Banking Institutions		Total		
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
2014																									
Low Risk	2,230,207	-	29,035,330	1,882,432	543,946,355	-	-	577,094,324	-	-	-	-	-	-	-	-	-	-	668,638	946,619,167	947,287,805				
Acceptable Risk	516,241,510	361,553,427	349,645,846	114,452,331	-	-	20,216,395	1,362,109,509	508,204										-	40,889,433	52,160,241				
Accrued: *																									
Until 30 days	33,565	30,748	2,291	123,880	-	-	-	190,484	-	-	-	-	1,578	-	-	-	-	-	-	-	-	-	-	1,578	
From 31 to 60 Days	994,100	501,496	1,584,324	991,005	-	-	-	4,070,925	-	-	-	-	13,247	-	-	-	-	-	-	-	-	-	-	13,247	
Under-control	17,174,050	11,901,959	21,291,217	11,121,169	-	-	-	61,488,395	-	-	-	-	368,443	-	-	-	-	-	-	-	-	-	-	368,443	
Non-operating:																									
Below Standard	848,965	385,212	-	527,630	-	-	-	1,761,807	-	-	-	-	524,492	-	-	-	-	-	-	-	-	-	-	524,492	
Doubtful	1,171,821	720,862	-	68,512	-	-	-	1,961,195	-	-	-	-	203,108	-	-	-	-	-	-	-	-	-	-	203,108	
Depreciated	25,946,741	11,701,786	33,880,549	18,384,462	-	-	-	89,913,538	-	-	-	-	1,980,801	-	-	-	-	-	-	-	-	-	-	1,980,801	
Total	563,613,294	386,263,246	433,852,942	146,436,536	543,946,355	20,216,395	2,094,328,768	13,839,448	508,204	668,638	987,508,600	1,002,524,890													
Less: Deferred Revenues	56,004,548	63,162,200	24,658,965	7,291,537	51,556,245	-	-	202,673,495	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Less: Outstanding Revenues	3,025,067	1,604,314	2,827,981	1,302,428	-	-	-	8,759,790	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Less: Impairment provision	21,028,095	8,552,208	27,711,514	13,488,360	-	-	-	70,780,177	-	-	-	-	3,225,000	-	-	-	-	-	-	-	-	-	-	3,225,000	
Net	483,555,584	312,944,524	378,654,482	124,354,211	492,390,110	20,216,395	1,812,115,306	10,614,448	508,204	668,638	987,508,600	999,299,890													

\* 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:

Description 2015	Joint						Self – Constructed																
	Individuals		Real Estate Finances		Companies		Government and public sector		Total		Individuals		Real Estate Finances		Companies		Government and public sector		Total				
					Major companies		SMEs						Major companies		SMEs								
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD		
Guarantees against:																							
Low Risk	2,527,298	-	11,949,691	1,516,010	822,195,920	838,233,919	-	-	-	-	-	-	-	-	-	-	-	-	-	263,875	263,875		
Acceptable Risk	349,942,881	336,105,844	268,382,637	96,792,490	-	1,051,223,852	6,016,932	278,707	-	-	-	-	-	-	-	-	-	-	-	-	6,295,639	6,295,639	
Under-control	9,877,239	17,838,090	24,900,311	10,383,331	-	62,998,971	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Non-operating:																							
Below Standard	965,204	923,993	603,468	190,923	-	2,683,588	106,619	-	-	-	-	-	-	-	-	-	-	-	-	-	106,619	106,619	
Doubtful	1,041,898	639,755	3,105,689	1,370,778	-	6,158,120	19,931	-	-	-	-	-	-	-	-	-	-	-	-	-	19,931	19,931	
Depreciated	18,514,664	14,667,051	24,204,741	19,600,352	-	76,986,808	70,000	-	-	-	-	-	-	-	-	-	-	-	-	-	70,000	70,000	
Total	382,914,184	370,174,733	333,146,537	129,853,884	822,195,920	2,038,285,258	6,213,482	278,707	-	-	-	-	-	-	-	-	-	-	-	263,875	6,756,064	6,756,064	
of which:																							
Cash margins	2,572,298	-	-	1,516,010	-	4,088,308	27,694	-	-	-	-	-	-	-	-	-	-	-	-	-	-	27,694	27,694
Acceptable bank guarantees	-	-	11,949,691	-	-	11,949,691	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Real estate	138,936,190	354,945,389	315,404,010	114,668,416	-	923,954,005	172,191	278,707	-	-	-	-	-	-	-	-	-	-	-	-	-	450,898	450,898
Traded shares	-	-	-	12,600	-	12,600	6,013,597	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6,013,597	6,013,597
Vehicles and machines	241,405,696	15,229,344	5,792,836	13,656,858	-	276,084,734	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Description 2014	Joint						Self – Constructed													
	Individuals		Real Estate Finances		Companies		Government and public sector		Total		Individuals		Real Estate Finances		Companies		Government and public sector		Total	
	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	JD	JD	JD
Guarantees against:																				
Low Risk	2,230,207	-	29,035,330	1,882,432	543,946,355	577,094,324	-	-	-	-	-	-	-	-	-	-	668,638	668,638	-	668,638
Acceptable Risk	303,427,719	184,431,047	219,548,191	96,039,064	-	803,446,021	40,772	453,204	-	-	-	-	-	-	-	-	-	-	-	493,976
Under-control	17,109,825	11,857,450	21,211,595	11,079,579	-	61,258,449	293,240	-	-	-	-	-	-	-	-	-	-	-	-	293,240
Non-operating:																				
Below Standard	632,246	286,877	-	392,939	-	1,312,062	115,231	-	-	-	-	-	-	-	-	-	-	-	-	115,231
Doubtful	847,426	521,306	-	49,546	-	1,418,278	47,970	-	-	-	-	-	-	-	-	-	-	-	-	47,970
Depreciated	23,094,201	10,415,311	30,155,779	16,363,306	-	80,028,597	1,980,801	-	-	-	-	-	-	-	-	-	-	-	-	1,980,801
Total	347,341,624	207,511,991	299,950,895	125,806,866	543,946,355	1,524,557,731	2,478,014	453,204	-	-	-	-	-	-	-	-	668,638	668,638	-	3,599,856
of which:																				
Cash margins	2,230,207	-	-	1,882,432	-	4,112,639	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Acceptable bank guarantees	-	-	29,035,330	-	-	29,035,330	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Real estate	146,785,737	206,431,576	266,693,098	110,890,699	-	730,801,110	1,887,520	453,204	-	-	-	-	-	-	-	-	-	-	-	2,340,724
Traded shares	23,298	12,600	-	241,157	-	277,055	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vehicles and machines	198,302,382	1,067,815	4,222,467	12,792,578	-	216,385,242	-	-	-	-	-	-	-	-	-	-	-	-	-	-



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

- These are those receivables which have already been classified as non-operating receivables/ finances and were set aside in terms of the non-operating receivables and finances in accordance with a legal scheduling under monitoring and were classified as receivables/ finances under monitoring or transferred to operating receivables / finances which amounted JD 24,080,197 on December 31, 2015 against JD 24,863,685 on December 31, 2014.

