

2016

The Thirty Eighth
Annual Report





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





HRH Prince Hussein Abdullah
Crown Prince

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

In the Name of Allah,
the Compassionate, the Merciful



Jordan Islamic Bank

Public Shareholding 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then effective Companies Law and in accordance with the provisions of Jordan Islamic Bank Law No. 13 of 1978, which was superseded by the Banks Law No. 62 of 1985 that was abolished pursuant to the Banks Law No. 28 of 2000 effective as of 02/08/2000, which included a special chapter on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 Eighth Annual Report for the year 2016



Presented to the General Assembly at their ordinary meeting convened in Amman on Wednesday 29 Rajab 1438 AH Corresponding to 26/4/2017 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.

Members of the Board of Directors

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

Chairman
Board of Directors

H.E. Dr.
Hatim Hafez Al Halawani Al Tamimi

Vice-Chairman
Board of Directors

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

Member

AlBaraka Banking Group Co.
Represented by H.E. Mr. Adnan Abdallah Al-Hamad Al-Bassam

Member

AlBaraka Banking Group Co.
Represented by H.E. Mr. Hood Hashem Ahmed Hashem

Member

H.E. Mr.
Salem Ahmad Jamil Al Khaza'aleh

Member

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

Member



A photo shows the members of the Board of Directors and H.E Mr. Musa Shihadeh/ General Manager

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.

Members of the 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" Mohammad Salem 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



H.E. Mr.
"Mohammed Majed" Mahmoud Allan

Deputy General Manager



H.E. Dr.
Hussein Said Saifan

Deputy General Manager



H.E. Mr.
Naeem Mohammed Al- khmos

Assistant General Manager





Chairman's Message



Chairman's Message



Peace be Upon You, so as Allah's Mercy and Blessings

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

Dear Shareholders,

It gives me pleasure, on my behalf and on behalf of the members of the Jordan Islamic Bank's Board to present the annual report of the year 2016 to yourselves. The year 2016 witnessed more achievements and the Bank continued its effort to enhance its success and its position in the market year after year.



Total assets at the end of the present year amounted to nearly JD (4,1) billions at a growth of about (7.9%) comparing to the previous year. The total balances of saving schemes were about JD (3,6) billions at a growth of approximately (7.7%) comparing to the previous year. The total assets of financial investments amounted to about JD (2.9) billions at a growth of nearly (3.4%) compared to the previous year, while the shareholders' equity amounted at JD (343) millions, and the profits of joint investment were around JD (198) and profits before tax about (84) millions. The Bank's profits after tax amounted to about JD (54) million, with a return on equity of approximately (16.52%), all in spite of the crises in the international economy and the surrounding region and its negative impact on the national economy. The Board of Directors recommended to the General Assembly to distribute dividends to shareholders at (15%) of the Bank's paid capital, and to distribute bonus stocks at (20%) of the Bank's paid capital through capitalizing part of the retained earnings, so as to increase the Bank's capital from (150) million Dinars/shares to (180) million Dinars/shares.

In 2016, 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 2016 witnessed the completion of work on the protection and security of Payment Card Industry Data Security Standard Project (PCI-DSS), and receiving the certificate of accreditation, new services were added to ATMs (immediate cash deposit, bill payment and mobile top-up), along with the development and completion of a number of systems and programs.

The Bank continued on its endeavour to make available alternative power resources in some of its locations, by making use of

solar power in generating electricity, through making use of the areas on branches roofs to install the needed cells, which contributes to more saving and decreasing the invoice of power supply as well as decreasing the high electric power loads in the Kingdom, and eventually supporting national economy and protecting nature. It is noteworthy that this project started in its first phase with three branches, and with the operation of phase 3, the renewable energy generating system is now operating in 17 branches, in addition to two power generating systems in the Bonded Centre of the Bank and Disaster Recovery Centre.

These achievements are all attributed to the blessing of Allah, the support of those who believe in the mission and values of the Bank, and its clients, as well as the continuous efforts of the executive management of the Bank and its staff, we pray to Allah to bless them and reward them all for their efforts.

The Bank will continue on its endeavours while observing its values to serve its mission, meet the needs of national economy and local community, by this contributing to the good to the best extent possible.

Last but not the least, I thank the Central Bank of Jordan for its active role and understanding of the special character of Islamic Banks with regard to the instructions it issues.

Adnan Ahmed Yousif

Chairman of the Board



Board of Directors' Report for 2016

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

Board of Directors' Report for 2016

Peace Be upon You, so as Allah Blessings and Mercy, All Praise be to Allah, Lord of the Worlds, And Prayers and Peace be upon Mohammed His Servant and Messenger.

Dear Shareholders,

The state of uncertainty in international economy continued to persist during the year 2016, among the factors that deepened such state of uncertainty was the consent of British people to exit European Union, especially that UK is one of the pillars of the EU, the financial position thereof, and its rank as the world's fifth international economy. The UK's exit was a shock to international economy and adversely impacted it just as soon as the referendum results were announced, all despite the affirmation by the British government that it has put in place a plan to manage the transitional period.

At the regional level, the crises in the countries surrounding us also persisted. Palestine is still under occupation and as such political adverse events raise from time to time, the conflict in Syria, Iraq, Yemen, and Libya continued, economic conditions are still critical in Egypt, GCC Countries are facing budget deficit and decrease in their cash reserve as a result of oil prices decrease, the war in Yemen, which all led to the adaptation of an austerity policy with regard to capital spending, and contemplating the imposition of new taxes, issuance of bonds, or even direct borrowing in order to encounter the budget deficit, notwithstanding the available cash reserve.

Despite the international and regional events and the burdens resulting from the influx of the Syrian refugees, initial estimates of the Jordanian economy indicated that real Gross Domestic Product grew at (2.0%) in the first three quarters of 2016 compared to about (2.3%) for the same period of the last year. The estimates also indicate that the growth in 2016 will reach about (2.4%) which is equal to the growth achieved last year. The inflation rate retrograded at (0.8%) in the first eleven months of the year 2016 compared to (0.9%) for the same period last year. However, unemployment increased in 2016 to reach about (15.3%) of the total workforce against about (13%) in 2015.

The net public debt of Jordan has risen by the end of 2016 compared with its level at the end of 2015 by about JD (1,2) billion, or at (4.9%), to reach about JD (26,1) billion, at (94.8%) of the Gross Domestic Product expected for 2016.



During 2016, the trading volume of Amman Stock Exchange recorded JD (2,3) billions, with a decrease of around JD (1,1) billion (at a percentage of 31.8%) compared to the volume of 2015. The market-value weighted index of free shares has increased by (34) points or at (1.6%) compared to the score of last year, to reach about (2170) points. The market value of the shares listed on the Stock Exchange amounted to about JD (17.3) billion by the end of 2016, with a decrease of about JD (645) million, or 3.6% comparing to the record at the end of 2015.

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 to maintain a relative stability in prices level. By the end of 2016, the balance of such reserves reached about USD (12,9) billions which is sufficient to secure the Kingdom's imports of goods and services for about (7) months. The policy of maintaining the Jordanian Dinar/ US Dollar exchange rate which started in 1995 was maintained at a buying price of JD (0,708)/ USD and a selling price of JD (0,710)/USD, with some fluctuations to other foreign currencies depending on the development of exchange rates of such currencies in the international markets.

As of December 2016, the Central Bank of Jordan (CBJ) decreased (25) base points on some monetary policy instruments, but however maintained repurchase price per night at (3.50%) fixing the rediscount rate at (3.75%). As regards the interest rate in the Jordanian banking market, the weighted average of interest rates on loans and advances decreased at the end of 2016 by (41) base points to reach (7.83%) below its level at the end of 2015. Meanwhile, the weighted average of interest rates on time deposits for the same period decreased by two base points to reach (3.04%).

At the end of 2016, the net balance of the credit facilities granted by banks amounted at about JD (22,9) billion, with an increase of about JD (1,8) billion or a rate of around (8.5%) compared to level recorded at the end of 2015, as opposed to an increase of JD (1.8) billion, or (9.5%) during 2015. The increase in the credit facilities mainly concentrated in the facilities granted to the construction sector by around JD (923) million.

At the end of 2016, the total balance of the deposits with licensed banks reached about JD (32,9) billion, with an increase of about JD (302) million, or (0.9%) compared to the level recorded at the end of 2015, against an increase of about JD (2,3) billion, (7.7%) during 2015.

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 2016 as well as the future ambitions.**

First: Branching

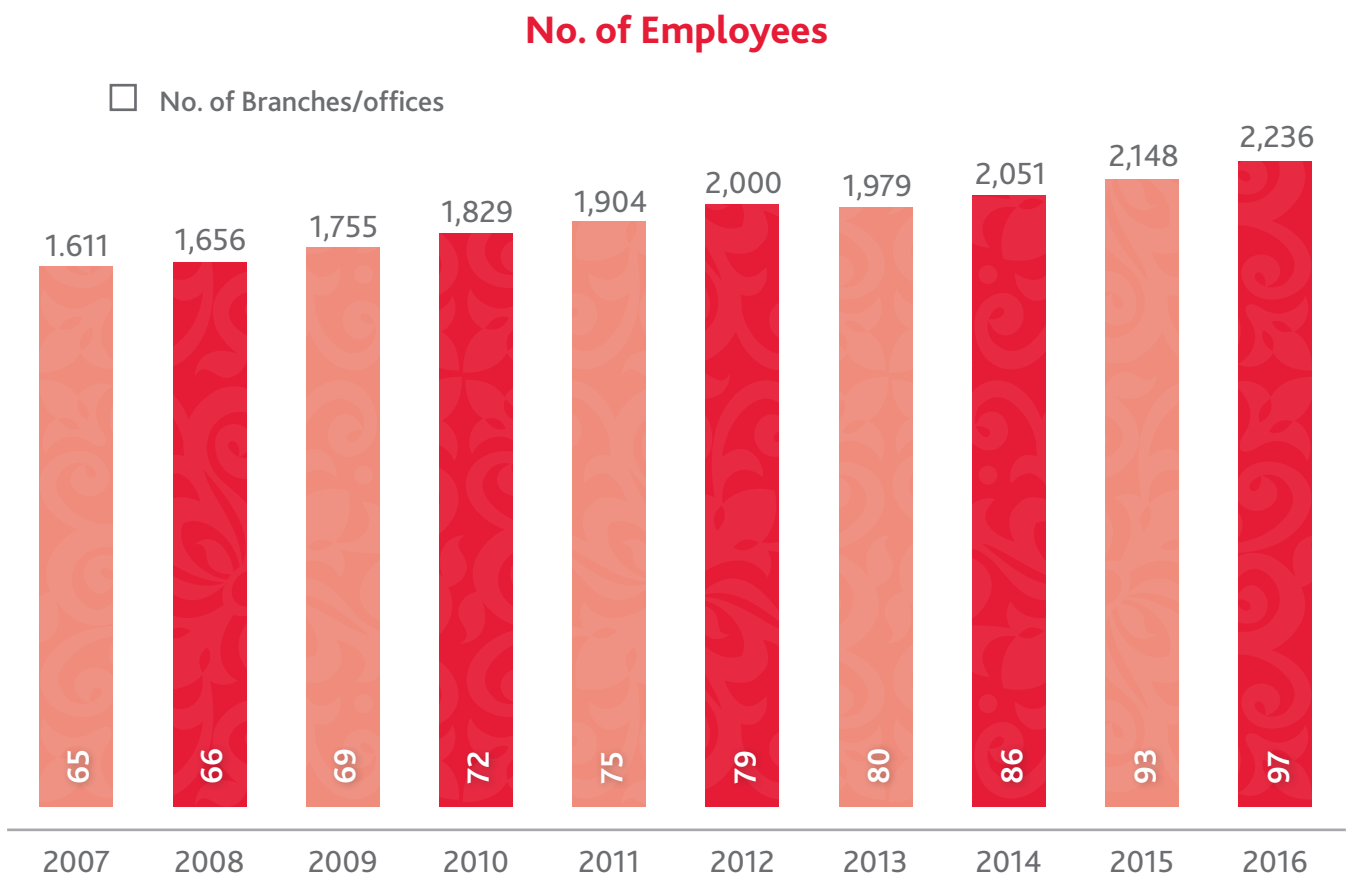
In 2016, new branch (City Centre Branch) / Irbid was opened, in addition to three new offices, namely Wasfi Tal / Amman, Theaban / Madaba, and Ebbien Ebilleen/ Ajloun. Thus, the Bank's network of branches and offices reached (74) branches and (23) banking offices by the end of 2016.

For 2017, It is hoped that the 2015 and 2016 branching plan to open two branches, namely; Abdoun / Amman and Prince Hassan District/Amman (expected to be opened in 2018) will continue to be implemented, this is in addition to four offices in Jubeiha/Amman, Shafa Badran / Amman, Ein Al Basha / Balqa, and Hasa/ Tafelah and the implementation of the 2017 branching plan to open two offices in Turrah / Ramtha and Mafraq.

On the other hand, Ghwairieh Branch/Zarqa was moved to a new site (our bank's building) in the same street (King Ghazi Street) where the new location is more convenient to clients and ensures easier provision of banking services to clients.

Second: Staff

At the end of 2016, the number of the Bank's staff reached (2236). Below is a figure showing the development in the employees' number over the past ten years:





Out of its interest to improve its employees' performance, the Bank enrolled (4199) employees in 2016 for training courses and seminars organized by the Bank's Academy and internal and external specialized parties, compared to (3607) employees in 2015 as shown in the table below:

Description	2016		2015	
	No. of courses / seminars	No. of participants	No. of courses / seminars	No. of participants
Bank's Training Academy	234	3258	206	2727
Training Centres in Jordan	361	887	343	820
Training Centres abroad	33	54	41	60
Total	628	4199	590	3607

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 issues, accounting standards of Islamic financial institutions, banking risk analysis, total quality, combating money laundering and terrorism financing, renewable energy projects, and involving employees in social responsibility activities such as blood donation campaigns, simulating evacuations, fire extinguishment and first aid, vocational health and safety, in addition to participation in related conferences and seminars. Moreover, employees newly appointed in branches continued to receive practical training.

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 (1015) throughout 2016, compared to (992) students in 2015. In addition, (54) employees coming from non-Jordanian banks received training on the work of our bank in 2016, compared to training (21) employees in 2015.

Third: Banking Techniques

During 2016, the Bank accomplished further developments and updating in the field of banking techniques, most notably:

- Continuing working on the project of protection and security of Payment Card Industry Data Security Standard (PCI-DSS), and receiving the certificate of accreditation.
- Adding new services to ATMs, namely instant cash deposit, invoices payment, and mobile phone top-up.
- Updating the equipment of virtual environment and expanded the activation of their application.

- Upgrading SWIFT System as part of enacting security measures required by SWIFT Company.
- Launching new applications for Anti Money Laundering Services.
- Launching Foreign Account Tax Compliance Act (FATCA) Application.
- Launching credit bureau consulting services through CRIF Company.
- Applying RTGS phase II and ACH System.
- Developing, launching, and completing a number of systems and products.
- Installing and operating new Automated Teller Machines (ATMs) in 2016, by this the Bank's network of ATMs reached (190) machines, with a share of 12.8% 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 (1500) 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, along with other awards.
- At the beginning of 2008, the Bank introduced awards to users of bank cards, where the awards in 2016 took the form of remittance of the full value of their purchases or part thereof with a total value of JD (133) thousand Dinars.
 - 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) given in this regard.

Fifth: Social Role of the Bank

The Bank has continued to assume its social responsibilities, consolidate 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 2016:

A. Conferences and Seminars

Throughout 2016, the Bank continued to participate in conferences and seminars that aim at disseminating and developing the operations 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 2016 reached around JD (339) 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	196,374
Participation in the expenses of the Institute of Banking Studies affiliated to the CBJ	7,920
Sponsorship of scientific conferences and educational institutions	130,821
Total	339,315

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, Societal Financial Culture Dissemination Project, 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 2016 for such events and activities reached around JD (844) thousand, distributed as follows:

Description	Number	JD
Jordanian Hashemite Fund for Human Development (JHFHD)	2	198,498
Al Aman Fund for the Future of Orphans	1	42,500
Associations and competition of Holy Quran Memorization	7	72,200
Charity Associations and Organizations and Zakah committees	56	274,798
Scientific Conferences and educational and cultural programs	8	102,734
Mosques Commissions	27	76,435
King Hussein Cancer Center	1	25,000
Societal Financial Culture Dissemination Project	1	51,700
Total	103	843,865

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 2016, the balance of this account reached around JD (1,8) 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 2016 from the fund and the money allocated for this purpose, reached around JD (18,6) millions benefiting nearly (21.9) thousand citizens, compared to JD (19,3) millions in 2015 benefiting nearly (22.1) thousand citizens.

It is worth mentioning that the Bank has been granting such loans since its incorporation, where the granted loans amounted at JD (254) millions till the end of 2016, benefiting nearly (426) thousand citizens.

In addition, some of these loans are granted for youth about to get married in cooperation with Al Afaf Charity Association. The total of such loans in 2016 reached about JD (196) thousand Dinars benefiting (221) young people compared to about JD (144) thousands benefiting (206) youngsters in 2015.

Part of these loans is granted to teachers through the agreement signed with the Jordan Teachers Association. In 2016 the total of such loans reached about JD (1,7) million benefiting (2,386) beneficiaries, compared to JD (1,5) million in 2015 benefiting (2266) persons.

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 a special program to finance this category by way of diminishing Partnership ending with the transfer of title (Musharakah Muntahia Bettamleek) according to which financing is paid from the revenues generated by the project. To give more attention to these projects, the Bank increased in 2013 the capital of its subsidiary Al Samaha Financing and Investment Company to JD (8) million and amended its memorandum and articles of association to include funding projects and small craftsmen, then increased its capital to (12) Million in 2016.