**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 was JD 647,813 on December 31, 2015 against JD Zero on December 31, 2014.

**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 Degree	Rating Institution	December 31, 2015	December 31, 2014
		JD	JD
A	S&P	4,608,500	4,608,500
BB	S&P	10,008,953	-
<b>Total</b>		<b>14,617,453</b>	<b>4,608,500</b>

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

Description	Inside the Kingdom		Other Middle East Countries		Europe		Asia*		America		Other countries		Total	
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Balances at Central Banks	779,161,276	-	-	-	-	-	-	-	-	-	-	-	-	779,161,276
Balances at Banks and Banking Institutions	1,437,263	13,141,175	10,920,244	1,402,680	13,093,475	6,398,521	7,444,500	7,444,500	7,444,500	7,444,500	7,444,500	7,444,500	7,444,500	46,393,358
Joint investment account at banks and banking institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Deferred Sales and other Receivables and Finances:</b>														
Individuals	551,702,137	-	-	-	-	-	-	-	-	-	-	-	-	551,702,137
Real Estate Finances	361,794,520	-	-	-	-	-	-	-	-	-	-	-	-	361,794,520
<b>Enterprises:</b>														
Major companies	309,518,548	2,280,602	2,113,743	-	-	7,555,346	-	-	-	-	-	-	-	321,468,239
Small and Medium Enterprises (SMEs)	129,264,770	-	-	-	-	-	-	-	-	-	-	-	-	129,264,770
Government and public sector	746,491,531	-	-	-	-	-	-	-	-	-	-	-	-	746,491,531
<b>Sukuk:</b>														
Within the financial assets at fair value through joint investment accounts holders equities	-	14,617,453	-	-	-	-	-	-	-	-	-	-	-	14,617,453
<b>Total as on December 31, 2015</b>	<b>2,879,370,045</b>	<b>30,039,230</b>	<b>13,033,987</b>	<b>1,402,680</b>	<b>13,093,475</b>	<b>21,398,367</b>	<b>2,958,337,784</b>	<b>2,958,337,784</b>	<b>2,958,337,784</b>	<b>2,958,337,784</b>	<b>2,958,337,784</b>	<b>2,958,337,784</b>	<b>2,958,337,784</b>	<b>2,958,337,784</b>
<b>Total as on December 31, 2014</b>	<b>2,721,331,757</b>	<b>50,567,006</b>	<b>24,564,384</b>	<b>2,291,820</b>	<b>-</b>	<b>17,268,729</b>	<b>2,816,023,696</b>	<b>2,816,023,696</b>	<b>2,816,023,696</b>	<b>2,816,023,696</b>	<b>2,816,023,696</b>	<b>2,816,023,696</b>	<b>2,816,023,696</b>	<b>2,816,023,696</b>

\*Except the Middle East countries.

## 4- The Concentration in Credit Exposures According to the Economic Sector is as follows:

Description	Financial	Industrial	Commercial	Real Estate	Agriculture	Stocks	Individuals	Government and Public Sector	Total
	JD	JD	JD	JD	JD	JD	JD	JD	JD
Balances at Central Banks	-	-	-	-	-	-	-	779,161,276	779,161,276
Balances with Banks and Banking Institutions	46,393,358	-	-	-	-	-	-	-	46,393,358
Investment accounts at banks and banking institutions	7,444,500	-	-	-	-	-	-	-	7,444,500
Deferred Sales and other Receivables and Finances	-	25,833,049	458,014,133	361,794,520	11,888,922	-	506,699,042	746,491,531	2,110,721,197
<b>Sukuk:</b>									
Within the financial assets at fair value through joint investment accounts holders equities	-	-	14,617,453	-	-	-	-	-	14,617,453
<b>Total as on December 31, 2015</b>	<b>53,837,858</b>	<b>25,833,049</b>	<b>472,631,586</b>	<b>361,794,520</b>	<b>11,888,922</b>	<b>-</b>	<b>506,699,042</b>	<b>1,525,652,807</b>	<b>2,958,337,784</b>
<b>Total as on December 31, 2014</b>	<b>61,105,828</b>	<b>64,437,221</b>	<b>472,762,042</b>	<b>313,452,728</b>	<b>6,390,508</b>	<b>200</b>	<b>458,197,254</b>	<b>1,439,677,915</b>	<b>2,816,023,696</b>

## 2. Liquidity Risks

- The liquidity risks consist in the bank's inability to afford the required financing to fulfill its obligations on their maturity dates. To manage such risks, the Bank shall:
  1. Analyze liquidity (maturity gaps)
  2. Maintain a reasonable percentage of liquidity to face issued cash flows.
  3. Diversify sources of financing.
  4. A committee is available to manage assets and liabilities.
  5. Distribute finances on different sectors and geographical areas to minimize the risks of concentration.
  6. Liquidity is measured, monitored and managed on the basis of the natural and contingent circumstances. This includes using and analyzing the maturity dates of assets and the different financial ratios.