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 their debt to the Bank in case of death, permanent disability, or permanent insolvency. In addition, this Fund, as of 2014, kept mitigating the risks, after the approval of the Central Bank of Jordan. Throughout 2016, the number of indemnified cases reached (226), and the compensations paid in this year amounted to nearly JD (1.4) million. Since the Fund establishment until the end of 2016, the total compensation cases reached (2,250) cases, and the amount of compensations paid reached around JD (8.3) Million. At the end of 2016, the Fund's balance amounted to around JD (74) Million, with about (150) thousand participants and a total balance of indebtedness of around JD (1.2) billion against the Fund's balance of around JD (64) Million, and a total balance of indebtedness of around JD (982) Million in 2015.



It worths mentioning that the Bank has expanded the umbrella of the insured people as of 1/3/ 2015, to cover all persons with indebtedness of JD (100) thousand or less (and as of 2013, the umbrella was expanded to cover lease in addition to Murabaha clients) instead of (75) thousand or less. The Bank expanded the umbrella of the insured to be JD (50) thousand or less instead of JD (40) thousand and less after being (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 dates 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.

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 honouring lunch ceremony of the cornea donators, supporters, and volunteers and distribution of acknowledgment certificates to them for the seventh consecutive year.

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 reduce the electricity consumption and decreases the high electric loads in the Kingdom, thus contributing to the national economy and the environment protection. It worths mentioning that this project began in July 2013 with three branches as first stage. It is currently applied in (17) branches, in addition to two power generation systems in Bonded Centre of the Bank that provides powers supplies to the Bank's office, Bonded Centre, and Disaster Recovery Centre.

Approvals and licenses were attained, and connection impact studies for establishing a power generation station in Amman was concluded to follow Jordan Electric Power Company to cover 85% of the electric power consumption of branches, offices, and administration of the Bank in the middle region governorates (Amman, Zarka, and Madaba), work is in progress to set out the station in the year 2017.

Also, Approvals and licenses were attained for establishing a power generation station in Irbid to follow Irbid Electric Power Company to cover the electric power consumption of Bank's branches and offices in the northern governorates (Irbid, Ramtha, Jerash, Ajloun, and Mafraq), work is in progress to operate the station in the year 2017.



Financial Position

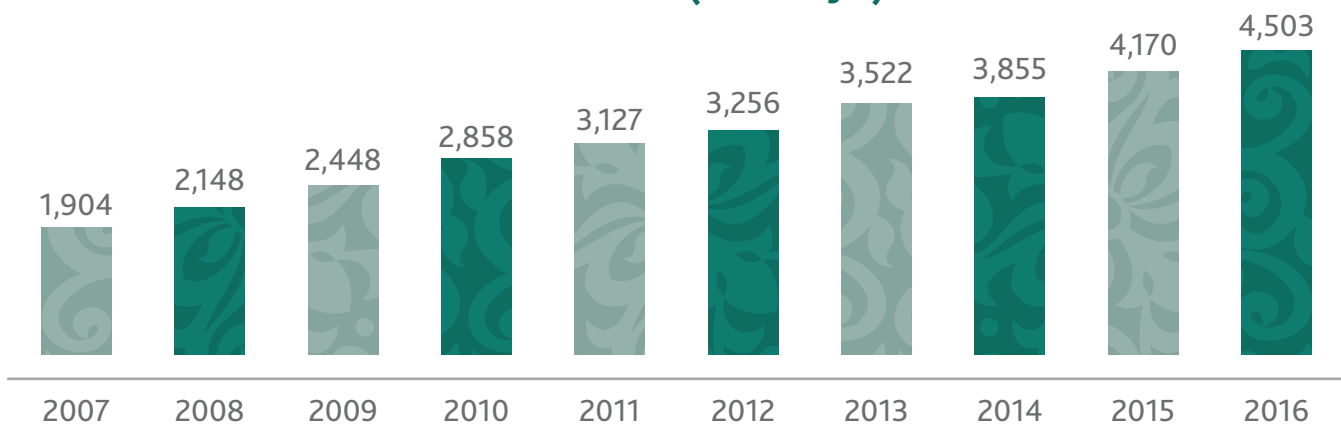
Sixth: Financial Position

A. Total Assets:

At the end of 2016, the total assets amounted to around JD (4,503) million (including off-balance sheet items), compared to JD (4,170) million (including off-balance sheet items) at the end of 2015, with a growth rate of around (8%). Following are the relevant details in million JD:

Year	On Balance Sheet Items	Off Balance Sheet Items				Grand Total
		Restricted Total Investments	Muqarada Bonds	Investment by proxy	Total	
2016	4,099.5	28.8	368.1	6.2	403.1	4,502.7
2015	3,799.0	29.1	338.7	3.0	370.8	4,169.8
Increase (Decrease)	300.5	(0.3)	29.4	3.2	32.3	332.8
	7.9%	(1.0%)	8.7%	104.8%	8.7%	8.0%

Total Assets (Million JD)



B. Cash on Hand and at Banks

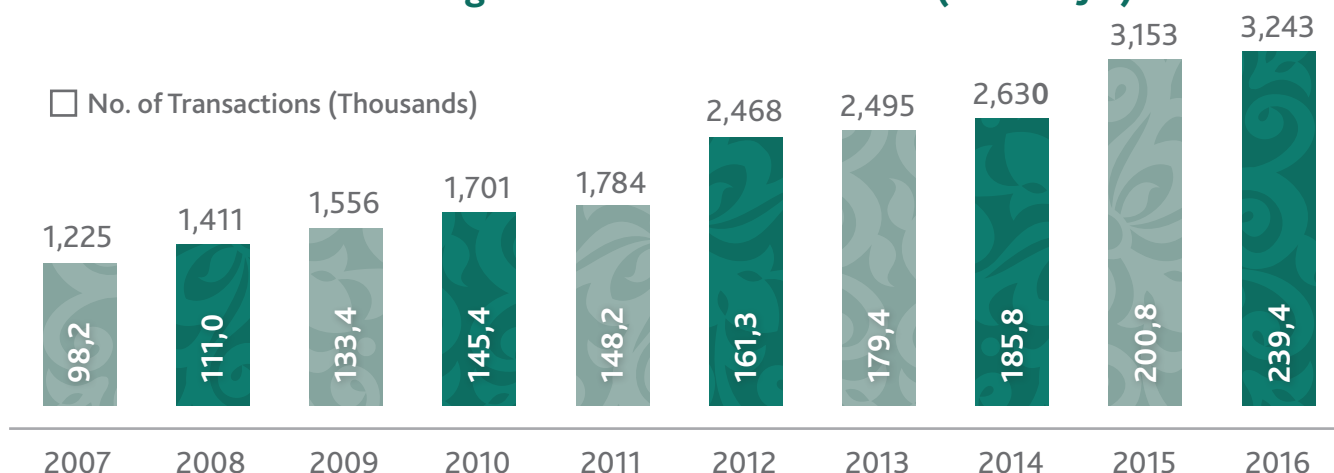
At the end of 2016, the total cash on hand and at banks amounted to about JD (1,150) million, compared to JD (946) million at the end of 2015.

C. Financing and Investment

At the end of 2016, the total balances of financing and investment amounted to around JD (3,243) millions (including off-balance sheet items), distributed to (239) thousand transactions compared to around JD (3,153) million (including off-balance sheet items) at the end of 2015, distributed to (201) thousand transactions.



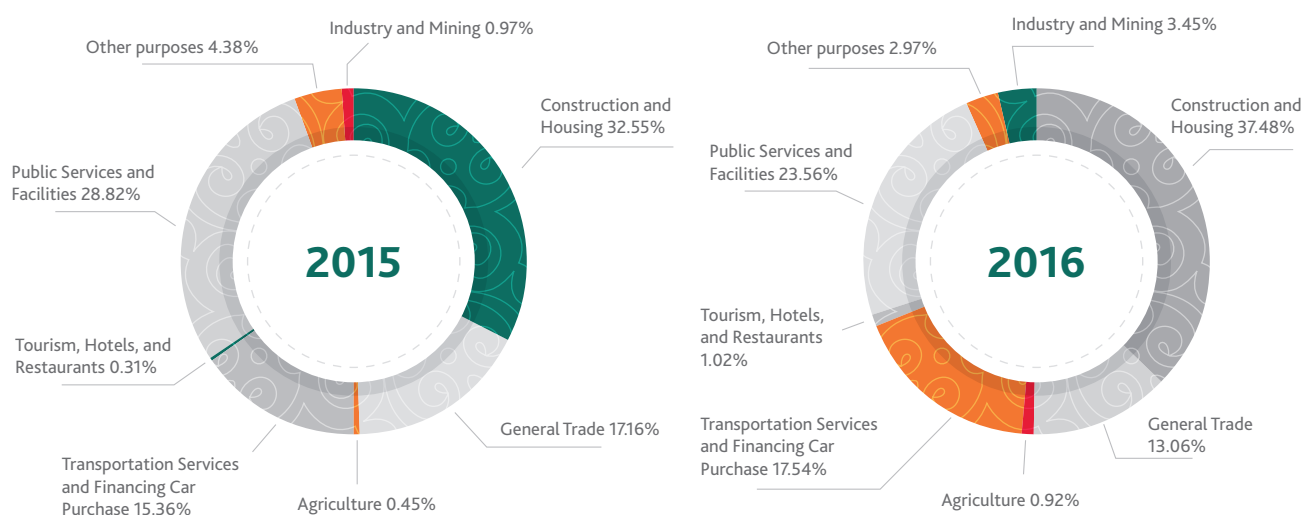
Total Financing and Investment Balances (Million JD)



The financing operations carried out by the Bank in the domestic market during 2016 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 and Housing	Transportation Services	Tourism, Hotels, & Restaurants	Public Services & Facilities	Other Purposes	Total
2016	25.0	93.8	355.1	1,018.7	476.8	27.8	640.4	80.6	2,718.2
2015	11.9	25.8	458.0	869.0	410.1	8.3	769.2	117.0	2,669.3



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 2016 for the most significant needs:

Financed Needs of Individuals	JD (Million)	Number of beneficiaries of Financing
Land, housing and construction materials	217.0	15,480
Transportation means and construction vehicles	265.1	23,223
Furniture	17.7	5,747

The outstanding balance of Murabaha financing allocated for such needs from the funds of joint investment and investment portfolios by the end of 2016 was as follows:

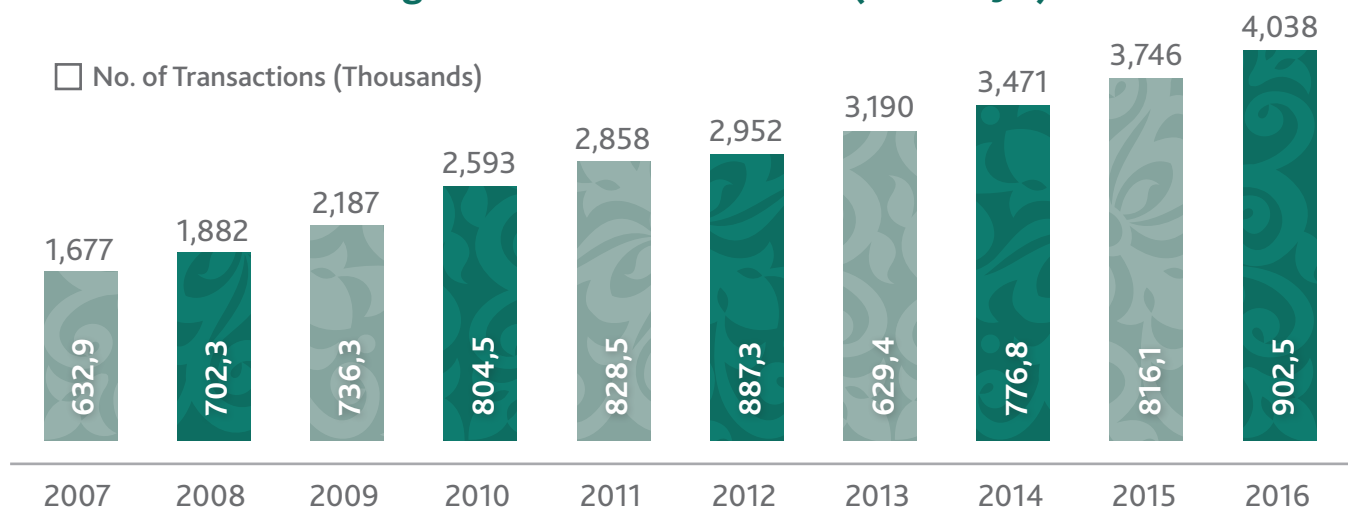
Financed Needs of Individuals	JD (Million)	Number of beneficiaries of Financing
Land, housing and construction materials	561.2	63,246
Transportation means and construction vehicles	552.2	86,022
Furniture	35.2	18,031

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 2016, the number of companies whose capitals are invested in by the Bank reached (36), and the volume of such investment reached nearly JD (95) million.

D. Attracting Savings:

At the end of 2016, the total balances of saving schemes amounted to around JD (4,037.5) million (including the off-balance sheet items), distributed to (903) thousand active accounts compared to around JD (3,746) million (including the off-balance sheet items) at the end of 2015, distributed to (816) thousand active accounts.

Saving Schemes Total Balances (Million JD)



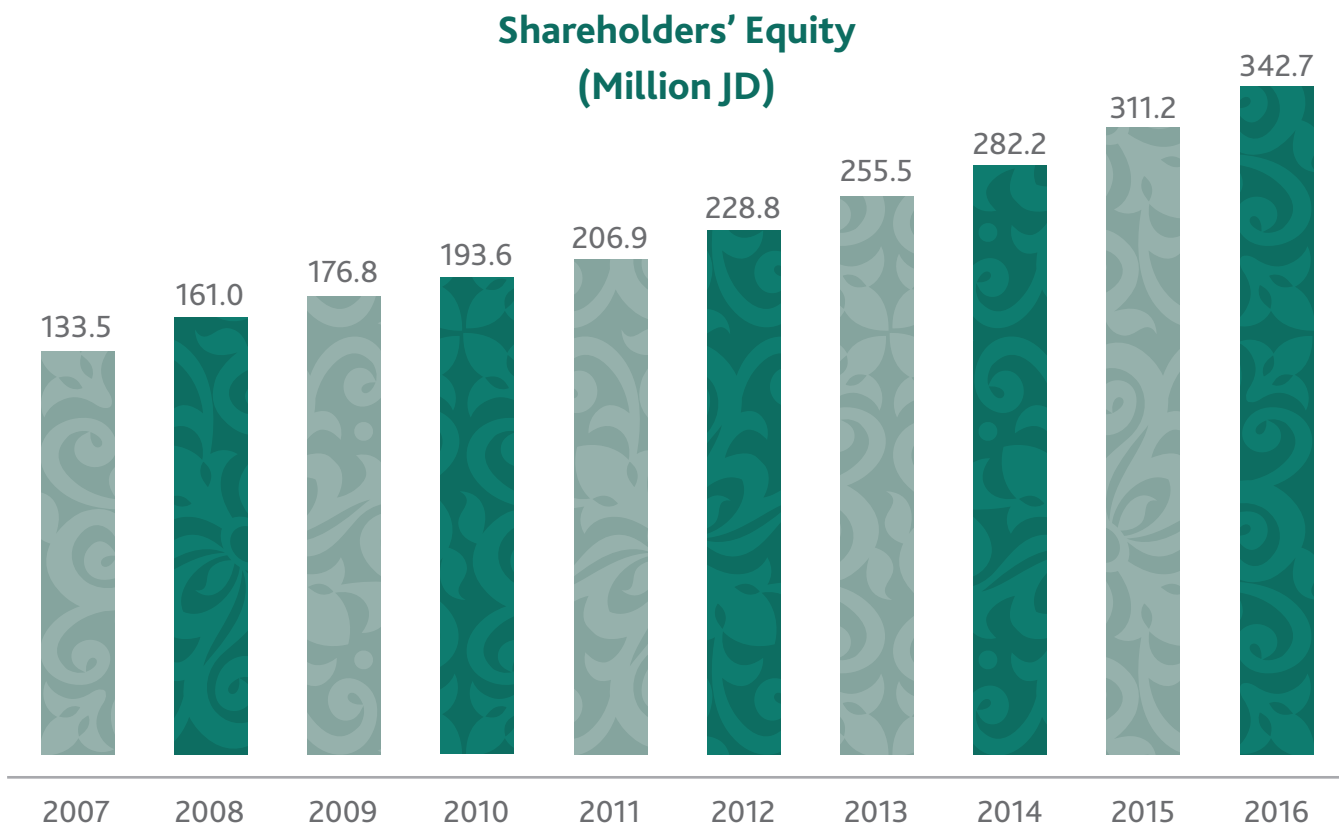


E. Shareholders' Equity:

By the end of 2016, the shareholders' equity reached around JD (343) million compared to JD (311) million at the end of 2015. 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
2016	150.00	68.37	22.62	1.00	0.61	100.12	342.72
2015	150.00	55.99	14.27	0.70	0.56	85.63	311.15
Increase (decrease)	0.00	8.38	8.34	0.30	0.05	14.49	31.57
	0.0%	14.0%	58.5%	42.9%	8.2%	16.9%	10.1%

The Capital Adequacy Ratio (CAR) at the end of 2016 and 2015 amounted to about (22.02%) and (21.11%) 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 2016 reached around JD (198) million compared to around JD (177) million during 2015. These profits were distributed in accordance with the law and as per the decisions of the Board of Directors as follows:

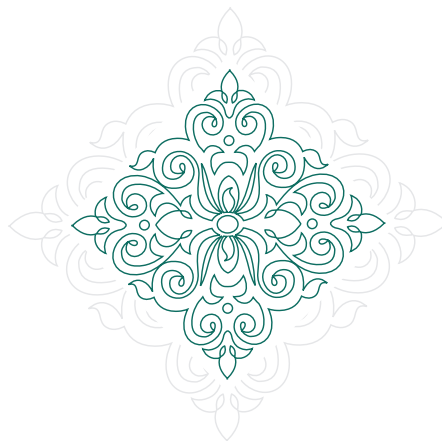
Year	In Local Currency (million JD)					In Foreign Currencies (equivalent to million JD)				
	Total	Share of the Investment Risks Fund	Share of the Bank as a Mudarib	Share of the Bank as a RabMal	Share of Unrestricted Investment Accounts	Total	Share of the Investment Risks Fund	Share of the Bank as a Mudarib	Share of the Bank as a RabMal	Share of Unrestricted Investment Accounts
2016	194.31	19.43	87.44	36.20	51.24	3.64	0.36	1.82	0.11	1.34
2015	175.11	17.51	78.80	31.62	47.18	2.28	0.23	1.14	0.02	0.90

The rates of profits distribution over accounts of 2016 were as follows:

Currency	General Percentage	Term	Notice	Savings
Local Currency	3.39%	3.05%	2.37%	1.70%
Foreign Currencies	0.92%	0.83%	0.64%	0.46%

G. Bank Profits:

In 2016, the Bank's profits before tax amounted to around JD (83,75) million, while the profits after tax amounted to around JD (54,02) millions.