First: The 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:

Description	Less than 1 month	1 to 3 months	3 to 6 months	6 months to 1 year	1 to 3 years	More than 3 years	Without maturity	Total
2015	JD	JD	JD	JD	JD	JD	JD	JD
Liabilities:								
Accounts of Banks and Banking Institutions	3,175,947	-	-	-	-	-	-	3,175,947
Clients' Current Accounts	413,322,714	160,080,675	126,682,094	93,283,513	95,975,115	223,941,935	-	1,113,286,046
Other Provisions	1,187,320	1,978,866	-	-	-	-	5,800,000	8,966,186
Income Tax Provision	8,421,793	14,036,322	-	-	-	-	-	22,458,115
Deferred Tax liabilities	877,056	-	-	964,134	1,446,202	-	2,702,688	5,990,080
Other liabilities	26,489,694	11,045,787	6,564,919	15,689,794	7,913,506	12,197,974	28,739,803	108,641,477
Unrestricted Investment Accounts holders equities	231,849,258	186,586,259	223,353,393	294,095,261	420,484,859	868,949,895	-	2,225,318,925
<b>Total</b>	<b>685,323,782</b>	<b>373,727,909</b>	<b>356,600,406</b>	<b>404,032,702</b>	<b>525,819,682</b>	<b>1,105,089,804</b>	<b>37,242,491</b>	<b>3,487,836,776</b>
<b>Total Assets (according to their Expected Maturity Date)</b>	<b>1,100,967,796</b>	<b>118,154,758</b>	<b>219,847,611</b>	<b>419,285,166</b>	<b>983,077,861</b>	<b>823,697,265</b>	<b>133,960,978</b>	<b>3,798,991,435</b>
Liabilities:								
Accounts of Banks and Banking Institutions	4,123,679	-	-	-	-	-	-	4,123,679
Clients' Current Accounts	381,403,627	148,280,770	117,478,806	86,676,844	87,867,607	205,024,417	-	1,026,732,071
Other Provisions	963,144	1,605,239	-	-	-	-	5,500,000	8,068,383
Income Tax Provision	6,301,444	10,502,408	-	-	-	-	-	16,803,852
Deferred Tax liabilities	1,639,563	-	-	1,084,288	1,626,431	-	3,257,240	7,607,522
Other liabilities	23,043,375	10,026,755	5,654,993	11,392,714	7,404,826	10,230,056	26,593,796	94,346,515
Unrestricted Investment Accounts holders equities	218,608,663	176,654,233	211,976,460	372,185,909	309,125,867	826,293,690	-	2,114,844,822
<b>Total</b>	<b>636,083,495</b>	<b>347,069,405</b>	<b>335,110,259</b>	<b>471,339,755</b>	<b>406,024,731</b>	<b>1,041,548,163</b>	<b>35,351,036</b>	<b>3,272,526,844</b>
<b>Total Assets (according to their Expected Maturity Date)</b>	<b>1,309,682,633</b>	<b>139,381,678</b>	<b>248,232,466</b>	<b>357,193,057</b>	<b>736,546,656</b>	<b>640,469,260</b>	<b>123,233,618</b>	<b>3,554,739,368</b>

## Second: Items beyond the Consolidated Statement of Financial Position

Description	December 31, 2015	
	Till 1 year	Total
	JD	JD
L/Cs and Acceptances	55,663,453	55,663,453
Guarantees	112,253,077	112,253,077
Unutilized Ceilings	122,269,462	122,269,462
Capital liabilities	2,160,942	2,160,942
<b>Total</b>	<b>292,346,934</b>	<b>292,346,934</b>

Description	December 31, 2014	
	Till 1 year	Total
	JD	JD
L/Cs and Acceptances	46,233,647	46,233,647
Guarantees	93,925,757	93,925,757
Unutilized Ceilings	114,334,630	114,334,630
Capital liabilities	1,960,052	1,960,052
<b>Total</b>	<b>256,454,086</b>	<b>256,454,086</b>

### 3. Market Risks:

- The market risks result from fluctuations in the value of marketable assets or renting, exchange rates, stocks rates, commodity rates and leased assets. The Bank works to mitigate these risks through:
  1. Diversifying investments and distributing them on a number of sectors and geographical areas.
  2. Studying the orientation of future investment returns, 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 of Jordan.
- 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 returns and the future exchange rates and investments in light of this study.

2015				
Description	Change (Increase) in Rate of Return (1%)	Rate of Return Sensitivity (Profits & Losses)	Ownership Equities Sensitivity	Investment Accounts Holders Equities Sensitivity
JD	10,944,431	-	6,883,745	4,060,686

2015				
Description	Change (decrease) in Rate of Return (1%)	Rate of Return Sensitivity (Profits & Losses)	Ownership Equities Sensitivity	Investment Accounts Holders Equities Sensitivity
JD	(10,944,431)	-	(6,883,745)	(4,060,686)

2014				
Description	Change (Increase) in Rate of Return (1%)	Rate of Return Sensitivity (Profits & Losses)	Ownership Equities Sensitivity	Investment Accounts Holders Equities Sensitivity
JD	9,869,890	-	5,561,569	4,308,321

2014				
Description	Change (decrease) in Rate of Return (1%)	Rate of Return Sensitivity (Profits & Losses)	Ownership Equities Sensitivity	Investment Accounts Holders Equities Sensitivity
JD	(9,869,890)	-	(5,561,569)	(4,308,321)

**B. Foreign Currency Risks**

- The foreign currency risks are risks resulting from 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 the letters of credit, transfers and demand policies and not for speculation or trading.

2015			
Currency	Change in the Exchange Rate (5%)	Impact on Profits and Losses	Impact on equity
USD	11,559,717	577,986	577,986
EURO	4,678	234	234
GBP	126,176	6,309	6,309
JPY	2,239	112	112
Other Currencies	1,095,392	54,770	54,770
2014			
Currency	Change in the Exchange Rate (5%)	Impact on Profits and Losses	Impact on equity
USD	16,649,975	832,499	832,499
EURO	255,704	12,785	12,785
GBP	135,498	6,775	6,755
JPY	13,550	678	678
Other Currencies	561,191	28,060	28,060

### Concentration in Foreign Currency Risks:

2015	USD	Euro	GBP	JPY	Others	Total
Assets:						
Cash on hand & at central banks	54,476,545	15,294,867	3,944,667	-	1,205,695	74,921,774
Cash at banks & banking Institutions	20,966,849	6,611,457	1,267,628	55,324	4,036,393	32,937,651
Investment accounts at banks and banking institutions	20,881,895	-	-	-	-	20,881,895
Deferred sale receivables and other receivables	120,974,042	897,753	1,200,846	-	3,688,283	126,760,924
Financial assets at fair value through the ownership equity – self constructed	802,417	13,230	-	-	-	815,647
Financial assets at fair value through the joint investment accounts holders equities	22,177,996	-	-	-	-	22,177,996
Other assets	64,514	-	-	-	-	64,514
<b>Total Assets</b>	<b>240,344,258</b>	<b>22,817,307</b>	<b>6,413,141</b>	<b>55,324</b>	<b>8,930,371</b>	<b>278,560,401</b>
Liabilities:						
Deposits in banks and banking institutions	1,188,455	607,420	-	-	4,891	1,800,766
Cash Margins	3,178,462	148,502	825,926	-	7,312	4,160,202
Current accounts	60,587,735	6,259,307	1,765,684	129	1,730,961	70,343,816
Unrestricted investment accounts	163,825,304	15,797,206	3,695,355	52,956	6,091,815	189,462,636
Other liabilities	4,585	194	-	-	-	4,779
<b>Total liabilities</b>	<b>228,784,541</b>	<b>22,812,629</b>	<b>6,286,965</b>	<b>53,085</b>	<b>7,834,979</b>	<b>265,772,199</b>
Net concentration in the consolidated financial position statement 2015	11,559,717	4,678	126,176	2,239	1,095,392	12,788,202
Possible obligations beyond the consolidated financial position statement 2015	31,340,781	4,726,957	52,577	-	1,418,890	37,539,205
<b>2014</b>						
<b>Total Assets</b>	<b>254,164,734</b>	<b>22,932,469</b>	<b>6,041,770</b>	<b>104,817</b>	<b>9,022,575</b>	<b>292,266,365</b>
<b>Total Liabilities</b>	<b>237,514,759</b>	<b>22,676,765</b>	<b>5,906,272</b>	<b>91,267</b>	<b>8,461,384</b>	<b>274,650,447</b>
Net Concentration in the consolidated financial position statement 2014	16,649,975	255,704	135,498	13,550	561,191	17,615,918
Possible obligations beyond the consolidated financial position statement 2014	30,233,634	4,514,405	254,199	50,052	239,459	35,291,749



### 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.

Description	Change in the statement index (5%)	Impact on losses and Profits	Impact on equity	Impact on investment account holders equities
2015	JD	JD	JD	JD
Amman Stock Exchange	4,830	-	3,038	1,792
2014				
Amman Stock Exchange	242,924	-	136,885	106,039

### 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.

### 4. Compliance Risks

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

### 5. Operation Risks

- These are risks that might result from the failure or unsuitability 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.
  - Collect information about the operational events / losses to establish database on these events to be analyzed by used a special system for the operational risks management and produce different reports.
  - 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.

## 6. Goodwill Risks

- These are risks that might result 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 many burglary or piracy 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, and provide suitable protection systems.

## (60) Information on the Bank's Sectors:

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

The bank is organized for administrative purposes by measuring sectors based on the reports submitted to the General Manager and the primary decision maker in the bank 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, and leasing.

#### Treasury:

This sector includes provision of trading, and Bank's funds management services.

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

Description	Total										
	Individuals		Enterprises		Investment in Assets		Treasury		Others		
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	
Total Revenues (Joint + Self Constructed)	114,835,223	74,525,212	3,250,348	7,649,721	34,324	200,294,828	188,356,332	-	-	2,111,037	1,970,868
Net results of Subsidiaries	-	-	2,111,037	-	-	(17,739,064)	(24,957,043)	-	-	-	-
Share of the Investment Risks Fund from the revenues of Joint Investment Accounts Holders	(11,483,522)	(6,255,542)	-	-	-	(50,188,798)	(49,640,742)	-	-	-	-
Share of the unrestricted Investment Accounts and non-controlling interests from the net results of subsidiary companies	(45,318,229)	(2,759,532)	(2,111,037)	-	-	-	-	-	-	-	-
Sector Business Results	58,033,472	65,510,138	3,250,348	7,649,721	34,324	134,478,003	115,729,415	-	-	-	-
Distributed Expenses	(25,751,731)	(29,174,413)	(1,462,657)	(3,404,126)	-	(59,792,927)	(51,757,709)	-	-	-	-
Profits before tax	32,281,741	36,335,725	1,787,691	4,245,595	34,324	74,685,076	63,971,706	-	-	-	-
Income Tax	(11,491,402)	(12,480,166)	(607,815)	(1,385,237)	-	(25,964,620)	(18,842,331)	-	-	-	-
Profit after tax	20,790,339	23,855,559	1,179,876	2,860,358	34,324	48,720,456	45,129,375	-	-	-	-
Sector Assets	1,169,985,613	934,586,008	652,312,494	945,723,609	-	3,702,607,724	3,458,492,357	-	-	-	-
Investment in Affiliates	-	-	15,065,698	-	-	15,065,698	15,554,640	-	-	-	-
Assets not distributed to Sectors	-	-	-	-	81,318,013	81,318,013	80,692,371	-	-	-	-
Total Assets	1,169,985,613	934,586,008	667,378,192	945,723,609	81,318,013	3,798,991,435	3,554,739,368	-	-	-	-
Sector Liabilities	3,015,254,561	323,350,410	-	3,175,947	-	3,341,780,918	3,145,700,572	-	-	-	-
Liabilities not Distributed to Sectors	-	-	-	-	146,055,858	146,055,858	126,826,272	-	-	-	-
Total Liabilities	3,015,254,561	323,350,410	-	3,175,947	146,055,858	3,487,836,776	3,272,526,844	-	-	-	-
Capital Expenses	-	-	-	-	11,208,573	11,208,573	9,053,778	-	-	-	-
Depreciations and amortizations	-	-	-	-	9,042,325	9,042,325	5,038,710	-	-	-	-

## 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:

Description	Inside the Kingdom		Outside the Kingdom		Total	
	2015	2014	2015	2014	2015	2014
	JD	JD	JD	JD	JD	JD
Total Revenues	199,371,842	187,435,736	922,986	919,947	200,294,828	188,755,683
Total assets	3,520,431,034	3,262,473,003	278,560,401	292,266,365	3,798,991,435	3,554,739,368
Capital expenses	11,208,573	9,053,778	-	-	11,208,573	9,053,778