Development of the Bank's Operations in the Past Ten Years

(Rounded to Million)

Fiscal year	Total Assets (1)		Saving Schemes (2)		Financing & Investment (3)		Paid-up Capital	Shareholders' Equity	Joint Investment Profits	Joint Investment Risks Fund	Profit Before Tax	Profit After Tax	General percentage of profit distribution to local currency accounts	General percentage of profit distribution to foreign currency accounts	Percentage of dividends to shareholders	Number of branches and offices	Number of employees
	Total Balances	No. of Active Accounts (thousands)	Total Balances	Thousand transaction	Total Balances	Thousand transaction											
2007	1,904.2	1,676.8	632.9	1,224.8	98.2	65.0	133.5	75.5	20.2	34.4	23.0	23.0	%5.30	%3.50	12% In cash 25% stock(5)	65	1,611
2008	2,147.5	1,881.7	702.3	1,411.2	111.0	81.3	161.0	101.8	22.9	50.1	35.1	35.1	%5.70	%2.71	15% In cash 23.076923% stock(6)	66	1,656
2009	2,448.1	2,187.5	736.3	1,556.1	133.4	100.0	176.8	99.8	20.7	38.9	27.9	27.9	%5.69	%1.25	12% In cash	69	1,755
2010	2,858.1	2,593.0	804.5	1,700.8	145.4	100.0	193.6	100.8	14.6	40.7	29.1	29.1	%3.89	%0.72	15% In cash	72	1,829
2011	3,127.0	2,858.3	828.5	1,784.1	148.2	100.0	206.9	109.7	7.3	39.7	28.3	28.3	%3.35	%0.69	15% In cash 25% Bonus shares(7)	75	1,904
2012	3,255.5	2,952.0	887.3	2,468.4	161.3	125.0	228.8	144.6	14.5	51.2	36.4	36.4	%3.94	%0.83	15% In cash	79	2,000
2013	3,522.4	3,190.4	629.4 (4)	2,495.2	179.4	125.0	255.5	166.1	8.0	64.7	45.1	45.1	%4.29	%1.67	15% In cash 20% Bonus shares(8)	80	1,979
2014	3,855.2	3,470.8	776.8	2,630.0	185.8	150.0	282.2	166.4	17.3	64.0	45.1	45.1	%3.52	%1.45	13% In cash	86	2,051
2015	4,169.8	3,745.7	816.1	3,152.8	200.8	150.0	311.2	177.4	19.9	74.7	48.7	48.7	%3.40	%0.61	15% In cash	93	2,148
2016	4,502.7	4,037.5	902.5	3,243.3	239.4	150.0	342.7	197.9	29.6	83.7	54.0	54.0	%3.39	%0.92	15% In cash 20% Bonus shares (9)	97	2,236

(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 trust (Amanah), 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.





**Future Plan of
the Bank for the year 2017**

Seventh: Future Plan of the Bank for the year 2017

1. Continuing the introduction and development of new banking electronic services.
2. Extending the offering of financing facilities to individuals on Murabaha, lease or Istisna' basis.
3. Expanding SMEs projects financing grants.
4. Issuing / participating 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. Diversifying services and introducing new financing products that meet the demands and needs of banking market and after obtaining the Sharia (legal) approval.
6. Keeping current with the developments in banking technologies, increasing the capacity of automated systems used in order to improve efficiency of services and banking transactions provided to clients.
7. Branching plan:
 - Opening two new branches in "Abdoun / Amman" and "Prince Hassan District / Amman".
 - Opening six offices in Jubeiha / Amman, Shafa Badran / Amman, Ein El Basha / Balqa, Hasa / Tafeileh, Turrah/ Ramtha, and Mafraq
8. Installing and operating new ATMs and replace the old ones, develop and improve their operating management system.
9. Enhancing corporate governance practices.
10. Continue the application of Basel II and Basel III requirements
11. Keeping on the continuous endeavour to improving the quality of assets, risk management, and compliance control.
12. Continuing to make available alternative energy in the sites of the Bank, by generating electrical power using solar cells.
13. Making available to our clients the products and services provided by Al Barakah Group (ABG), and ensuring that services and products provided by our Bank are available to the Group's Banks' clients, all with coordination and cooperation with ABG management.





**Board of Directors
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 2016. The Board of Directors is pleased to present the following agenda to the General Assembly:

1. Reciting the minutes of the General Assembly's previous meeting.
2. Listening to the report of the Bank's Sharia Supervisory Board for the fiscal year ended on December 31, 2016.
3. Reciting the report of the company's auditor for the fiscal year ended on December 31, 2016.
4. Reviewing the report of the Board for the fiscal year ended on December 31, 2016 as well as the future plan of the company.
5. Discussing and approving the annual balance sheet and profit and loss account, and the distribution of dividends at 15% of the Bank's capital to the shareholders.
6. Discharging the Board members for the previous fiscal year.
7. Electing the company's auditor for the upcoming year and determine their remuneration.
8. Any other matters suggested by the General Assembly to be included in the agenda in accordance with the provisions of the law.

The Board of Directors recommended to the exceptional General Assembly to distribute bonus stocks at (20%) of the Bank's paid capital by capitalizing part of the retained earnings so as to increase its capital from JD (150) million / share to JD (180) million / share.

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.



Annexes to Board of Directors Report of 2016

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 level 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. (64/2016) dated 25/9/2016, noting that the Bank had, in 31/12/2007, issued its first Corporate Governance Guide.

The Bank prepared and updated the corporate governance guide and published it on its website (www.jordanislamicbank.com) to comply with it with regard to the Board of Directors (in terms of 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 (in terms of the role of the CEO/General Manager, tasks, suitability and responsibility), Sharia supervisory Board (concerning 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 Accountholders.

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 in person or by proxy. The Board of Directors members, the Sharia Supervisory Board, the external auditors and representatives of regulatory and official authorities also attend the annual meeting of the General Assembly in order to answer any questions that might be raised. Minutes of the meeting are prepared to the General Assembly to brief the shareholders on the comments that have been made in the meeting and the conclusions reached, including the results of voting and shareholders' questions and responses to them. In addition to the invitation, agenda and the minutes of the meetings of the General Assembly, all of which can be found on the Bank's website: 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 can 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) 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 assurance 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:
 - 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 Internal Audit Department's scope of work includes all work centres, activities and operations of the Bank, including its subsidiaries; it enables the Bank to assess the adequacy and effectiveness of internal control and risk management processes and corporate control systems and cope with all its tasks and responsibilities. In addition, the internal audit Department carries out several tasks, including the following:

- Performing periodic audits based on risk-based audit approach.
- Carrying 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 important observations and recommendations.
- Managing the major risks facing the Bank through 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 review of the reports of supervisory authorities as well as external and internal auditing, follow up on violations and relevant comments and ensure that the Bank's management remedies such violations and takes the necessary actions to ensure that such violations are not repeated.

Sixth: The Top Executive Management affirms that the monitoring & internal control systems on the date of preparing the financial statements contained in the annual report of the Board of Directors are sound, 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 2016.

B. Details of the Board Committees are as follows:

Description	Current Members Names	Formation	Tasks and responsibilities	No. of meetings in 2016
Corporate Governance Committee	Dr. Hatim Hafez Al Halawani Al Tamimi (Chairman) Salem Ahmad Jameel Al-Khza'aleh (Vice Chairman) Adnan Ahmed Yousif Abdelmalek (Member)	Formed in response to the requirements of the Corporate Governance Guide	Ensuring 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	Ensuring the adequacy of the external and internal auditing and control systems, 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" "Mohamad Lutfi" Mahayni (Member) Musa Abdul Aziz Mohammed Shihadeh (Member)	Formed in the first years of the Bank's establishment	Approving 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)	Formed in response to the requirements of the Corporate Governance Guide	Defining the capacity of the independent member, evaluating the Board and Board committee's efficiency, providing Board members with information on the important issues of the Bank, and ensuring 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 "Amar Saifan" (Member) Dr. Hosni Abdulaziz Hussein Jaradat (Member)	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 Al-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)	Formed to confirm the Bank's care of the social side	Supervise the Bank's implementation of the social responsibility	1
Information Technology Governance Committee	Hood Hashem Ahmad Hashem (Chairman) Salem Ahmad Jameel Al Khza'aleh (vice – chairman) Adnan Abdallah Al-Hamad Al-Bassam (Member)	Formed in response to the Governance instructions and IT Management	General supervision of the IT-related operations, sources and projects to ensure its adequacy and effective contribution to meeting the Bank's requirements and business activities.	It was formed on 13/12/2016

* Committee was reformed by virtue of the Board of Directors' resolution of 24/10/2016 to conform with the new Corporate Governance Instructions of CBJ dated 25/9/2016, provided that the decision shall enter into force as of 1/1/2017, committee was formed from the following: Adnan Ahmed Yousif Abdelmalek (Chairman), Noor "Mohammad Shaher" "Mohamad Lutfi" Mahayni (Vice- chairman), Hamad Abdallah Ali Eqab (member), Adnan Abdullah Al Hamad Al Bassam (member), and Hood Hashem Ahmad Hashem (Member)

C. Summary of the meeting attendance by the Board of Directors and its Committees members during the year 2016:

Member	Board of Directors	Audit Committee	Risk Management Committee	Nominations and Remunerations Committee	Social Responsibility Committee	Corporate Governance Committee	Credit Facilities Committee	IT Governance Committee	Remarks
Number of members	11	3	6	3	5	3	4	3	-
Number of meetings	6	4	4	3	1	1	5	0	-
Adnan Ahmed Yousif Abdelmalek	5	-	-	3	-	1	4	-	Did not attend the Board of Directors and the Credit Facilities Committee meetings of 26/4/2016
Dr. Hatim Hafez Al Halawani Al Tamimi	6	-	-	-	-	1	5	-	-
Hamad Abdullah Ali Eqab	6	4	-	-	1	-	-	-	-
Adnan Abdullah Al Hamad Al Bassam	5	-	3	-	-	-	-	-	Did not attend the Board of Directors meeting of 27/7/2016 and the Risk Management Committee of 26/7/2016
Hood Hashem Ahmad Hashem	6	-	4	-	-	-	-	-	-
Salem Ahmad Jameel AlKhza'aleh	6	-	-	-	1	1	-	-	-
Noor "Mohammad Shahir" "Mohammad Lutfi" Mahayni	6	-	-	-	1	-	5	-	-
Issa Haidar Issa Murad	5	-	-	2	1	-	-	-	Did not attend the Board of Directors and the Nominations and Remunerations Committee meetings of 13/12/2016
Malak Fawzi Raghieb Ghanim	6	4	-	3	-	-	-	-	-
Nabeeh Ahmad Salameh Al Zainat	6	4	-	-	-	-	-	-	-
Saleh Yaqoub Mohammad Hussein	5	-	4	-	-	-	-	-	Did not attend the Board of Directors; meeting of 13/12/2016
Musa Abdulaziz Mohammad Shihadeh	-	-	4	-	1	-	5	-	-
Dr. Hussein Said Mohammad "Aamar Saifan"	-	-	4	-	-	-	-	-	-
Dr. Hosni Abdulaziz Hussein Jaradat	-	-	4	-	-	-	-	-	-



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

Corporate Governance Committee:

- Guiding and overseeing the preparation of the Corporate Governance Guide and updating it, as needed, and monitoring its implementation.
- Ensuring the application of Corporate Governance Guide.

Risk Management Committee:

- Reviewing risk management policies and proposing them to the Board of Directors for approval
- Assisting the Board of Directors in managing the risks facing the Bank, (such as credit risk, market risk, operational risk, liquidity risk).
- Ensuring that there are adequate risk management systems in place such as operational risk management and customers' credit rating systems.... Etc.
- Controlling risk exposure at the level of the country, currency, time limits, counterparty, instrument, market, and sector.
- Studying the limits of risk acceptable limits (risk appetite) and proposing them to the Board of Directors for approval.
- Following-up on measuring and controlling the risks facing the Bank.
- Observing and monitoring the application of compliance policy, anti-money laundering and terrorist financing policy, economic and trade sanctions policy for the Bank, and the Foreign Account Tax Compliance Act (FATCA) ... Etc.

Nominations and Remunerations Committee:

- Determining independent members of the Board of Directors in accordance with the independent member conditions.
- Identifying the persons eligible for membership in the Board of Directors, top Executive Management, Sharia Supervisory Board.
- Appraising the performance of the Board, the Chief Executive Officer / General Manager of the Bank, Sharia Supervisory Board, and the Top Executive Management and giving recommendation to the Board accordingly.
- Proposing to the Board of Directors to grant annual increase, bonuses Etc. to all Bank's employees.

Audit Committee:

- Reviewing 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.
- Reviewing the accounting issues that have a significant impact on the financial statements.
- Reviewing the monitoring and internal control systems of the Bank.

- Reviewing the external auditor's report on the internal control systems and information system and providing recommendations to the Board accordingly.
- Giving recommendations to the Board regarding the appointment of external auditor, the remunerations thereof, and any conditions in the contract therewith in addition to evaluating the independence thereof, taking into account any other work entrusted to him outside the scope of the audit mandate.
- Ensuring the ability of the external auditor to verify the Bank's compliance with the legal controls in accordance with the conditions stipulated in the engagement letter thereof.
- Providing recommendations to the Board concerning matters related to the internal audit procedures and the work of the external auditor.

Credit Facilities Committee:

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

The Social Responsibility Committee:

- Reviewing the social responsibility report of the Bank and proposing the approval thereof to the Board.
- Leading the social responsibility program of the Bank.
- Following up on the work of the social responsibility committee of the executive management.

Information Technology Governance Committee:

- General supervision of the IT-related operations, sources and projects to ensure its adequacy and effective contribution to meeting the Bank's requirements and business activities.

6. The Sharia Supervisory Board Meetings:

(A) The Board held (6) meetings in 2016.

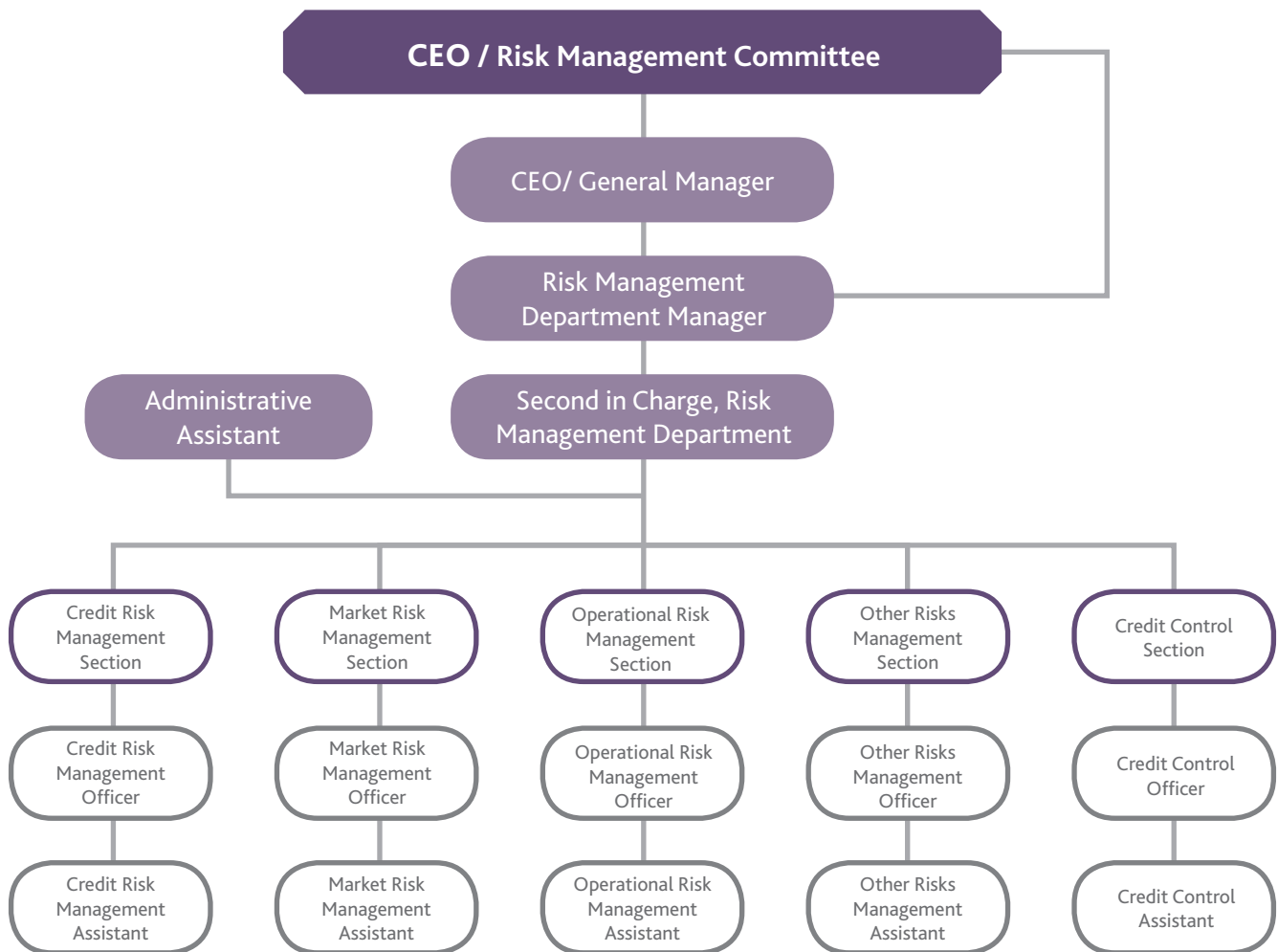
(B) Summary of the meeting attendance of the Sharia Supervisory Board Members:

Current Members	No. of meetings attended	Remarks
Dr. Mahmoud Ali Mosleh Sartawi (Chairman)	6	-
Dr. Abd Sattar Abdul Karim Abu Ghoddeh (Vice-Chairman)	6	-
Dr. "Mohammad Khair" Mohammad Salem Al-Issa (Member)	6	-
Dr. Abdul Rahman Ibrahim Zaid Al Kelani (Member)	5	Did not attend meeting No. (3/2016) dated 18/5/2016 for being out of the country in a scientific visit



7. Risk Management Department:

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



(B) The Risk Management Department performs a number of daily and periodic tasks, notably:

- Analysis and evaluation of the risks associated with various activities of the Bank and preparing periodic reports in this regard.
- 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 evaluation methods and techniques for evaluation and management.
- Preparation of acceptable risk levels (Risk Appetite) for all activities of the Bank, remitting the same for approval by the Board of Directors, and periodically comparing the realized ones with levels approved by the Board.