### (61) Capital Management

- The capital of the bank consists of the paid-in capital, reserves- including the statutory, voluntary, general banking risks reserves- and other reserves, and retained earnings.
- Pursuant to the instructions of the Central Bank of Jordan that are based on the decisions of Islamic Financial Services Council, 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 ratio compared with the previous year:

Description	December 31, 2015	December 31, 2014
	JD	JD
<b>Principal Capital Items:</b>	<b>283,149</b>	<b>256,944</b>
Subscribed (paid-up) capital	150,000	150,000
Statutory Reserve	59,988	52,512
Voluntary Reserve	14,273	6,825
Retained Earnings	63,131	51,834
50% of Bank's share from investments in Banks' capitals and other financial companies	(247)	(247)
50% of Bank's share from investment in insurance companies	(964)	(840)
Intangible Assets	(3,032)	(3,140)
<b>Additional Capital Items:</b>	<b>8,486</b>	<b>6,779</b>
Fair value reserve of the financial assets at fair value through ownership equities	253	378
Bank's share from the fair value capital of the financial assets at fair value through the joint investment accounts holders equities	464	526
Bank's share from the surplus of the investment risks fund	4,305	2,604
General Banking Risks Reserve / self-constructed	700	700
Bank's share from the general banking risks reserve / joint	3,975	3,658
50% of the Bank's share from investments in banks' capitals and other financial companies	(247)	(247)
50% of the Bank's share from investment in insurance companies	(964)	(840)
<b>Total Regulatory Capital</b>	<b>291,635</b>	<b>263,723</b>
Total Assets and off the Consolidated Statement of Financial Position Items	1,381,470	1,258,725
<b>Capital Adequacy Ratio (%)</b>	<b>21.11%</b>	<b>20.95%</b>
<b>Principal Capital Ratio (%)</b>	<b>20.50%</b>	<b>20.41%</b>



**(62) Accounts Managed for Clients:**

The Accounts managed for clients amounted JD 370,792,284 as of December 31, 2015 compared to JD 300,488,576 as of December 31, 2014. These accounts are not shown within the bank's liabilities in the consolidated financial statements.

**(63) Assets and Liabilities Maturity Analysis:**

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

Description	December 31, 2015		
	Till 1 year	More than 1 year	Total
	JD	JD	JD
<b>Assets:</b>			
Cash and account balances at central banks	891,885,751	-	891,885,751
Account balances at banks and banking institutions	46,393,358	-	46,393,358
Unrestricted investment accounts at banks and banking institutions	7,444,500	-	7,444,500
Deferred Sales and other receivables –Net	798,301,796	1,278,555,999	2,076,857,795
Ijara Muntahia Bittamleek Assets –Net	32,569,114	450,526,761	483,095,875
Finances – Net	3,970,966	23,742,860	27,713,826
Financial assets at fair value through the ownership equity – self constructed	7,028,385	676,128	7,704,513
Financial assets at fair value through joint investment accounts holders equities	31,317,956	22,185,537	53,503,493
Investments in Affiliates	3,766,425	11,299,273	15,065,698
Real Estate Investments	21,601,724	86,406,889	108,008,613
Al Qard Al Hasan-Net	5,441,386	708,190	6,149,576
Property and Equipment –Net	-	63,602,355	63,602,355
Intangible Assets – Net	-	3,032,112	3,032,112
Other Assets	8,533,970	-	8,533,970
<b>Total Assets</b>	<b>1,858,255,331</b>	<b>1,940,736,104</b>	<b>3,798,991,435</b>
<b>Liabilities and Unrestricted Investment Accounts Holders' Equities:</b>			
Banks and Banking Institutions Accounts	3,175,947	-	3,175,947
Clients' Current and Call Accounts – Trust	793,368,995	319,917,051	1,113,286,046
Cash Margins	26,164,915	17,425,677	43,590,592
Receivables	1,571,695	-	1,571,695
Other Provisions	-	5,800,000	5,800,000
Income Tax Provision	22,458,115	-	22,458,115
Deferred Tax Liabilities	90,832	211,940	302,772
Other Liabilities	13,151,302	7,564,510	20,715,812
Unrestricted Investment Accounts	935,884,172	1,289,434,753	2,225,318,925
Fair Value Reserve	10,562,145	-	10,562,145
Investment Accounts Holders Reserve –Subsidiaries	8,340,137	2,780,046	11,120,183
Non-controlling Equities	-	1,172,977	1,172,977
Investment Risks Fund	-	19,908,073	19,908,073
Deferred tax liabilities	1,750,358	3,936,950	5,687,308
Income Tax Provision- Investment Risks Fund	3,166,186	-	3,166,186
<b>Total Liabilities &amp; Unrestricted Investment Accounts Holders' Equities and Assets</b>	<b>1,819,684,799</b>	<b>1,668,151,977</b>	<b>3,487,836,776</b>
<b>Net</b>	<b>38,570,532</b>	<b>272,584,127</b>	<b>311,154,659</b>