- Preparation of Internal Capital Adequacy Assessment Process (ICAAP) report, remitting it for the approval of the Board and submitting it to the Central Bank of Jordan on an annual basis.
- Preparation of Stress Testing scenarios to measure the Bank's ability to withstand shocks, as per the Corporate Governance Instructions of Islamic Banks.
- Review the process of credit rating for the Bank's customers granted finances depending on the degree of their risks.
- Monitoring 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

(C) Most important developments on the risk management processes in 2016:

- The Department was provided with suitable computerized systems that help to efficiently manage the operational risks. At the end of 2016, a contract was concluded to provide the Department with a new clients risk credit rating system from (Moody's), an internationally recognised company in this field; competent employees were trained on the use of the system and it is anticipated that the system will be applied in the beginning of second quarter, 2017.
- 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 (60) under the Financial Statements of the Bank for 2016.

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 application includes annual bonuses, transportation allowance, members' per diem (in particular non-resident members) and committees' membership allowances.

(B) The remunerations of the top executive management, and employees incentives and bonuses:

- The provisions of this policy shall apply to the extent it is in line with the regulations in force by the Bank such as Jordan Islamic Bank Staff Regulation, and the Jordanian Labor Law No. 8 of 1996, as amended.
- The scope of work includes profit bonus, end of service remuneration, special work bonus, and annual raises which are linked to the performance appraisal, end of service benefits, moral bonus and in-kind bonus.
- In line with the Bank's business results of the past year, remunerations are paid to the senior management as follows: (50%) of remuneration amount in the same year in which decision has been made therein and the other (50%) is to be paid in the next year, whereas those of employees are paid in full amount in the year of decision made with no delay.



9. Transparency and disclosure:

- (A) Annex II contains 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 concerning each member of the Board of Directors (qualifications, experience, share in the capital of the Bank, independence, date of appointment, any memberships in boards of directors of other companies, remunerations obtained from the Bank, funds provided thereby to the Bank, and any other transaction between the Bank and the member or the associated persons).
- (D) Annex II contains the information required concerning each of the Sharia Supervisory Board members, as well as the annual remuneration thereof, and the amounts paid to each of them in form of travel expenses inside and outside the Kingdom.
- (E) Annex II contains the benefits and bonuses earned by the top executive Management in form of wages, remunerations, salaries, and bonusesetc. and payments made for each of them as travel and transport expenses inside the Kingdom.
- (F) There were no resignations among the Board of Directors' members, 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:

During the past year, none of the members of the Board of Directors 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,

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 Raghieb Ghanim

Member

H.E. Mr. Issa Haidar
Issa Murad

Member

H.E. Mr. Noor "Mohammad
Shaher" "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:

For the past year, none of the Sharia Supervisory Board 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.

Vice-Chairman

Prof. 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



**Annexes to
Board of Directors Report of 2016**

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 Islamic Banking.
 - b. The statement included at the end of the report indicates the addresses of the Head Office, branches, offices, and the number of employees in each of them.
 - c. By the end of 2016, the volume of the Bank's capital investment (property and equipment, net) reached about JD (71,6) millions.
2. The table below provides the information related to subsidiaries:

Name of Company	Legal Form	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	99.4%	782	4,930	Al Barakah Quarter, Wasfi Attal St,/ Amman
AlSamaha for Finance and Investment	Limited Liability	Financing	12,0	100%	23	2,610	Al Madina Al Munawarah Street / Amman
Future Applied Computer Technology Co.	Limited Liability	Services	5,0	100%	132	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 members of the Board of Directors, the representatives of the legal members, and an overview about each of them, showing those nonexecutive 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 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. Adnan Abdullah Al-Hamad AlBassam 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. 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 consultant of 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 member of the Upper House. 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. Mrs. Malak Fawzi Raghbi 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 regulates and governs 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>



Name of Member	Academic Qualification	Practical Experience
<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 Centre, 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>



(B) Below are the names of the Sharia Supervisory Board member and an overview about each of them:

Names of the 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 the authorship Islamic Education books at the Ministry of Education, he was awarded Al Hussein Medal of First Class in serving Islam.</p>
<p>H.E. Prof. Abd Sattar Abdul Karim Abu Goddeh, Vice-Chairman of Sharia Supervisory Board since 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 au</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 at Islamic Insurance Company (Albarakah for Takaful).</p>
<p>H.E. Dr. Abdul Rahman Ibrahim Zaid Al Kelani Sharia Supervisory Board member since 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, 1993. 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 of each of them:

Names of the Member	Academic Qualification	Practical Experience
H.E. Mr. Musa Abdul Aziz Mohammed Shihadeh CEO/ General Manager Date of birth: 12/12/1941	Master in Business Administration 1979, University of San Francis Co., / USA Bachelor of Commerce, Arab University of Beirut, 1969	He joined the banking sector 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.
Mr. "Mohammed Majed" Mahmoud Rashid Allan Deputy General Manager Date of birth: 24/2/1953	Bachelor of Business Administration, Arab University of Beirut, 1986 Higher Diploma in Banking and Finance, Institute of Banking Studies, Amman, 1978	He joined the banking industry in 1974. In 1980, he joined Jordan Islamic Bank. Currently, he holds the position of Deputy General Manager and a Board member in one of the companies.
Dr. Hussein Said "Mohammad Sai'fan" Deputy General Manager Date of birth: 26/11/1963	PhD, Islamic Banks, 2006 Master in Banking and Finance Sciences / Islamic Banks, 1994 Bachelor of Accounting / Economics and Statistics, 1985	He joined the Bank in 1987 and currently holds the position of Deputy General Manager. He is also a Board member in more than one company
Mr. Nai'm Mohammad Najem ALKhmous Assistant General Manager Date of birth: 27/2/1965	Master degree in Business Administration, 2014 Bachelor degree in Computer Engineering, 1990	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.
Dr. Hosni Abdul Aziz Hussein Jaradat Executive Director Date of birth: 15/2/1957	PhD degree in Islamic Banking, 2009 Master degree in Islamic Banking, 1995 Bachelor of Economics, 1979	He worked for investment and consulting enterprises. He joined the Bank in 1987. He currently holds the position of Executive Director of Risk Management Department. He is a Board member in one company.
Dr. "Mohamamd Fahmi" "Mohammad Khalil" Fahmi AlJa'abari Date of birth: 16/10/1964	PhD., in islamic Banking 2016. 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	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.
Dr. Abdulhamid Abdullah Ahmad Abu Saqri Executive Director Date of birth: 6/10/1963	PhD, Islamic Banks, 2010 Master in Islamic Banks, 2001 Bachelor of Accounting and Economics, 1986 Certified Public Accountant (JCPA), 2005	He started the banking work in 1988. He joined the Bank in 1992 and currently holds the position of Financial Department Executive Director. He is a Board member in more than one company.
Mr. "Mohammed Fawaz" Sudqi Sadiq Imam Executive Director Date of birth: 15/12/1962	Master degree of Banks and Finance Management, 2006. Bachelor degree of Accounting, 1985, USA.	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 Financial Institutions Executive Director. He is a company Board member.

Names of the Member	Academic Qualification	Practical Experience
Dr. Abdullah Atiyeh Abdullah Atiyeh Date of birth: 21/5/1969	PhD., in Islamic Banking, 2015. Master degree in Business Administration, Finance and Banks, 2007. Bachelor in Banking and Finance, 2005. Diploma In Banking, financial, and Islamic studies, 2002. Diploma, in Banking and Finance, 1989. CICS Certificate, 2004.	He joined the Bank in 1993. He currently holds the position of Internal Control Department Manager.
Mr. Ra'fat Ismail Mohammad Abu Afifeh Date of birth: 27/6/1979	Master degree in Computer Science, 2005 Bachelor degree in Computer Science, 2002. ISA Certificate, 2015. CIISA certificate, 2006.	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.
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 Foreign 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. Mahdi Deeb Mohammad AlKhalili Date of birth: 17/2/1956	General Diploma in 1984	He started his work in 1977. He joined the Bank in 1979. He was the Shareholders Relations Unit Manager before resignation on 16/2/2016.
Mr. Khalil Rebhi Khalil Al Baik Date of bith: 15/10/1965	Master in Islamic Banking 2008 Bachelor in Banking and Finance, 2003. Certified Islamic Public Accountant (CIPA), 2009	He joint the Bank in 1990, and he is the Shareholders Affairs Unit Manager since 17/2/2016
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. Diploma in Islamic Finance by CIMA, 2016. Certificate of Professional Executive Master 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.



(D) An Overview of the Bank's Legal Advisor:

Name	Academic Qualification	Practical Experience
Mr. Mohammad Jabr Hasan Met'eb	Bachelor of Law, 1994	He started practicing attorney in 1995. He is a local and international arbitrator. In 2011, he became the legal advisor of the Bank.

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

Name	At the end of 2016			At the end of 2015		
	Ownership	No. of shares	Mortgaged	Ownership	No. of shares	Mortgaged
Albaraka Banking Group Co.,/ Bahrain	66.005%	99,007,500	-	66.005%	99,007,500	-
Social Security Corporation	5.001%	7,501,733	-	%4.792	7,189,035	-
Hussein bin Mohsen bin Hussein Al Harthi	2.117%	3,174,987	-	%2.116	3,174,987	-
Hani Masud Darweesh Ahmad	1.327%	1,991,127	-	%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 2015 and 2016 was as follows:

Item	At the end of 2016	At the end of 2015
Total Assets at our Bank/ Total Assets of the banks	9.3%	8.8%
Total Balances of savings schemes at our Bank/ Total client deposits at banks	12.2%	11.5%
Total balances of financing and investment at our Bank/ total direct credit facilities of banks	14.2%	14.9%

- 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.
- The Bank does not enjoy any government protection or privileges. It did not obtain any patent or franchise.
- 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 2016 from many international rating agencies including:

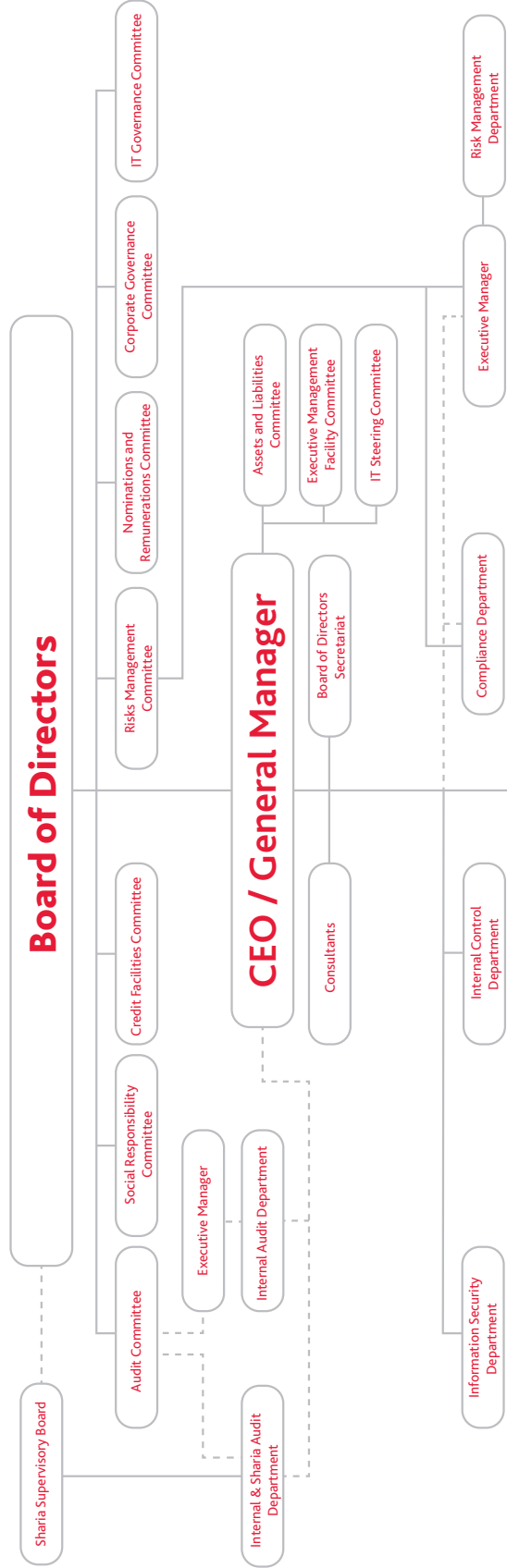
- **Standard & Poor's:** (BB-/negative/B), the same rating of the Kingdom.
- **Fitch rating:** (BB-/negative/B).
- **Capital Intelligence:** Financial Strength Rating (FSR):(BBB-) and FCRs :(BB-/B/stable).
- **Islamic International Rating Agency (IIRA):**
 - "Stable (BB+/A-3" for foreign currencies, "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 Rating, 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 and certificates of appreciation in 2016, notably:

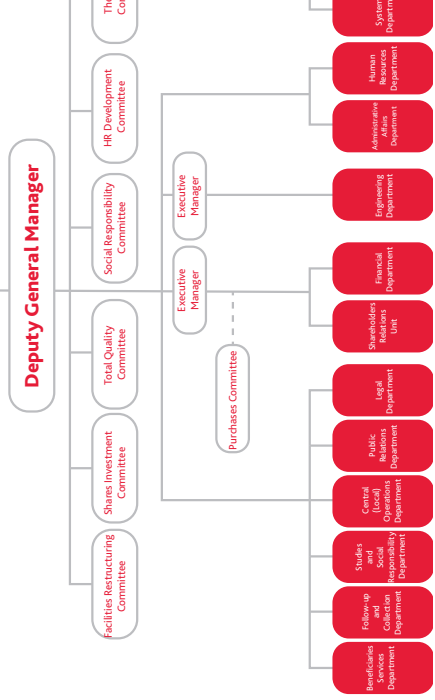
- Two awards from Al Baraka Banking Group for corporate social responsibility:
 - Baraka Objectives Hero for the year 2016.
 - Best contributor in education sector of the year 2016.
 - The Arab Organization for Social Responsibility Award on the Arab region level 2016 for the second consecutive year in addition to receiving the Golden Shield of Distinction and the Certificate of Appreciation for Social Responsibility.
- Award for Appreciation Grant to CEO / General Manager from Global Finance Magazine - NewYork.
 - Best Islamic Financial Institution - Jordan 2016.
 - CEO/General manager was selected among the 50 successful personalities in business and finance in the Middle East 2016, he was awarded a certificate of appreciation and this was published in the Middle East annex of the Journal, issue of April 2016.
- Three Awards from World Finance Magazine- London.
 - Best Banking Group- Jordan 2016.
 - Best Islamic Bank - Jordan 2016.
 - Business Leadership and distinguished contribution in Islamic finance on International level 2016, to the CEO/General Manager.
- Arab Eagle Public Administration award for the year 2016 from Tatweej Academy, granted to CEO/ General Manager.
- Award from the Banker Magazine - London.
 - Best Islamic Bank - Jordan 2016.
- Award from Emeafinance Magazine - London:
 - Best Islamic Bank- Jordan 2016.
- Two Awards from The Critics Choice \ Cambridge Analytica IF - London:
 - Islamic Banking Leadership for retail services for the year 2016 to the CEO/ General Manager.
 - Best Islamic Bank for Retail services- Jordan 2016.
- Award from Islamic Finance News\Malaysia.
 - Best Islamic Bank- Jordan 2015.
- Certificate of appreciation from the Arab Network for corporate Social Responsibility- Dubai 2016.