Description	December 31, 2014		
	Till 1 year	More than 1 year	Total
	JD	JD	JD
<b>Assets:</b>			
Cash and account balances at central banks	1,043,645,511	-	1,043,645,511
Account balances at banks and banking institutions	61,105,828	-	61,105,828
Deferred Sales and other receivables –Net	836,522,865	936,178,562	1,772,701,427
Ijara Muntahia Bittamleek Assets –Net	28,094,029	387,221,803	415,315,832
Finances – Net	3,834,450	21,471,666	25,306,116
Financial assets at fair value through the ownership equity – self constructed	8,368,893	778,395	9,147,288
Financial assets at fair value through joint investment accounts holders equities	27,279,621	11,224,827	38,504,448
Investments in Affiliates	11,543,234	4,011,406	15,554,640
Real Estate Investments	18,553,182	74,212,725	92,765,907
Al Qard Al Hasan-Net	5,100,003	582,655	5,682,658
Property and Equipment –Net	-	61,427,431	61,427,431
Intangible Assets – Net	-	3,140,064	3,140,064
Other Assets	10,442,218	-	10,442,218
<b>Total Assets</b>	<b>2,054,489,834</b>	<b>1,500,249,534</b>	<b>3,554,739,368</b>
<b>Liabilities and Unrestricted Investment Accounts Holders' Equities:</b>			
Banks and Banking Institutions Accounts	4,123,679	-	4,123,679
Clients' Current and Call Accounts – Trust	735,936,258	290,795,813	1,026,732,071
Cash Margins	20,188,808	14,614,367	34,803,175
Receivables	1,793,040	-	1,793,040
Other Provisions	-	5,500,000	5,500,000
Income Tax Provision	16,803,852	-	16,803,852
Deferred Tax Liabilities	-	452,637	452,637
Other Liabilities	7,605,353	8,844,210	16,449,563
Unrestricted Investment Accounts	975,920,345	1,138,924,477	2,114,844,822
Fair Value Reserve	13,287,644	-	13,287,644
Investment Accounts Holders Reserve –Subsidiaries	7,019,713	2,658,025	9,677,738
Non-controlling Equities	997,660	87,205	1,084,865
Investment Risks Fund	-	17,250,490	17,250,490
Deferred tax liabilities	3,358,179	3,796,706	7,154,885
Income Tax Provision- Investment Risks Fund	2,568,383	-	2,568,383
<b>Total Liabilities &amp; Unrestricted Investment Accounts Holders' Equities and Assets</b>	<b>1,789,602,914</b>	<b>1,482,923,930</b>	<b>3,272,526,844</b>
<b>Net</b>	<b>264,886,920</b>	<b>17,325,604</b>	<b>282,212,524</b>

## (64) Potential Obligations (Off the Consolidated Financial Position Statement) Credit Obligations

Description	December 31, 2015	December 31, 2014
	JD	JD
L/Cs	50,151,678	41,096,936
Acceptances	5,511,775	5,136,711
Guarantees:	112,253,077	93,925,757
- Paying	32,319,384	28,819,534
- Performance bonds	46,736,611	39,076,983
- others	33,197,082	26,029,240
- Unutilized Limits	122,269,462	114,334,630
<b>Total</b>	<b>290,185,992</b>	<b>254,494,034</b>

## Contractual Obligations

Description	2015	2014
	JD	JD
Contracts of Purchasing properties, equipment and systems	2,160,942	1,960,052

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

## (64) Lawsuits filed against the Bank

The value of the lawsuits filed against the bank (self-constructed) amounted JD 10,906,347 and 10,594,792 as of December 31, 2015 and December 31, 2014 respectively. In addition, the value of the lawsuits filed against the bank (joint) amounted JD 1,526,960 and JD 625,641 as of December 31, 2015 and December 31, 2014 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. What the Bank may incur will be covered from the Bank's provisions. The Bank shall not incur any amounts for the lawsuits filed against it (self-constructed).

## (65) Comparative Figures

Some of 2014 comparative figures were reclassified and adjusted to commensurate with the classification figures of 2015.

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to attain greater  
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**The data of the Bank's Headquarter,  
Branches, and Offices**



### The data of the Bank's Headquarter, Branches, and Offices

Head Office and branches	Address	Telephone	Fax	P. O. Box	P. C.	No. of employees
Head Office	Culture Street/ Shmaisani / Amman	+962 6 5677377 +962 6 5666325	+962 6 5666326 +962 6 5684755	926225	11190	550
Shmaisani Branch	Cuture Street / Shmaisani / Amman	+962 6 5677107 +962 6 5623613	+962 6 5691700 +962 6 5623612	925997	11190	40
Amman Branch	King Faisal Str./ Amman	+962 6 4638306 +962 6 4653306	+962 6 4652400 +962 6 4614299	7987	11118	28
Jabal AL-Hussein Branch	Khalid bin AL-Walid Str. / Amman	+962 6 5694403 +962 6 5673408	+962 6 5693866 +962 6 5624184	926943 921047	11110	31
Zarqa Branch	King Hussein Str. Zarqa	+962 6 3981401 +962 6 3984667	+962 5 3930911 +962 5 3984646	5753	13111	44
Wehdat Branch	Prince Hassan Str./ Amman	+962 6 4778101 +962 6 4744361	+962 6 4789144 +962 6 4751645	16165	11152	31
Irbid Branch / Baghdad Str.	Baghdad Str./ Irbid	+962 2 7245151 +962 2 7240728	+962 2 7247051 +962 2 7240730	1950	21110	45
Bayader Wadi Essir Branch	Main Street / Al Bayader	+962 6 5816152 +962 6 5859662	+962 6 5824162	140223	11814	31
Aqaba Branch	Al Darb – Princess Haya Circle / Aqaba	+962 3 2014315 +962 3 2014317	+962 3 2014313	1048	77110	21
Ma'adaba Branch	Petra Str./ Ma'adaba	+962 5 3242802 +962 5 3248898	+962 5 3244702	695	17110	25
Sweileh Branch	King Hussein Str./ Sweileh	+962 6 5341563 +962 6 5359879	+962 6 5349461	717	11910	19
Ma'an Branch	King Hussein Str./ Ma'an	+962 3 2132235 +962 3 2131799	+962 3 2131733	204	71111	20
Kerak Branch	Italian Str. Kerak	+962 3 2353513 +962 3 2352636	+962 3 2353508 +962 3 2353484	220	61110	25
Jerash Branch	King Abdullah Str./ Jerash	+962 2 6352652 +962 2 6352653	+962 2 6352654 +962 2 6352264	32	26110	31
Mafraq Branch	King Faisal Str./Mafraq	+962 2 6231974 +962 2 6230381	+962 2 6232212	68	25110	26
Salt Branch	Al Bayyadah Str./ Salt	+962 5 3553790 +962 5 3557985	+962 5 3553792	1035	19110	18
Tafileh Branch	Municipality Str./ Tafileh	+962 3 2242647 +962 3 2242648	+962 3 2242650	42	66110	22
Alrawdah Branch	Alrawdah Str./ Amman	+962 6 5159721 +962 6 5152774	+962 6 5151773	961155	11196	24 (including the service staff of Al Rawda Branch)
Rusaifeh Branch	King Hussein Str./ Rusifeh	+962 5 3744756 +962 5 3743698	+962 5 3744758	1138	13710	18
Saqf Al-Seel Branch	Saqf Al-Seel/ Amman	+962 6 4614801 +962 6 4615974	+962 6 4614805 +962 6 4616256	182059	11118	26
Irbid Branch / AL-Hashmi Str.	AL-Hashmi Str./ Irbid	+962 2 7279401 +962 2 7276821	+962 2 7279405 +962 2 7276437	501	21101	39
Ajloun Branch	Opposite to the Consumers Corporation / Ajloun	+962 2 6420777 +962 2 6421004	+962 2 6420700	167	26810	25
AL-Weibdeh Branch	Abdali / Opposite to the car station / Amman	+962 6 4616420 +962 6 4616340	+962 6 4616450	927988	11190	16