9. (A)

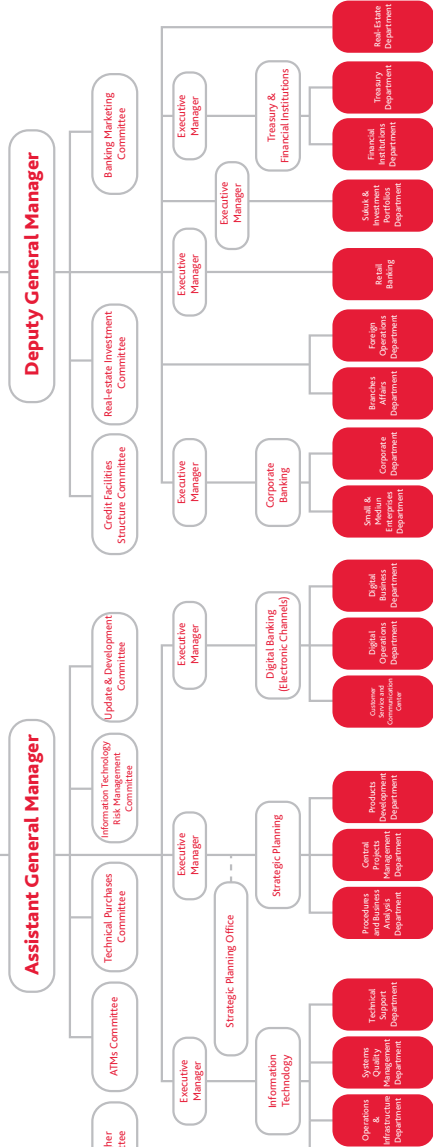
Organizational Structure of Jordan Islamic Bank



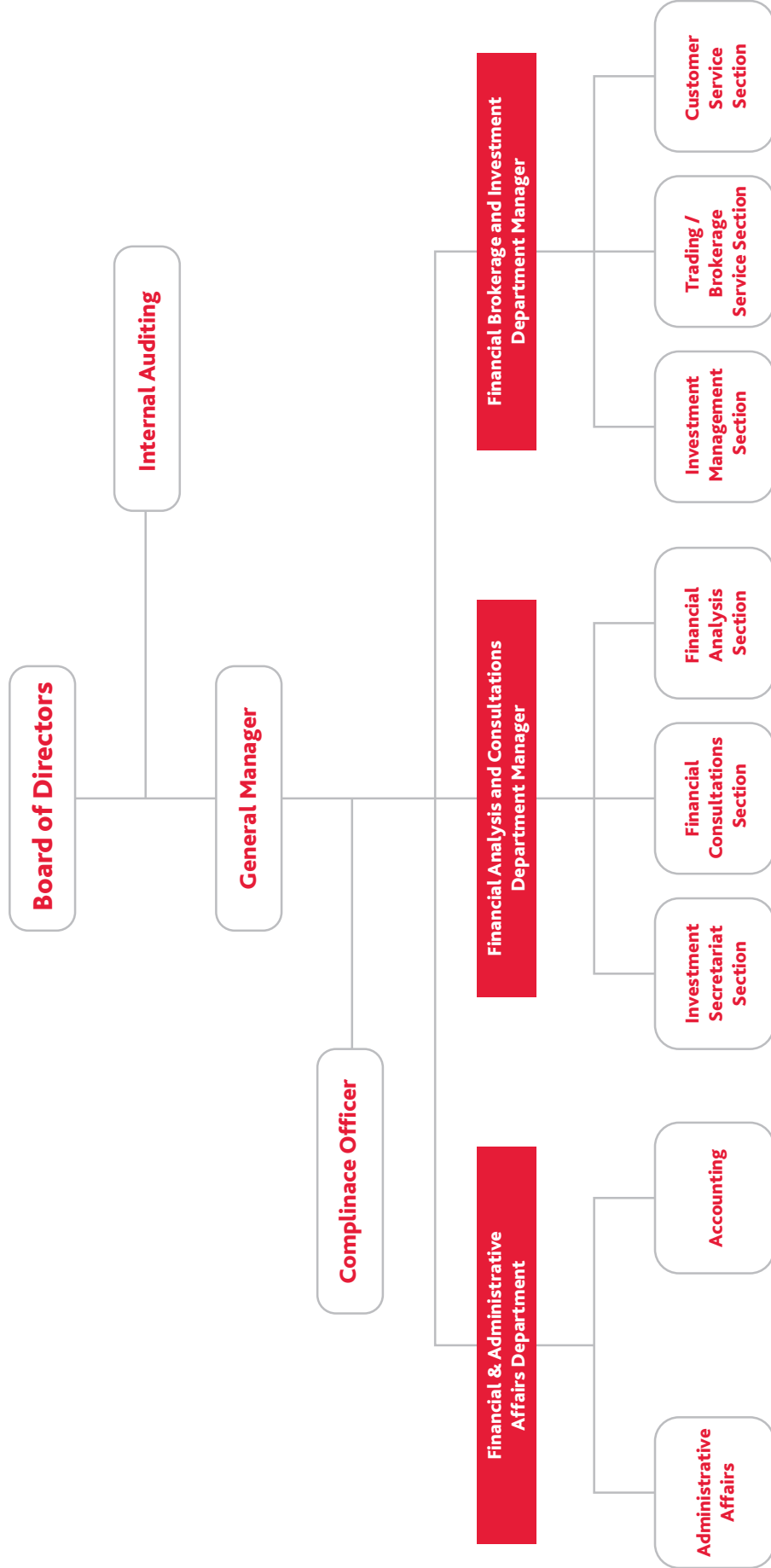
Supporting Business Group



Banking Business Group



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





(B) At the end of 2016, the total number of employees was (2,236) employees 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	
11	74	1,236	365	83	3	106	247	111	467	2,236

While the distribution of the subsidiaries employees in 2016 was as follows:

Company	PhD	Master	High Diploma	Bachelor	Diploma	General secondary certificate	Less than general secondary certificate	Total
AlOmariah Schools Co. Ltd.	6	43	26	395	63	24	225	782
AlSamaha for finance and Investment Co. Ltd.	-	3	-	16	1	-	3	23
Future Applied Computer Technology Co. Ltd.	-	2	-	112	15	2	1	132
Sanabel AlKhair For Financial Investments Co. Ltd.	-	-	-	7	3	-	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. (60) of 2016 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 2016.

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 2012-2016:

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
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
2016	83,747,933	The Board of Directors recommended to distribute JD 22,500,000 in cash at 15% of the capital and bonus shares at 20%	342,719,762	3	860

* 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
2016	9.40%	79.18%	70.42%	88.93%	2.12%	25.62%	16.52%	36.01%
2015	9.19%	82.50%	73.52%	89.11%	2.03%	25.17%	16.42%	32.48%

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

16. The auditing fees of the Bank in 2016 reached JD (110) thousand, while the auditing fees of subsidiaries are disclosed in item (2) above.



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 2016	Number of shares at the end of 2015
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	10,000
Mr. Salem Ahmad Jameel Al Khaza'aleh	Member	Jordanian	5,000	5,000
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	5,000
- Spouse of Mr. Issa Haidar Issa Murad	-	Jordanian	4,310	4,310
Mrs. Malak Fawzi Raghib Ghanim	Member	Jordanian	5,000	5,000
Dr. Nabeeh Ahmad Salameh Al Zainat	Member	Jordanian	6,000	5,117
- Spouse of Dr. Nabeeh Ahmad Salameh Al Zainat	-	Jordanian	1,740	1,740
Mr. Saleh Yaqoub Mohammad Hussein	Member	Jordanian	5,000	5,000
- Spouse of Mr. Saleh Yaqoub Mohammad Hussein	-	Jordanian	1,000	0
H.E. Mr. Musa Abdul Aziz Mohammed Shihadeh up to 28/4/2015	Vice Chairman	Jordanian	-	60,000
- Spouse of Mr. Musa Abdul Aziz Mohammed Shihadeh	-	Jordanian	-	12,000
H.E. Eng. Raef Yousif Mahmoud Najm up to 28/4/2015	Member	Jordanian	-	108,536
H.E. Mr. Salem Mohammed Salem Massaedah up to 28/4/2015	Member	Jordanian	-	126,000
- Spouse of H.E. Mr. Salem Mohammed Salem Massaedah	-	Jordanian	-	2,214
H.E. Mr. Haidar Issa Murad Murad up to 28/4/2015	Member	Jordanian	-	11,538
H.E. Mr. Ayman Abdulkareem Hatahit up to 28/4/2015	Member	Jordanian	-	16,153

(B) Below is a statement of 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 2016	Number of shares at the end of 2015
H.E. Mr. Musa Abdul Aziz Mohammed Shihadeh	CEO/ General Manager	Jordanian	85,000	60,000
- Spouse of H.E. Mr. Musa Abdul Aziz Mohammed Shihadeh	-	Jordanian	12,000	12,000
Mr. "Mohammed Majed" Mahmoud Rashid Allan	Deputy General Manager	Jordanian	30,000	15,000
Dr. Hussein Said "Aamar Saifan"	Deputy General Manager	Jordanian	0	0
Spouse of Dr. Hussein Said "Aamar Saifan"	-	Jordanian	12,000	12,000
Mr. Nai'm Mohammad Najem ALKhmous	Assistant General Manager	Jordanian	0	0
Dr. Hosni Abdel Aziz Hussein Jaradat	Risk Management Manager	Jordanian	0	0
Dr. "Mohammad Fahmi" "Mohammad Khalil" Fahmi Al Jabri	Internal Auditing Manager	Jordanian	0	0
Dr. Abdulhamid Abdullah Ahmad Abu Saqri	Financial Department Manager	Jordanian	0	0
Mr. Mohammad Fawaz Sedqi Sadeq Al Emam	Treasury and Financial Institutions Manager	Jordanian	0	0
Dr. Abdullah Atiyeh Abdullah Atiyeh	Internal Control Manager	Jordanian	0	0
Mr. Rafat Ismail Mohammad Abu Afifeh	Information Security Manager	Jordanian	0	0
Mr. Mansour Mahmoud Mohammad Aqel	Foreign Operations Manager	Jordanian	0	0
Mr. Ziad Farid Mohammad Abu Ziad	Compliance Manager	Jordanian	0	0
Mr. Mahdi Theeb Mohammad Al-Khalili	Shareholders Unit Manager until 16/2/2016	Jordanian	600	600
Spouse of Mr. Mahdi Theeb Mohammad Al-Khalili	-	Jordanian	489	489
Mr. Khalil Rebhi Khalil Al Baik	Shareholders Affairs Unit Manager as of 17/2/2016	Jordanian	0	0
Mr. Raed Subhi Mohammad Atta	Central Local Operations Manager	Jordanian	0	0
Dr. Ali Mohammad Ahmad Abu El Izz	Internal Sharia Audit Manager and Secretary of Sharia Supervisory Board	Jordanian	0	0
Mr. Mohammad Jabr Hassan Meti'b	Legal advisor	Jordanian	0	0
Mr. Fadi Ali Shehadeh Abbdulrahim	BOD Secretary	Jordanian	0	0



(C) Below is a description of the number of securities issued by the company and owned by the Bank's legal advisor and his relatives (wife and minor children):

Name	Nationality	Number of shares at the end of 2016	Number of shares at the end of 2015
Mr. Mohammad Jabr Hasan Met'eb	Jordanian	-	-

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

(E) The Sharia Supervisory Board members do not hold shares in the Bank.

(F) Below are the finances given by the Bank to each member of the Board of Directors and any other transactions made between the Bank and the member or related persons:

Name	Direct Financing (JD)	Indirect Financing (JD)
Albaraka Banking Group represented by Four Members:	0	0
- H.E. Mr. Adnan Ahmed Yousif Abdelmalek	0	0
- H.E. Mr. Hamad Abdullah Ali Eqab	0	0
- H.E. Mr. Adnan Abdullah Al-Hamad Al-Bassam	0	0
- H.E. Mr. Hood Hashem Ahmad Hashem	0	0
H.E. Dr. Hatim Hafez Al Halawani Al Tamimi	0	0
Mr. Salem Ahmad Jameel Al Khaza'aleh	0	0
H.E. Mr. Noor "Mohammad Shaher" "Mohammad Lutfi" Mahayni - Industrial Commercial Agricultural Company, INTAJ (Chairman)	5,626,034	1,843,045
H.E. Mr. Issa Haidar Issa Murad - Issa Murad and Sons Co. Vice Chairman	251,402	
Mrs. Malak Fawzi Raghieb Ghanim	0	0
Dr. Nabeeh Ahmad Salameh Al Zainat	0	0
Mr. Saleh Yaqoub Mohammad Hussein	0	0

18. (A) Bellow are the benefits and remunerations that the Board Chairman and members received as salaries, fees, remunerations...etc., and the amounts paid for each one of them as travel and transportation expenses inside and outside the Kingdom during the fiscal year 2016:

Name	Board Membership Remuneration (JD)	Board Committees Membership Remuneration (JD)	Transportation Allowances (JD)	Travel Expenses (JD)	Per diem Allowances (JD)	Total
Albaraka Banking Group Co. represented by four members						
H.E. Mr. Adnan Ahmed Yousif AbdelMalek	5,000	5,600	18,000	5,523	3,514	37,637
H.E. Mr. Hamad Abdullah Ali Eqab	5,000	3,500	18,000	6,329	4,473	37,302
H.E. Mr. Adnan Abdullah Al Hamad Al Bassam	5,000	2,100	18,000	4,069	3,515	32,684
H.E. Mr. Hood Hashem Ahmad Hashem	5,000	2,800	18,000	6,329	3,834	35,963
H.E. Dr. Hatim Hafez Al Halawani Al Tamimi*	3,398	4,200	18,000	0	0	25,598
H.E. Mr. Salem Ahmad Jameel Al Khaza'aleh*	3,398	1,400	18,000	0	0	22,798
H.E. Mr. Noor "Mohammad Shafer" "Mohammad Lutfi" Mahayni	5,000	4,200	18,000	0	0	27,200
H.E. Mr. Issa Haidar Issa Murad *	3,398	2,100	18,000	0	0	23,498
H.E. Mrs. Malak Fawzi Raghieb Ghanim *	3,398	4,900	18,000	0	0	26,298
H.E. Dr. Nabeeh Ahmad Salameh Al Zainat *	3,398	2,800	18,000	0	0	24,198
H.E. Mr. Saleh Yaqoub Mohammad Hussein *	3,398	2,800	18,000	0	0	24,198
H.E. Mr. Musa Abdul Aziz Mohammed Shihadeh **	1,617	0	0	0	0	1,617
H.E. Eng. Raef Yousif Mahmoud Najm **	1,617	0	0	0	0	1,617
H.E. Mr. Salem Mohammed Salem Massaedah **	1,617	0	0	0	0	1,617
H.E. Mr. Ayman Abdulkareem Baheer Hatahit **	1,617	0	0	0	0	1,617
H.E. Mr. Haidar Issa Murad Murad **	1,617	0	0	0	0	1,617

* As of 28/4/2015

** Until 28/4/2015



(B) below are the benefits and remunerations that the senior management staff of the bank, with executive authorities 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 2016:

Name	Total Salaries	Bonuses	Travel and Transportation Expenses	Board Committees Membership Remuneration	Total
Mr. Musa Abdelaziz Mohammed Shihadeh CEO –General Manager *	487,812	321,913	29,254	7,000	845,979
Mr. "Mohammed Majed" Mahmoud Rashid Allan Deputy General Manager*	236,472	89,600	0	0	326,072
Dr. Hussein Said Mohammad Deputy General Manager*	239,272	96,762	17,124	2,800	355,958
Mr. Nai'm Mohammad Najem AlKhmous Assistant General Manager	173,473	58,762	11,501	0	243,736
Dr. Hosni Abdul Aziz Hussein Jaradat Manager of Risks Management Dept	69,686	8,862	5,400	2,800	86,748
Dr. "Mohamamd Fahmi" "Mohammad Khalil" Fahmi AL-Ja'abari Manager of Internal Audit Dept	39,817	2,700	0	0	42,517
Dr. Abdulhamid Abdullah Ahmad Abu Saqri Manager of Financial Dept	51,455	4,100	2,284	0	57,839
Dr. "Mohammad Fawaz" Sudqi Sadiq Al Imam Manager of Treasury & Financial Institutions Dept	55,788	3,600	7,462	0	66,850
Dr. Abdullah Atiyeh Abdullah Atiyeh Manager of Internal Control Department	27,218	2,100	0	0	29,318
Mr. Ra'fat Ismail Mohammad Abu Afifeh Manager of Information Security Department	43,517	2,000	3,634	0	49,151
Mr. Mansour Mahmoud Mohamad Aqil Manager of Foreign Operations Dept	29,459	1,700	0	0	31,159
Mr. Ziad Farid Mohammad Abu Ziad Compliance Department Manager	30,559	6,162	3,000	0	39,721
Mr. Mahdi Deeb Mohammad AL-Khalili Manager of Shareholders Relations Unit until 16/2/2016	10,899	77,296	0	0	88,195
Mr. Khalil Rebhi Khalil AL-Beik Manager of Shareholders Relations Unit	24,576	1,225	0	0	25,801
Mr. Raed Subhi Mohammad Ata Manager of (Local) Central Operations Dept	24,073	11,700	1,887	0	37,660
Dr. Ali Mohammad Ahmad Abu Elizz Manager of Internal Sharia Audit Dept.	29,477	1,600	1,247	0	32,324
Mr. Mohammad Jabr Hassan Mite'b Legal Advisor	48,000	0	2,826	0	50,826
Mr. Fadi Ali Shehadeh Abdulrahim Board Secretary	28,614	1,500	0	0	30,114

* Each one of them uses a private car provided by the Bank

(C) Below is a statement of remunerations and benefits the Bank's legal advisor received as wages and bonuses as well as the amounts paid to him as travel and transportation expenses inside and outside the Kingdom during the fiscal year 2016:

Name	Daily Allowances	Travel expenses	Total
Mr. Mohammad Jabr Hasan Met'eb	48,000	2,826	50,826

(D) Below are the annual 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 2016:

Name	Annual Allocations	Daily Allowances	Travel expenses	Total
Dr. Mahmoud Ali Mosleh Al Sartawi	18,000	1,560	810	20,370
Dr. Abd Sattar Abdul Karim Abu Goddeh	18,000	2,311	3,162	23,473
Dr. " Mohammad Khair" Mohammad Salem Al-Issa	18,000	1,507	810	20,317
Dr. Abdul Rahman Ibrahim Zaid Al Kelani	18,000	1,499	810	20,309

19. The Board's report included a statement of donations and grants paid by the Bank during the fiscal year 2016.

20. Note No; (57) in the Bank's consolidated financial statements shows the contracts, projects and agreements signed by the company with other subsidiaries, sister companies, affiliates, 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

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 Raghieb Ghanim

Member

H.E. Mr. Issa Haidar
Issa Murad

Member

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

Member

H.E. Mr. Saleh Yaqoub
Mohammad Hussein

Member

H.E. Mr. 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 Department Manager

Dr. Abdulhamid Abdullah Ahmad
Abu Saqri

CEO- General Manager

H.E. Mr. Musa Abdelaziz Shihadeh

Chairman of the Board

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



**Annexes to
Board of Directors Report of 2016**

Annex III

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



Annex 3

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 international practices in the field, and in consistence with Islamic banks corporate governance instructions No. (64/2016) dated 25/09/2016 issued by the Central Bank of Jordan; it is noteworthy to mention that The Bank prepared the corporate governance guide on 31/12/2007 for the first time.

the Bank prepared and updated a corporate governance guide and published it on its website (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 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 control environment (monitoring and internal control systems, internal auditing department, internal Sharia auditing department, external auditing, risk management department, and compliance department), and last but not the least, relations with shareholders and the Joint Investment Account Holders.