Head Office and branches	Address	Telephone	Fax	P. O. Box	P. C.	No. of employees
Deir Abi Said Branch	King Hussein Str./ Deir Abi Said	+962 2 6521551 +962 2 6521654	+962 2 6521553	45	21710	21
Yarmouk Branch	Yarmouk Str./ Amman	+962 6 4757161 +962 6 4757162	+962 64757169	620832	11162	23
Abu Alanda Branch	Ring Road / Amman	+962 6 4162001 +962 6 4162973	+962 6 4162971	742	11592	20
Sahab Branch	Behind the vegetable market / Sahab	+962 6 4023801 +962 6 4023804	+962 6 4023803	647	11511	19
Marka Branch	King Abdullah Str./ Amman	+962 6 4889311 +962 6 4894399	+962 6 4886633	340965	11134	23
Mu'tah Branch	University Str./ Mu'tah	+962 3 2370001 +962 3 2370285	+962 3 2371804	50	61621	27
Guerieh Branch	King Ghazi Str./Zarqa	+962 5 3930901 +962 3 3930902	+962 3 3930903	150266	13115	16
Ramtha Branch	Banks Str./ Ramtha	+962 2 7380490 +962 22 7380493	+962 2 7380494	546	21410	22
Al-Hashmi Al-Shamali Branch	Jabal Al Hashmi Al-Shamali / Amman	+962 6 5052111 +962 6 5051117	+962 6 5055114	230693	11123	19
Al- Hashmieh Branch	Al Hashmieh / Zarqa	+962 5 3811701 +962 5 3811705	+962 53811709	185	13125	16
Irbid Branch / Hakama Str.	Hakama Str./ Irbid	+962 2 7401352 +962 2 7401357	+962 2 7401361	230101	21110	23
Al – Baqa'a Branch	Al-Baqa'a Camp / Al-Baqa'a	+962 6 4726333 +962 6 4726335	+962 6 4726334	825	19381	19
Jabal Attaj Branch	Haouz Str./ Amman	+962 6 4752300 +962 6 4755644	+962 6 4752302	410676	11141	17
Kufranja Branch	Main Str./ Kufranja	+962 2 6454501 +962 2 6454609	+962 2 6454510	61	26873	15
Al Naser Branch	Sabra & Shatila Str./ Amman	+962 6 4921400 +962 6 4921406	+962 6 4921409	425838	11140	18
Yajooz Branch	Main Street / Yajooz	+962 5 3745150 +962 5 3745152	+962 5 3745153	120032	13712	18
Hai Nazal Branch	Al Dostor Str./ Amman	+962 6 4397930 +962 6 4397931	+962 6 4397937	710999	11171	22
Tla' Al-Ali Branch	Tla' Al-Ali / Amman	+962 6 5333184 +962 6 5340255	+962 6 5342744	1582	11953	18
Hai Ma'asoum Branch	Al-Farouq Str./ Zarqa	+962 5 3935401 +962 5 3935418	+962 5 3935427	11897	13118	17
Abdullah Gosheh Str., Branch	Umn Al-Sumaq / Amman	+962 6 5857521 +962 6 5857520	+962 6 5857529	709	11821	18
Irbid Branch / Eidoun	Eidoun / Irbid	+962 2 7254756 +962 2 7254760	+962 2 7254763	620595	21162	21
Wasfi Al-Tal Str., Branch	Wasfi Al-Tal Str./ Amman	+962 6 5528102 +962 6 5528095	+962 6 5528075	961021	11196	22
Al- Nuzha Branch	Jabal Al-Nuzha / Amman	+962 6 5673325 +962 6 5673397	+962 6 5673635	240448	11124	17
Marj Al-Hamam Branch	Marj Al-Hamam Str./ Amman	+962 6 5714077 +962 6 5714556	+962 6 5715538	1093	11732	17

Head Office and branches	Address	Telephone	Fax	P. O. Box	P. C.	No. of employees
Wadi Musa Branch	Main Street, Wadi Musa	+962 3 2157919 +962 3 2157920	+962 3 2157922	53	71810	15
Al-Jebeiha Branch	Main Street / Amman	+962 6 5344261 +962 6 5344237	+962 6 5344239	874	11941	17
Tareq Branch / Tabarboor	Shehab Al-Habri Str./ Amman	+962 6 5060436 +962 6 5060541	+962 6 5060548	295	11947	20
Irbid Branch / Palestine Street	Palestine Str./ Irbid	+962 2 7262101 +962 2 7262105	+962 2 7262109	3922	21110	22
Al-Zarqa Al-Jadeedah Branch	Makka Mukarama Str./ Zarqa	+962 5 3852402 +962 5 3852405	+962 5 3852410	150472	13115	18
Deir Alla Branch	Main Street / Deir Alla	+962 5 3573520 +962 5 3573521	+962 5 3573525	44	18210	16
Al-Sweifeh Branch	Al-Sweifeh / Amman	+962 6 5812226 +962 6 5812227	+962 6 5812029	142643	11844	15
Abu Nsair Branch	Abu Bsair / Amman	+962 6 5236325 +962 6 5236326	+962 6 5236329	541405	11937	17
Al-Thaniya Branch	Al-Thaniya / Kerak	+962 3 2386626 +962 3 2386627	+962 3 2386632	15	61151	17
Khraibt Essouq Branch	Khraibt Essouq / Amman	+962 6 4120846 +962 6 4120928	+962 6 4120894	987	11621	17
Khalda Branch	Amer bin Malek Str./ Amman	+962 6 5545948 +962 6 5546296	+962 6 5542813	4428	11953	16
Al-Shoneh Al- Shamalieh Branch	Main Street / Al-Shoneh Al-Shamalieh	+962 2 6580282 +962 2 6580275	+962 2 6580298	15	28110	13
Al-Qasr Branch	Al-Qasr / Kerak	+962 3 2315050 +962 3 2315590	+962 3 2315524	32	61210	15
Jabal Amman Branch	Jabal Amman / Amman	+962 6 4633016 +962 6 4633017	+962 6 4633048	840610	11180	16
Al-Dlail Branch	Tareq Complex / Al-Dlail	+962 5 3825179 +962 5 3825180	+962 5 3825181	190	13136	16
Wadi Alhajar Branch	Zarqa / Highway Street	+962 5 3651990 +962 5 3652304	+962 5 3651034	1927	13110	15
Irbid Branch/ Al Hosn	Al Hosn / Irbid	+962 2 7012401 +962 2 7012402	+962 2 7012404	357	21510	16
Bawabit Al Salt Branch	King Abdullah II Street, Opposite to the Justice Palace/ Salt	+962 5 3530591 +962 5 3530639	+962 5 3550453	484	19110	14
Naur branch	Western Madaba Street – Martyr Circle / Amman	+962 6 5725861 +962 6 5725864	+962 6 5725870	114	11710	14
Islamic Hospital Branch	Islamic Hospital / Amman	+962 6 5657261 +962 6 5657262	+962 6 5657264	928430	11190	15
Al-Huriah Street Branch	Al-Huriah Street / Al- Muqableen	+962 6 4205617 +962 6 4206259	+962 6 4205769	606	11623	15
Al Yasmin District Branch	Al Yasmin District / Amman	+962 6 4205413 +962 6 4205347	+962 6 4205386	710068	11117	15
Al Shouneh Al Janoubayeh Branch	King Hussein Bridge Street / Al Shouneh Al Janoubayeh	+962 5 3581173 +962 5 3581175	+962 5 3581194	23	18110	11

Head Office and branches	Address	Telephone	Fax	P. O. Box	P. C.	No. of employees
Southern Marka Branch	Saleh Al Hamalan Street (previously Al Feda'), Sourhtern Marka / Amman	+962 6 4900205 +962 6 4900193	+962 6 4900208	420300	11142	14
Jizah Branch	Desert Road – Next to Education Department / Amman	+962 6 4460159 +962 6 4460165	+962 6 4460166	282	16010	13
Shawbak Branch	Main Street – Departments Complex / Shawbak	+962 3 2165460 +962 3 2165467	+962 3 2165461	66	71910	12
Irbid Branch / Bani Kenana	Sama Al- Rosan Intersectoin Bani Kenanah / Irbid	+962 2 7585150 +962 2 7585152	+962 2 7585124	25	21129	14
Industrial Area Office / Sahab	Industrial Area / Sahab	+962 6 4029720 +962 6 4029722	+962 6 4029725	259	11512	4
C-Town Office	Amman Mall / Amman	+962 6 5528394 +962 6 5528395	+962 6 5528397	1582	11953	5
Hitteen Camp Office	Hitten Camp / Rusaifa	+962 5 3611253 +962 5 3611254	+962 5 3611328	2720	13713	4
Awajan Office	Main Street / Awajan	+962 5 3656663 +962 5 5656664	+962 5 3655029	8545	13162	3
Istiklal Mall Office	Istiklal Street, Al-Nuzha	+962 6 5683936 +962 6 5683937	+962 6 5683897	922503	11192	3
Al-Marj Offie	Al-Marj / Kerak	+962 3 2341494 +962 3 2341496	+962 3 2341495	14	61112	3
Bsaira Office	Bsaira / Tafileh	+962 3 2267082 +962 3 2267087	+962 3 2267105	54	66610	4
Irbid Office / Al-Taiba	Al-Taiba / Irbid	+962 2 7330039 +962 2 7330041	+962 3 7330456	17	21810	4
Jerash Office	King Hussein Street/Jerash	+962 2 6340115 +962 2 6340122	+962 2 6340130	32	26110	6
Free Zone Office	Gate No. (1) – Free Zone, Zarqa	+962 5 3826739 +962 5 3826762	+962 5 3826741	186	13134	3
Al Badia Al Shamaliah Office	Baghdad International Street / Salhiyeh, Mafrqa	+962 2 6282369 +962 2 6282383	+962 2 6282882	60	54510	5
Al-Sbeihi Office	Downtown – Al – Arda Region, Al-Sbeihi	+962 5 3523466 +962 5 3523495	+962 5 3523510	484	19110	5
Al Shajara Office	King Hussein Street – Al Shajara, Ramtha	+962 2 7359348 +962 2 7359377	+962 2 7359377	42	21382	4
Aqaba office	Tunisian Baths Street / Aqaba	+962 3 2014665 +962 3 2014687	+962 3 2031706	1048	77110	8
Madaba Office	Amman – Madaba west road – Opposite to the Electricity Company / Madaba	+962 5 3241731 +962 5 3241756	+962 5 3241756	695	17110	7
Al Huseiniyah Office	Al Huseiniyah – South Mazar / Karak	+962 3 2332709 +962 3 2332711	+962 3 2332712	50	61621	6
Balama Office	Balama – Next to Balama Judicial Department / Mafrqa	+962 2 6203931 +962 2 6203932	+962 2 6203937	185	13125	5
Sameh Mall Office	Martyr Street, Commercial Complex – Areefah Mall / Amman	+962 6 5066236 +962 6 5065730	+962 6 5066779	295	11947	5



Head Office and branches	Address	Telephone	Fax	P. O. Box	P. C.	No. of employees
Wadi Essir Office	Iraq Al Amir Street – Wadi Essir / Amman	+962 6 5865424 +962 6 5864780	+962 6 5864891	140223	11814	5
Sports City Office	Queen Rania Al Abdullah Street, Sports City Circle / Amman	+962 6 5656872 +962 6 5657912	+962 6 5658097	926943	11110	6
Al-Bonded Office	Sahab Industrial City / Sahab	+962 6 4029727 +962 6 4029728	+962 6 4029729	259	11512	12

The Bank does not have branches and offices outside the Kingdom.

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