As such, the Bank applies all the guidelines provided in the Guidelines for Corporate Governance Guide for Public Shareholding Companies Listed in Amman Stock Exchange, except for the following:

Section Two: The Shareholding Company Board of Directors.

1. 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 Duties and Responsibilities:

1. Item (6): The date of releasing financial statements shall not be disclosed at least three days prior to the date of release, rather, to comply with the law.
2. Item (14): Regarding the inclusion of shareholders' proposals concerning certain issues on the General Assembly agenda, there exists 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:

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



Section Three: The Company's General Assembly Meeting

1. Item (3): The 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. 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.
2. Item (4): Provisions of the Companies Law regarding the inclusion of any new business not listed on the General Assembly agenda provided to the shareholders.
3. Item (5): It is not usual that a shareholder desiring to apply to the Board of Directors membership sends 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

1. Item (2): The Company shall have an external auditor who shall audit the Company's works, and the auditor may assume such duty for more than four consecutive years as this does not violate the Companies Law or the Corporate Governance Guide of our Bank.





**Report of the Saria Supervisory Board
for the Fiscal Year Ending 31/12/2016**

Head Office

Date: 13 Rabea' Al Akher 1438 H

Corresponding to: 12 January 2017

Report of the Saria Supervisory Board for the Fiscal Year Ending 31/12/2016

All Praise be to Allah, Lord of the Worlds, And Prayers and Peace be upon our Prophet Mohammed and his Family and Companions

To: Messrs/ Shareholders of the Jordan Islamic Bank.

Peace be Upon You, so as Allah's Mercy and Blessings

As per the Banks Law of Jordan No. 28 of the Year 2000 and the provisions thereof concerning Islamic Bank, and the Bank's Articles of Association, the Sharia Supervisory Board hereby provides the following report:

The Sharia Supervisory Board has audited the principles and the contracts used concerning the transactions and the applications that the Bank made available during the fiscal period ending on 31/12/2016, and conducted the needed supervision to give the opinion thereof as regards the Bank's compliance with the teachings of Islamic Sharia'a, the specific fatwas, decisions, and guidelines that we had issued in order to verify the Bank's compliance therewith.

It is the duty of the management to exercise the Bank's business in accordance with the provisions of Islamic Sharia and to ensure that, our responsibility is limited to giving independent opinion based on our observance of the Bank's operations and to report this to yourselves.

We have done our audit, which consisted of examining the authentication and the procedures applied by the Bank, we examined each type of the transactions through the Internal Sharia Audit Department.

We planned and performed our supervision in order to receive all information and clarifications that we deemed necessary to give us reasonably sufficient evidence that the Bank did not breach the teachings and principles of Islamic Sharia.



Head Office

In our opinion:

- A. Contracts, operations, and transactions of the Bank during the year ending on 31/12/2016 that we reviewed was made in accordance with the teachings and principles of Islamic Sharia
- B. Distribution of profit and charging the loss to the Investment Profit Accounts and the Investment Risks Fund is consistent with the fundamentals that we approved in accordance with the teachings and principles of Islamic Sharia.
- C. All amounts that the Bank received from sources or in manners that is not consistent with the teachings and principles of Islamic Sharia were excluded from the Bank's review, and they were given to charity.
- D. The duty of dispensing Zakat is vested with shareholders, no authorisation is given to the bank to dispense it directly, there exist no law for this regard, nor the Articles of Association or the General Assembly decisions provides so, nor there is any authorisation given by the shareholders in this regard, therefore, a shareholder shall dispense the Zakat imposed on the shares thereto when the Sharia conditions and requirements for this regard are met, taking into consideration the following:
 - Where intention upon share purchase or subscription was trading, Zakat shall be based on the market value of the shares and the dividends distributed.
 - Where intention upon share purchase or subscription was to receive dividend and not to trade, Zakat is imposed on the distributed dividend, in addition to the Zakat- subject assets corresponding to such shares with the Bank, on the basis of investigation and estimation.

The Sharia Supervisory Board would like to thank the Bank's management and staff for giving due attention to the observance of the teachings and principles of Islamic Sharia, for their good management, and for the good results of the Bank.

Grace be to Allah, the Lord of Worlds

Date: 13 Rabea' Al Akher 1438 H

Corresponding to: 12 January 2017

Chairman

Dr. Mahmoud Ali Mosleh Al Sartawi

(Signed)

Vice-Chairman

Dr. Abd Sattar Abu Goddeh

(Signed)

Member

Dr. "Mohammad Khair" Mohammad Salem Al-Issa

(Signed)

Member

Dr. Abdul Rahman Ibrahim Zaid Al Kelani

(Signed)



Auditor's Report



Independent Auditors' Report

02 17 254

To the Shareholders of
Jordan Islamic Bank
Public Shareholding Company
Amman- The Hashemite Kingdom of Jordan

Report on the Audit of the consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Jordan Islamic Bank -Public Shareholding Company which comprise the consolidated statement of financial position as at 31 December 2016, the consolidated income statement, consolidated statement of changes in equity, consolidated statement of cash flows, and the consolidated statement of sources and uses of Al-Qard Al-Hassan fund for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects the financial position of the Bank as at 31 December 2016, and its financial performance and its cash flows for the year then ended in accordance with the Shari'a rules and principles as determined by the Shari'a Supervisory Board of the Bank and in accordance with Financial Accounting Standards issued by Accounting and Auditing Organization for Islamic Financial Institutions, (AAOIFI).

Basis for Opinion

We conducted our audit in accordance with Auditing Standards for Islamic Financial Institutions (AAOIFI) and requirements of International Audit Standard (701). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the consolidated Financial Statements section of our report. We are independent of the Bank in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA) together with the ethical requirements that are relevant to our audit of the consolidated financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

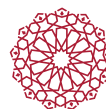
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1- Impairment of deferred sales receivables, other receivables, financing, Ijarah Muntahia Bittamleek receivables, and Al-Qard Al-hassan:

Due to the estimated nature of the impairment provision for the above mentioned receivables and its significant impact on the results of the Bank's operations, it is considered one of the important audit matters.



The management classifies these receivables into performing, under-watch and non-performing loans, in addition to measuring the impairment of such receivables based on the instructions of the Central Bank of Jordan and based on the ratios contained therein, which are based mainly on the date of default and the collaterals assessment.

The management also transfers 10% of the total profits of the joint investment realized from various operations to the investment risk fund as per the instructions of the Central Bank of Jordan.

The most important actions we have done:

- Obtaining list of non-performing loans and under-watch loans in order to study the accuracy of their classification in accordance with the instructions of the Central Bank of Jordan to select sufficient samples to examine the accuracy of the classification and validity of the impairment calculation and assess the required provisions based on the date of default.
- Selecting sample of the performing finances & receivables and examining the accuracy of their classification according to the instructions of the Central Bank of Jordan and the validity of whether the management has taken into account all the factors of impairment.
- We have recalculated the amounts transferred to the investment risk fund in accordance with Central Bank of Jordan regulations.
- The disclosures on the provision for impairment (deferred sales receivables, other receivables, financing, Ijarah Muntahia Bittamleek receivables, and Al-Qard Alhassan) have been disclosed in notes (7,9,15). Those related to the investment risk fund has been disclosed in note 30, in the consolidated financial statements.

2- Suspension of Revenues for non-performing loans (deferred sales receivables, other receivables and Ijarah Muntahia Bittamleek receivables):

- Revenues are suspended after 90 days from the date of default (date of suspension) in accordance with the instructions of the Central Bank of Jordan.
- The professional judgment is applied to determine the date of default which affects the amounts of the suspended revenues.

The most important actions we have done:

- Our audit procedures include the selection of sample of non-performing accounts (deferred sales receivables, other receivables and Ijarah Muntahia Bittamleek receivables).
- Review the value of suspended revenues by studying the accuracy of the classification and recalculating in accordance with the instructions of the Central Bank of Jordan, as shown in note (7) of the consolidated financial statements.

3- Financial instruments Assessment:

Management uses certain assumptions and estimates in determining fair value. Due to the risks accompanying estimating the fair value, this process is deemed one of the key audit matters.

The most important actions we have done:

- Studying sample of the purchase / sale of financial instruments and their compatibility with the Bank's internal policy and the instructions of the supervisory bodies.
- Studying the Bank's internal systems relating to the dangers of estimating the fair value and the reasonableness of the assumptions and estimates used by the Bank in determining the fair value of such financial instruments.
- Reviewing the notes relevant to the fair value in the consolidated financial statements number (10, 11).



Other Information

Management is responsible for the other information included in the annual report, other than the consolidated financial statements and our auditors' report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Shari'a and principles as determined by the Shari'a Supervisory Board of the Bank and the Financial Accounting Standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. In preparing the consolidated financial statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Bank's financial reporting process.

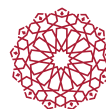
Auditors' Responsibilities for the Audit of the consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Accounting and Auditing Standards for Islamic Financial Institution (AAOIFI) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Accounting and Auditing Standards for Islamic Financial Institutions (AAOIFI), and requirements of International Audit Standard (701), we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.



An independent member of
Moore Stephens international Limited
MOORE STEPHENS



ابراهيم العباسي وشركاه
محاسبون قانونيون ومستشارون ماليون

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

The Bank maintains proper of accounts and the accompanying consolidated financial statements and financial information presented in Board of Directors' report are in agreement therewith.

Ibrahim Abbasi & Co.

Ahmed M. Abbasi
License 710

Amman In
8 February 2016



Consolidated Financial Statements
DECEMBER 31, 2016



Jordan Islamic Bank

Public Shareholding Limited Company
Amman - Jordan

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Statement (A)

Consolidated Statement of Financial Position As of December 31, 2016

Description	Notes	2016	2015
		JD	JD
Assets			
Cash and balances with central banks	4	1,090,770,170	891,885,751
Balances at banks and financial institutions	5	41,713,931	46,393,358
Investment Accounts with Banks and Banking Institutions	6	17,725,000	7,444,500
Deferred Sale Receivables and Other Receivables –Net	7	2,044,488,509	2,076,857,795
Assets of Ijara Muntahia Bittamleek	8	565,944,539	483,095,875
Finances –Net	9	30,064,026	27,713,826
Financial Assets at fair value through equity – self	10	7,544,141	7,704,513
Financial assets at the fair value through the joint investment accounts holders equities	11	54,536,797	53,503,493
Financial assets at amortized cost	12	37,760,000	-
Investments in Affiliates	13	7,658,670	15,065,698
Real Estate Investments	14	110,249,076	108,008,613
Al Qard Al Hasan - Net:	15	7,966,851	6,149,576
Property and Equipment- Net	16	71,633,380	63,602,355
Intangible Assets	18	2,028,836	3,032,112
Other Assets	19	9,435,770	8,533,970
Total Assets		4,099,519,696	3,798,991,435
Liabilities, Joint Investment Accounts Holders' Equity, Non-controlling interests and equity			
Liabilities			
Banks and Banking Institutions Accounts	20	8,812,042	3,175,947
Current and Call Accounts	21	1,199,334,692	1,113,286,046
Cash Margins	22	47,919,206	43,590,592
Other Creditors	23	1,162,406	1,571,695
Other Provisions	24	6,500,000	5,800,000
Income Tax Provision	25	25,425,244	22,458,115
Deferred Tax Liabilities	26 B	327,556	302,772
Other Liabilities	27	15,450,746	20,715,812
Total Liabilities		1,304,931,892	1,210,900,979

The accompanying notes from (1) to (68) constitute an integral part of these consolidated financial statements

Description	Notes	2016	2015
		JD	JD
Joint Investment Accounts Holders' Equity			
Unrestricted Investment Accounts	28 A	2,389,772,737	2,225,318,925
Investment Accounts Holders' Reserve-Subsidiaries & Affiliates	28 B	14,445,401	11,120,183
Fair Value Reserve	29 A	11,210,857	10,562,145
Deferred Tax Liabilities	26 A	6,036,616	5,687,308
Total Joint Investment Accounts Holders' Equity		2,421,465,611	2,252,688,561
Non-Controlling Interests	28 B	130,070	1,172,977
Total Joint Investment Accounts Holders' Equity & Non-Controlling Interests		2,421,595,681	2,253,861,538
Investment Risks Fund	30	29,619,452	19,908,073
Income Tax Provision of Investment Risks Fund	30	652,909	3,166,186
Equity			
Shareholders' Equity			
Paid-up Capital	31	150,000,000	150,000,000
Statutory Reserve	32	68,370,796	59,988,116
Voluntary Reserve	32	22,617,024	14,272,844
General Banking Risks Reserve	32	1,000,000	700,000
Fair Value Reserve	29 B	608,319	562,291
Retained Earnings	33	100,123,623	85,631,408
Total Equity –Shareholders' Equity		342,719,762	311,154,659
Total Liabilities, Joint Investment Accounts Holders' Equity, Non-Controlling Interests, and equity		4,099,519,696	3,798,991,435
Accounts Managed for Others:			
Restricted Investments	55	28,824,979	29,105,895
Muqarada bonds	56	368,099,076	338,680,764
Investment by proxy accounts	57	6,222,149	3,038,826

The accompanying notes from (1) to (68) constitute an integral part of these consolidated financial statements



Statement (B)

Consolidated Income statement For the Year Ended December 31, 2016

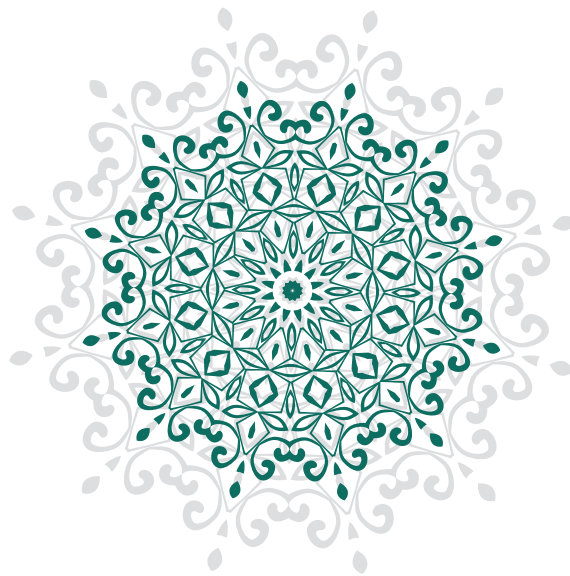
Description	Notes	2016	2015
		JD	JD
Deferred Sale Revenues	34	148,057,339	138,919,246
Finance Revenues	35	404,490	421,406
Profits of financial assets at fair value through the joint investment accounts holders' equity	36	2,954,244	1,273,507
Profits Financial assets at amortized cost	37	315,230	-
Share of funds involved in investment from the profit distributed by Affiliates and Subsidiaries	38	997,849	788,507
Revenues of Real Estate Investments	39	4,736,711	1,098,537
Revenues of Leased Assets and Ijarah Muntahia Bittamleek	40	40,362,962	34,741,112
Revenues of other Investments	41	116,491	148,323
Revenues of Joint Investment Accounts		197,945,316	177,390,638
Net Business Results of Subsidiaries	42	2,139,889	2,111,037
Share of funds involved in investment from the profits of affiliates		609,411	399,259
Total Revenues of Joint Investment Accounts		200,694,616	179,900,934
Share of Unrestricted Investment Accounts Holders	43	(52,582,840)	(48,077,761)
Investment Accounts Holders' Share of the Net Business Results of Subsidiaries		(2,132,391)	(2,014,582)
Non-Controlling Interests' Share of the Net Business Results of Subsidiaries		(7,498)	(96,455)
Share of funds involved in investment from the profits of affiliates		(609,411)	(399,259)
Share of the Investment Risk Fund	30	(19,794,532)	(17,739,064)
Bank's Share of the Joint Investment Accounts Revenues as Mudarib and Rab-mal	44	125,567,944	111,573,813
Bank's Self-Profits	45	268,683	172,630
Bank's Share of Restricted Investments Revenues as Mudarib	46	1,675,677	778,521
Bank's Share of Restricted Investments Revenues as a proxy	46	55,554	34,324
Banking Services Revenues	47	18,816,158	17,954,054
Foreign Currency Profits	48	1,838,963	2,191,995
Other Revenues	49	1,368,314	1,772,666
Gross Income		149,591,293	134,478,003
Employee expenses	50	(34,993,012)	(32,452,148)
Depreciation and Amortization	17	(9,143,961)	(9,042,325)
Other expenses	51	(19,406,387)	(17,798,454)
Losses Assets Impairment- self	15	(1,600,000)	(200,000)
Other Provisions	52	(700,000)	(300,000)
Total Expenses		(65,843,360)	(59,792,927)
Profit before Tax		83,747,933	74,685,076
Income Tax	25	(29,728,858)	(25,964,620)
Profit after Tax		54,019,075	48,720,456
Basic and Diluted Earnings per Share	53	FILS/JD	FILS/JD
		360/0	325/0

The accompanying notes from (1) to (68) constitute an integral part of these consolidated financial statements

Statement (C)

**Consolidated Statement of Comprehensive Income
For the Year Ended December 31, 2016**

Description	Notes	2016	2015
		JD	JD
Profit after tax		54,019,075	48,720,456
Add: Other Comprehensive Income after Tax Items :			
Change in fair value reserve of the financial assets – Net		46,028	(278,321)
Total Comprehensive Income for the Year		54,065,103	48,442,135



The accompanying notes from (1) to (68) constitute an integral part of these consolidated financial statements

Statement (D)

Consolidated Statement of Changes in Equity For the Year Ended December 31, 2016

For the Year Ended December 31, 2016	Paid-up Capital	Statutory Reserve	Voluntary Reserve	General Banking Risk Reserve*	Fair Value Reserve **	Retained Earnings	Total
	JD	JD	JD	JD	JD	JD	JD
Balance as at 1st January 2016	150,000,000	59,988,116	14,272,844	700,000	562,291	85,631,408	311,154,659
Profit after tax	-	-	-	-	-	54,019,075	54,019,075
Change in the fair value reserve	-	-	-	-	46,028	-	46,028
Total Comprehensive Income for the Year After the Tax	-	-	-	-	46,028	54,019,075	54,065,103
Transferred to (from) reserves	-	8,382,680	8,344,180	300,000	-	(17,026,860)	-
Distributed Dividends***	-	-	-	-	-	(22,500,000)	(22,500,000)
Balance as at December 31, 2016	150,000,000	68,370,796	22,617,024	1,000,000	608,319	100,123,623	342,719,762

* It shall be prohibited to dispose of the balance of the General Banking Risks Reserve amounting to JD 1,000,000 as of December 31, 2016 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 608,319 as of December 31, 2016.

*** The General Shareholders Commission approved on 27 April 2016 to distribute cash dividends on 15% of the capital amounted JD 22,500,000.



For the Year Ended December 31, 2015	Paid-up Capital	Statutory Reserve	Voluntary Reserve	General Banking Risk Reserve*	Fair Value Reserve**	Retained Earnings	Total
	JD	JD	JD	JD	JD	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
Change in the fair value reserve	-	-	-	-	(278,321)	-	(278,321)
Total Comprehensive Income for the Year After the Tax	-	-	-	-	(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)
Balance as at December 31, 2015	150,000,000	59,988,116	14,272,844	700,000	562,291	85,631,408	311,154,659

* 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 (68) constitute an integral part of these consolidated financial statements



Statement (E)

Consolidated Statement of Cash Flows For the Year Ended December 31, 2016

Description	Notes	2016	2015
		JD	JD
Cash Flows from Operating Activities			
Profit before Tax		83,747,933	74,685,076
Amendments to Non-Cash Items:			
Depreciations and Amortizations		9,143,961	9,042,325
Investment Risk Fund		7,198,102	3,255,386
Employee leaves provision		100,000	150,000
Provision for Staff End of Service		600,000	150,000
Losses assets impairment- Self		1,600,000	200,000
Provision for acquired real estates		8,582	6,871
Impairment Provision for acquired Real Estates		257,512	3,676
Profits of selling properties and equipment		(101,563)	(818)
Exchange Rates Effect on Cash and Cash Equivalent		(1,072,271)	(1,406,132)
Profit before Change in Assets and Liabilities		101,482,256	86,086,384
Change in Assets and Liabilities			
Decrease in investmentAccounts at Banks and Banking Institutions for more than 3 Months		(10,280,500)	(7,444,500)
(Decrease) Increase in Deferred Sales and Other Receivables		32,369,286	(304,156,368)
Increase in Finances		(2,350,200)	(2,407,710)
Increase in Ijara Muntahia Bitamleek Assets		(82,848,664)	(67,780,043)
Increase in Al Qard Al Hasan Loans		(3,417,275)	(666,918)
Decrease (Increase) in Other Assets		(901,800)	1,908,248
Increase in Current and Call Accounts		86,048,646	86,553,975
Decrease in Accounts Payable		(409,289)	(221,345)
Increase in Cash Margins		4,328,614	8,787,417
(Decrease) Increase in other liabilities		(5,265,066)	4,266,249
Net change in Assets and Liabilities		17,273,752	(281,160,995)
Net Cash Flows (used in) from Operating Activities before Tax		118,756,008	(195,074,611)
Paid Taxes		(26,761,729)	(20,310,357)
Net Cash Flows from (used in) Operating Activities		91,994,279	(215,384,968)
Cash flows from Investment Operations			
Sale of financial assets at fair value through the equity		250,000	1,013,100
Purchase of financial assets at fair value through the equity		(18,816)	-
Sale of financial assets at fair value through the joint investment accounts Holders' equity		15,525,893	9,742,249
Purchase of financial assets at fair value through the joint investment account holder equity		(16,823,847)	(27,216,410)
Purchase of financial assets at amortized cost - Net		(37,760,000)	-
Sale of Real Estate Investments		7,421,276	-
Purchase of investment in affiliates		(14,248)	(3,068)
Sale of Real Estate Investments		6,929,956	554,107
Purchase of Real Estate Investments		(8,173,843)	(17,523,831)
Sale of Properties and Equipment		1,149,839	100,094
Purchase of Equipment and Properties		(15,953,940)	(8,950,489)
Purchase of intangible assets		(1,266,046)	(2,258,084)
Net Cash Flows used in Investment Operations		(48,733,776)	(44,542,332)
Cash Flow from Financing Operations			
Increase in Unrestricted Investment Accounts Holders Equity		166,736,123	112,496,670
Dividends Distributed to Shareholders		(22,500,000)	(19,500,000)
Net Cash Flow from Financing Operations		144,236,123	92,996,670
Net increase (decrease) in cash and cash equivalent		187,496,626	(166,930,630)
Exchange Rates Effect on Cash and Cash Equivalent		1,072,271	1,406,132
Cash and Cash Equivalent at Year-Beginning	54	935,103,162	1,100,627,660
Cash and Cash Equivalent at Year-End	54	1,123,672,059	935,103,162

The accompanying notes from (1) to (68) constitute an integral part of these consolidated financial statements

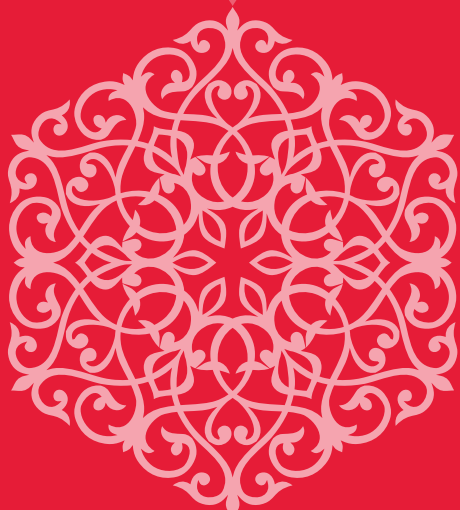
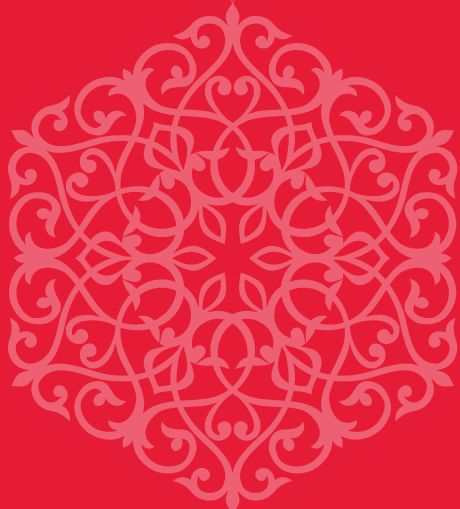


Statement (F)

**Consolidated Statement of Sources and Uses of the Funds of Al Qard Al Hasan Fund
For the Year Ended December 31, 2016**

Description	2016	2015
	JD	JD
Year Beginning Balance	9,049,576	8,382,658
Sources of the Fund Money from:		
The amounts that the Bank is authorized to use	13,372,351	17,252,411
Outside the Bank	1,787,393	1,331,983
Total Sources of the Fund money during the Year	15,159,744	18,584,394
Uses of the Fund's Money for:		
Education	1,387,855	1,443,910
Medical Treatment	805,254	655,410
Marriage	285,770	279,140
Overdraft Accounts	10,951,652	14,748,210
Social Advances for the Bank Employees	2,151,404	2,124,642
The Fund's contribution to the Jordan loan guarantee Corporation	2,995,084	-
Total Uses During the Year	18,577,019	19,251,312
Year-End Balance	12,466,851	9,049,576
Less :Assets Impairment Provision – Self- Constructed	(4,500,000)	(2,900,000)
Year-End Balance, Net	7,966,851	6,149,576

The accompanying notes from (1) to (68) constitute an integral part of these consolidated financial statements



Notes to the Consolidated Financial Statements

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, 74 branches and 23 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 8, 2017 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. (01/2017) held on 12 January 2017 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 four 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 equity and the financial assets at the fair value through the joint investment account holders equity, financial assets at amortized cost 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 subsidiaries operations shall be consolidated in the consolidated income statement from the date of acquisition, which is the date the Bank's control over subsidiaries is actually transferred.
- The results of operations for disposed subsidiaries shall be consolidated in the consolidated income statement until the date of disposal, which is the same date on which the Bank's loses control over subsidiaries.
- The non-controlling Interests represents the portion not owned by the Bank or by the unrestricted investment accounts of the owners equity 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 2016:

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	99,4%	Education	Amman	1987
Al Samaha for Finance and Investment Company Ltd.	12,000,000	100%	Funding	Amman	1998
Future Applied Computer Technology Company Ltd.	5,000,000	100%	Services	Amman	1998
Sanabel Al-Khair for Financial Investments Company Ltd.	5,000,000	100%	Brokerage	Amman	2005

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 (2015: 10%).
- The Bank's share as mudarib was deducted this year at 45% for Jordanian Dinar and 50% for foreign currencies of total joint investment profits (2015: 45% for Jordanian Dinar, 50% 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, 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 investors, each according to his contribution and as per the terms of the account signed between the Bank and the investor.
- The joint investment accounts shall share profits on the following bases:
 - 50% of the annual average of saving accounts balance.
 - 70% of the annual average 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 Mudaraba contracts.
- The investment by proxy accounts are managed under brokerage contracts.
- The Bank's share as Mudarib was deducted at a rate of 5% on 30 June 2016, and 15% on 31 December 2016 from the total profits of the Muqarada bonds while the Bank's share as Mudarib was not deducted on 30 June 2015, and 10% on 31 December 2015. The general rate of the profits distributed to the Muqarada bonds holders amounted 3.40% on 30 June 2016 and 3.62% on 31 December 2016 compared to 4% on 30 June 2015 and 3.55% on 31 December 2015.
- The Bank's share as Mudarib was deducted at a rate of 7.7% -25% from the profits of restricted accounts in dinar and 40% from the profits of restricted investment accounts in foreign currencies. The general rate of the profits distributed to restricted investment accounts in foreign currencies amounted 0.3% on 31 January 2016 (2015: 0.15%)



- The profit was distributed after deducting the Bank's share as Mudarib 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.

Zakah:

The responsibility of Zakah 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 (purchaseorderer) 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' Contracts:

- **Istisna' :** Is a contract of sale between al-mustasni' (the purchaser) and al-sani' (the seller) where the later shall, at the request of the first – manufacture a described commodity (al-masnoo') or obtain it upon the delivery provided that the manufacturing material and / or the labor cost are provided by al-sani' for agreed upon price and in accordance with the repayment method, to be paid immediately upon signing the contract or in installments or deferred.
- **Parallel Istisna'a:** It is two separated contracts, one with the client in which the Bank is al-sani' , and the other with al-sani' (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 al-sani') and the second is deferred (with the client).

- Istisna' 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' 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 parallel Istisna').
- If the Mustasni' (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 Position, 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 parallel 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 parallel 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 al-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.

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.

Financial assets at amortized cost

- Financial assets are invested on the basis of the contractual royalties provided that these assets may are not held for trading purpose or recorded ' at fair value through the income statement", and cash flows related on either in the form of payments (fixed or variable) of these assets and profits.
- These assets are recognized at purchase of cost plus acquisition expenses.
- At the end of each financial period, these assets are measured using the actual profit rate method. All profits or losses resulting from the amortization process to be recognized in the income statement.
- In the case of impairment in the financial asset value, which may cause to recoverable amount of the invested amount asset or part of it, the impairment value is charged in the income statement (if the investment is from the self-constructed bank's funds) or the investment risk fund (if the investment is from the joint investment funds).

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.

Ijarah and Ijarah Muntahia Bittamleek:

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

- **Operating Lease:** a lease contract which does not end in the lessee's ownership of the leased assets.
 - **Ijarah Muntahia Bittamleek:** a lease contract which ends in the lessee's ownership of the leased assets. It takes different forms as mentioned in the Ijarah and Ijarah Muntahia Bittamleek Standard issued by the Accounting and Auditing Organization for Islamic Financial Institutions.
- The assets acquired for 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.
 - Ijarah revenues shall be distributed in consistence with the financial periods covered by the Ijarah contract.
 - The expenses of leased assets maintenance shall be stated in the financial period where they occur.

Real Estate Investments:

- It is acquisition of 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 are 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 recorded values 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.

The fair value of non-financial assets shown at fair value:

- The fair value of non-financial assets shown at fair value: the market prices on the date of the consolidated financial statements (if there is an active markets for assets) of non-financial assets shown at fair value. In case of lack of such markets, on the date of the consolidated financial statements are evaluated by taking the Arithmetic average for (3) licensed and accredited experience assessments.

Depreciation:

(A) Depreciation of Assets Available for Investment:

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

(B) Property and Equipment:

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

Item	Depreciation rate
Buildings	2%
Equipment, Appliances, Furniture	5%- 20%
Transportation Means	15%
Computers	35%

- 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.

Item	amortization rate
Computer Programs	50%



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 accepted taxable losses or non-deductible items for tax purposes.
- The Bank shall deduct income tax provision pursuant to the Interim Income Tax Law No. (34) 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 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 Investment Risk Fund in accordance with Article (55) of the Banks Law. Then it 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 regulations, laws and accounting 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 source of those investments.

4. Cash and Balances at Central Banks:

The details of this item are as follows:

Description	December 31, 2016	December 31, 2015
	JD	JD
Cash in Vaults	120,387,742	112,724,475
Balances at the Central Bank of Jordan:		
Current Accounts	724,292,888	550,159,105
Mandatory Cash Reserve	246,089,540	229,002,171
Total Balances at the Central Bank of Jordan	970,382,428	779,161,276
Total	1,090,770,170	891,885,751

- 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 46,777, 481 and an amount of JD 10,834,548 were deducted as of December 31, 2016 and December 31, 2015 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, 2016 and December 31, 2015.
- There are no restricted withdrawing amounts except the mandatory cash reserve as on December 31, 2016 and December 31, 2015.

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, 2016	Dec. 31, 2015	Dec. 31, 2016	Dec. 31, 2015	Dec. 31, 2016	Dec. 31, 2015
	JD	JD	JD	JD	JD	JD
Current and Call Accounts	1,560	3,564,263	30,761,387	29,391,700	30,762,947	32,955,963
Unrestricted Investment Accounts that are due within 3 months or less	-	-	10,950,984	13,437,395	10,950,984	13,437,395
Total	1,560	3,564,263	41,712,371	42,829,095	41,713,931	46,393,358

- 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, 2016 and December 31, 2015.

6. Investment accounts at Banks and Banking Institutions

The details of this item are as follows:

Description	Foreign Banks and Banking Institutions	
	December 31, 2016	December 31, 2015
	JD	JD
Accounts due within 3-6 months	-	2,127,000
Accounts due within 6-9 months	-	5,317,500
Accounts due within 9-12 months	-	-
More than one year	17,725,000	-
Total	17,725,000	7,444,500

- There are no restricted withdrawing amounts at the foreign banks and banking institutions as on December 31, 2016 and December 31, 2015.

7. Deferred Sale Receivables and Other Receivables Net

The details of this item are as follows:

Description	Joint		Self		Total	
	Dec. 31, 2016	Dec. 31, 2015	Dec. 31, 2016	Dec. 31, 2015	Dec. 31, 2016	Dec. 31, 2015
	JD	JD	JD	JD	JD	JD
Individuals (Retail):						
Murabaha to the Purchase-Orderer	699,205,090	619,982,556	-	-	699,205,090	619,982,556
Deferred Sale	4,088,360	4,016,619	-	-	4,088,360	4,016,619
Ijara Mawsofa bill thimma	2,451,205	1,649,418	-	-	2,451,205	1,649,418
Due Ijara receivables	3,301,106	2,764,013	-	-	3,301,106	2,764,013
Client Receivables	2,771,725	2,833,958	7,569,212	7,369,038	10,340,937	10,202,996
Real Estate Financing	459,239,121	409,769,581	250,000	79,000	459,489,121	409,848,581
Corporates:						
International Murabaha	23,123,110	11,949,691	-	-	23,123,110	11,949,691
Istisna'	3,783,797	2,102,775	-	-	3,783,797	2,102,775
Murabaha to the Purchase-Orderer	352,109,805	365,079,552	-	-	352,109,805	365,079,552
Small and Medium Enterprises:						
Murabaha to the Purchase-Orderer	150,004,821	156,224,450	-	-	150,004,821	156,224,450
Government and public sector	639,067,907	822,195,920	361,018	263,875	639,428,925	822,459,795
Total	2,339,146,047	2,398,568,533	8,180,230	7,711,913	2,347,326,277	2,406,280,446
Less: Deferred Revenues*	(218,888,309)	(241,730,876)	(30,000)	-	(218,918,309)	(241,730,876)
Less: Suspended Revenues**	(10,601,110)	(9,867,016)	-	-	(10,601,110)	(9,867,016)
Less: Impairment Provision	(72,668,349)	(77,299,759)	(650,000)	(525,000)	(73,318,349)	(77,824,759)
Net Deferred Sales & Other Receivables	2,036,988,279	2,069,670,882	7,500,230	7,186,913	2,044,488,509	2,076,857,795

* Deferred revenues include the deferred revenues of Murabaha to the purchase-orderer, deferred sale, Ijara Mawsofa bill thimma, and Istisna'.

** Suspended revenues include the suspended revenues of Murabaha to the purchase-orderer, deferred sale, Ijara Mawsofa bill thimma, and Istisna'.



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

For the year ended December 31, 2016	Individuals	Real Estate Financing	Corporates	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	125,000	-	-	-	-	125,000
Used from the provision during the period (Written-off receivables)	-	-	-	-	-	-
Year-End Balance	650,000	-	-	-	-	650,000

As of December 31, 2016	Individuals	Real Estate Financing	Corporates	Small & Medium Enterprises	Government and public sector	Total
	JD	JD	JD	JD	JD	JD
Impaired provision of non-performing Al Qard Al Hasan on the single client basis	279,757	-	-	-	-	279,757
Impaired provision of under watch Al Qard Al Hasan on the single client basis	190,345	-	-	-	-	190,345
Impaired provision of under watch Al Qard Al Hasan on the portfolio basis	179,898	-	-	-	-	179,898
Year-End Balance	650,000	-	-	-	-	650,000

For the year ended December 31, 2015	Individuals	Real Estate Financing	Corporates	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 period (Written-off receivables)	(32,856)	-	-	-	-	(32,856)
Year-End Balance	525,000	-	-	-	-	525,000

As of December 31, 2015	Individuals	Real Estate Financing	Corporates	Small & Medium Enterprises	Government and public sector	Total
	JD	JD	JD	JD	JD	JD
Impaired provision of non-performing Al Qard Al Hasan on the single client basis	283,921	-	-	-	-	283,921
Impaired provision of under watch Al Qard Al Hasan on the single client basis	132,009	-	-	-	-	132,009
Impaired provision of under watch Al Qard Al Hasan on the portfolio basis	109,070	-	-	-	-	109,070
Year-End Balance	525,000	-	-	-	-	525,000

- There are no dispensable provisions due to settlements or debt payments and transferred to other receivables, finances, and Ijara as on December 31, 2016 and December 31, 2015.



– The movement on the deferred sale receivables was as follow

For the year ending 31 December 2016	Deferred sale receivables	Deferred revenues
	JD	JD
Year-Beginning Balance	4,016,619	286,043
Additions	3,145,931	327,209
Disposals	(3,074,190)	(433,319)
Year-End Balance	4,088,360	179,933

– Below is the movement on the suspended revenues:

Description	Joint				
	For the year ended December 31, 2016				
	Individuals	Real Estate Financing	Corporates	Small & Medium Enterprises	Total
	JD	JD	JD	JD	JD
Year-Beginning Balance	2,415,464	2,226,889	3,497,410	1,727,253	9,867,016
Add: suspended revenues during the year	1,409,707	1,299,651	968,493	1,008,055	4,685,906
Less: suspended revenues transferred to revenues	(997,915)	(84,206)	(1,457,000)	(905,515)	(3,444,636)
Less: suspended revenues written - off	(290,787)	-	(216,389)	-	(507,176)
Year-End Balance	2,536,469	3,442,334	2,792,514	1,829,793	10,601,110

Description	Joint				
	For the year ended December 31, 2015				
	Individuals	Real Estate Financing	Corporates	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: suspended revenues during the year	1,873,726	993,711	1,751,650	806,723	5,425,810
Less: suspended revenues transferred to revenues	(2,483,329)	(371,136)	(1,082,221)	(381,898)	(4,318,584)
Year-End Balance	2,415,464	2,226,889	3,497,410	1,727,253	9,867,016

8. Assets of Ijarah Muntahia Bittamleek - Net

The details of this item are as follows:

Description	Joint		
	December 31, 2016		
	Cost	Accumulated Depreciation	Net Value
	JD	JD	JD
Assets of Ijarah Muntahia Bittamleek / real estates	744,100,740	(178,156,201)	565,944,539

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

- The total unpaid accrued Ijarah installments amounted JD 3,301,106 as of December 31, 2016 compared to JD 2,764,013 as of December 31, 2015, 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		Total	
	Dec. 31, 2016	Dec. 31, 2015	Dec. 31, 2016	Dec. 31, 2015	Dec. 31, 2016	Dec. 31, 2015
	JD	JD	JD	JD	JD	JD
Individual (Retail):						
Diminishing Musharaka	29,925,831	27,632,315	314,192	254,707	30,240,023	27,887,022
Less: Impairment Provision	(175,997)	(173,196)	-	-	(175,997)	(173,196)
Net Finances	29,749,834	27,459,119	314,192	254,707	30,064,026	27,713,826

- Non-performing Deferred sales, Ijarah receivables, finances, other receivables and Al Qard Al Hasan amounted JD 98,685,015 as of December 31, 2016, i.e. 4.13% of the balance of deferred sales, Ijarah receivables, other receivables, finances and Al Qard Al Hasan compared to JD 104,148,938 as of December 31, 2015, i.e. 4.26% of the balance utilized at the end of the previous year.



- Non-performing Deferred sales, other receivables and Al Qard Al Hasan after deduction Suspended revenues amounted JD 88,083,905 as of December 31, 2016, i.e. 3.70% of the balance of deferred sales, other receivables, financings and Al Qard Al Hasan after deduction suspended revenues compared to JD 94,281,922 as of December 31, 2015, i.e. 3.87% 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 642,424,009 as of December 31, 2016, i.e. 27% of the balance of deferred sales, Ijarah receivables, other receivables and finances compared to JD 822,459,795 as of December 31, 2015, i.e. 33.79% 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, 2016	December 31, 2015
	JD	JD
Financial assets - Quoted:		
Corporate shares	1,738,201	1,722,636
Total financial assets - Quoted	1,738,201	1,722,636
Financial assets - unquoted:		
Corporate shares	1,055,940	981,877
Muqarada bonds	4,750,000	5,000,000
Total financial assets - unquoted	5,805,940	5,981,877
Total financial assets at fair value through the equity – self	7,544,141	7,704,513

- Financial assets presented at cost due to the inability of determining their fair value amounted JD 4,750,000 as on December 31, 2016 compared to JD 5,000,000 as of December 31, 2015.



11. Financial assets in the fair value through the joint investment accounts holders equities

The details of this item are as follow:

Description	December 31	
	2016	2015
	JD	JD
Financial assets - Quoted:		
Companies Shares	23,407,734	21,550,488
Islamic Sukuk	10,475,744	10,008,953
Total financial assets - Quoted	33,883,478	31,559,441
Financial assets - Unquoted:		
Companies shares	2,366,000	2,361,660
Islamic banks portfolio	4,378,819	6,823,892
Islamic Sukuk	4,608,500	4,608,500
Muqarada bonds	9,300,000	8,150,000
Total financial assets - Unquoted	20,653,319	21,944,052
Total financial assets at fair value through the joint investment accounts holders equity	54,536,797	53,503,493

- The total financial assets presented at cost due to the impossibility of determining their fair value as on December 31, 2016 amounted JD 20,653,319 compared to JD 21,944,052 as on December 31, 2015.

12. Financial assets at amortized cost

The details of this item are as follow:

Description	December 31	
	2016	2015
	JD	JD
Financial assets at amortized cost assets - Unquoted		
Islamic Sukuk	37,760,000	-
Financial assets at amortized cost assets - Unquoted	37,760,000	-

- Sukuk matures in 2021
- Return of Sukuk 3.5% per annum, payable semi annually.

13. 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, 2016	Dec. 31, 2015	Dec. 31, 2016	Dec. 31, 2015
Jordan Center for International Trading Co	Jordan	28,4	Commercial	31 Dec.	1983	1,071,082	1,071,082	1,522,300	1,552,021
AlAmin Investment Co.	Jordan	29,9	Services	31 Dec.	1995	-	4,083,258	-	3,924,168
Islamic Insurance Co.	Jordan	33,5	Insurance	31 Dec.	1995	4,647,628	4,633,380	6,136,370	5,873,021
Arabian Steel Pipes Mfg. Co.	Jordan	26,0	Industry	31 Dec.	1994	-	5,127,585	-	3,716,488
Total affiliates / Joint						5,718,710	14,915,305	7,658,670	15,065,698

- Investments in affiliates / joint are stated under the equity method noting that their fair value on December 31, 2016 amounted JD 6,898,140 compared to JD 12,876,622 on December 31, 2015.



14. Real Estate Investments

Held-for-use:

Details of this item are as follows:

Description	Joint	
	December 31, 2016	December 31, 2015
	JD	JD
Real Estate investments *	110,525,717	108,019,160
Provision for acquired real-estates **	(15,453)	(6,871)
Impairment provision for acquired real-estates	(261,188)	(3,676)
Net Assets	110,249,076	108,008,613

* The real estate investments are carried at fair value, noting that its book value (cost) is JD 95,489,698 as of December 31, 2016 compared to JD 94,245,811 as of December 31, 2015.

** 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) and at a rate of 25% for the second year (2016) in accordance with the instructions of the Central Bank of Jordan.





15. Al Qard Al Hasan - Net:

Details of this item are as follows:

Description	December 31, 2016	December 31, 2015
	JD	JD
Al Qard Al Hasan	12,466,851	9,049,576
Less: Assets Impairment Provision-Self *	(4,500,000)	(2,900,000)
Al Qard Al Hasan-Net	7,966,851	6,149,576

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

Description	Year beginning balance	Appropriated during the year	Utilized during the year	Transferred during the year	Transferred to revenues	Year-end balance
	JD	JD	JD	JD	JD	JD
2016						
Assets Impairment provision-Self	2,900,000	1,600,000	-	-	-	4,500,000
Total	2,900,000	1,600,000	-	-	-	4,500,000
2015						
Assets Impairment provision-Self	2,700,000	200,000	-	-	-	2,900,000
Total	2,700,000	200,000	-	-	-	2,900,000



16. Property and Equipment- Net

Details of this item are as follows:

Description	December 31, 2016					
	Lands	Buildings	Equipment, Machines and Furniture	Transportation means	Computers	Total
	JD	JD	JD	JD	JD	JD
Cost						
Year-Beginning Balance	20,446,264	29,402,854	44,133,434	2,314,245	13,329,823	109,626,620
Additions	7,619,095	3,871,223	2,875,151	244,300	361,775	14,971,544
Disposals	(463,905)	(293,356)	(514,945)	-	(36,836)	(1,309,042)
Year-End Balance	27,601,454	32,980,721	46,493,640	2,558,545	13,654,762	123,289,122
Accumulated Depreciation	-	(5,545,502)	(30,658,120)	(844,649)	(10,701,771)	(47,750,042)
Depreciation for the year	-	(480,004)	(4,673,490)	(120,158)	(1,600,987)	(6,874,639)
Disposals	-	-	250,785	-	9,981	260,766
Accumulated depreciation at the end of the year	-	(6,025,506)	(35,080,825)	(964,807)	(12,292,777)	(54,363,915)
Net book value of property and equipment	27,601,454	26,955,215	11,412,815	1,593,738	1,361,985	68,925,207
Payments for purchase of property and equipment	-	-	1,058,192	-	960,570	2,018,762
Projects in Progress	-	689,411	-	-	-	689,411
Net property and equipment at the end of the year	27,601,454	27,644,626	12,471,007	1,593,738	2,322,555	71,633,380

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
Net property and equipment at the end of the year	20,446,264	24,786,738	14,183,774	1,469,596	2,715,983	63,602,355

- The fully depreciated properties and equipment amounted JD 35,761,698 as of December 31, 2016 compared to JD 30,326,915 as of December 31, 2015.



17. Depreciation and Amortization

Details of this item are as follows:

Description	December 31, 2016	December 31, 2015
	JD	JD
Property and equipment Depreciation	6,874,639	6,676,289
Intangible Assets Amortization	2,269,322	2,366,036
Total	9,143,961	9,042,325

18. Intangible Assets

Details of this item are as follows:

Description	December 31, 2016	December 31, 2015
	Computer systems and software	Computer systems and software
	JD	JD
Beginning Year Balance	2,514,820	2,832,696
Additions	1,152,153	2,048,160
Amortization for the year	(2,269,322)	(2,366,036)
Total	1,397,651	2,514,820
Payments for purchasing software and programs	631,185	517,292
Year – End balance	2,028,836	3,032,112

19. Other Assets

Details of this item are as follows:

Description	December 31, 2016	December 31, 2015
	JD	JD
Receivable Revenues	228,147	378,531
Pre-paid Expenses	330,494	346,803
Temporary Debit Accounts	4,161,136	3,200,742
Stationery and Publications	639,334	863,541
Pre-paid Leases	877,042	895,325
Revenue and Mail Stamps	718,051	661,593
Credit Card Accounts	1,288,112	1,579,460
Trusts of Settlement Guarantee Fund	25,000	25,000
Center JONET account	599,729	306,317
Others	568,725	276,658
Total	9,435,770	8,533,970

20. Banks and Banking Institutions Accounts

Details of this item are as follows:

Description	December 31, 2016			December 31, 2015		
	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	8,723,487	8,812,042	88,555	3,087,392	3,175,947
Total	88,555	8,723,487	8,812,042	88,555	3,087,392	3,175,947

21. Client Current and Call Accounts

Details of this item are as follows:

Description	December 31, 2016				
	Individuals	Corporates	Small and Medium Enterprises	Government and Public Sector	Total
	JD	JD	JD	JD	JD
Current Accounts	772,899,295	13,627,139	174,217,098	27,879,234	988,622,766
Call Accounts	209,586,738	94,548	1,023,238	7,402	210,711,926
Total	982,486,033	13,721,687	175,240,336	27,886,636	1,199,334,692

Description	December 31, 2015				
	Individuals	Corporates	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
Total	921,413,145	14,111,876	169,160,965	8,600,060	1,113,286,046

- The government and public sector deposits inside the Kingdom amounted JD 27,886,636, i.e. 2.33% of the total current and call accounts of clients as of December 31, 2016 compared to JD 8,600,060, i.e. 0.77% as of December 31, 2015.
- Dormant accounts amounted JD 51,138,404 as of December 31, 2016 compared to JD 46,633,171 as of December 31, 2015.
- The (restricted withdrawal) deposits amounted JD 10,468,098, i.e. 0.87% of the total current and call accounts of clients as of December 31, 2016 compared to JD 8,800,530, i.e. 0.79% as of December 31, 2015 of the total current and call accounts of clients.



22. Cash Margins

Details of this item are as follows:

Description	December 31,2016	December 31,2015
	JD	JD
Cash margins against Sale Receivables and Finance and Other Receivables	16,003,296	14,032,207
Cash margins against Indirect Facilities	25,120,730	23,934,594
Other cash margins	6,795,180	5,623,791
Total	47,919,206	43,590,592

23. Accounts Payable

Details of this item are as follows:

Description	December 31,2016	December 31,2015
	JD	JD
Client Accounts Payable	1,162,406	1,571,695
Total	1,162,406	1,571,695

24. Other Provisions

Details of this item are as follows:

Description	December 31,2016			
	Year- Beginning Balance	Appropriated during the year	Utilized during the year	Year-End Balance
	JD	JD	JD	JD
End of Service Indemnity Provision	2,900,000	600,000	-	3,500,000
Employee Leaves Provision	2,900,000	100,000	-	3,000,000
Total	5,800,000	700,000	-	6,500,000

Description	December 31,2015			
	Year- Beginning Balance	Appropriated during the year	Utilized during the year	Year-End Balance
	JD	JD	JD	JD
End of Service Indemnity Provision	2,750,000	150,000	-	2,900,000
Employee Leaves Provision	2,750,000	150,000	-	2,900,000
Total	5,500,000	300,000	-	5,800,000

25. Income Tax Provision

(A) Bank's Income Tax Provision

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

Description	December 31,2015	December 31,2015
	JD	JD
Year-Beginning Balance	22,458,115	16,803,852
Paid Income Tax	(20,998,139)	(15,307,350)
Accrued Income Tax	29,728,858	25,964,620
Prepaid income tax of 2015 and 2016	(5,763,590)	(5,003,007)
Year-End Balance	25,425,244	22,458,115

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

Description	December 31,2016	December 31,2015
	JD	JD
Accrued Income Tax for the Year Profits	29,728,858	25,964,620
Total	29,728,858	25,964,620

- The accrued income tax for the financial year ending at December 31, 2016 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, and income tax declaration for 2015 was provided by all companies.
- A settlement till the end of 2014 was made to the tax due and the income tax declaration for 2015 was provided for Future Applied Computer Technology Company, Al Samaha Financing and Investment Company, Sanabel Al-Khair for Financial Investments and Omariah Schools Company.





26. Deferred Tax Liabilities:

Details of this item are as follows:

Description	December 31,2016					December 31,2015
	Beginning-Year Balance	Released Amounts	Added Amounts	End-Year Balance	Deferred Tax	Deferred Tax
	JD	JD	JD	JD	JD	JD
A. Deferred tax liabilities - Joint*						
Financial assets at fair value through the Joint Investment Accounts holders equities	2,476,104	(1,181,731)	917,081	2,211,454	774,009	866,636
Investments in real estate	13,773,349	(3,900,717)	5,163,387	15,036,019	5,262,607	4,820,672
Total	16,249,453	(5,082,448)	6,080,468	17,247,473	6,036,616	5,687,308
B. Deferred tax liabilities – self constructed **						
Financial assets at fair value through the equity – self constructed	865,063	-	70,812	935,875	327,556	302,772
Total	865,063	-	70,812	935,875	327,556	302,772

* The deferred tax liabilities-joint include an amount of JD 6,036,616 as of December 31, 2016 compared to JD 5,687,308 as of December 31, 2015 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-self constructed include an amount of JD 327,556 as of December 31, 2016 compared to JD 302,772 as of December 31, 2015 resulting from the profits of valuating financial assets which stated in the fair value reserve of ownership equity.

Movement of the account of deferred tax liabilities item are as follows:

(A) Joint

Description	December 31,2016	December 31,2015
	JD	JD
Year-Beginning Balance	5,687,308	7,154,885
Additions	349,308	-
Disposals	-	(1,467,577)
Total	6,036,616	5,687,308

(B) Self-Constructed

Description	December 31,2016	December 31,2015
	JD	JD
Year-Beginning Balance	302,772	452,637
Additions	24,784	-
Disposals	-	(149,865)
Total	327,556	302,772

(C) Summary of the Accounting Profit Reconciliation with the Tax Profit

Description	December 31,2016	December 31,2015
	JD	JD
Accounting Profit	83,747,933	74,685,076
Non-Taxable Profits	(1,038,688)	(1,182,791)
Taxably Unacceptable Expenses	2,371,590	744,703
Taxable Profit	85,080,835	74,246,988
Attributable to:		
The Bank	84,631,428	74,048,571
Subsidiaries	449,407	198,417
legal Income Tax Rate- the Bank	35%	35%
legal Income Tax Rate - Subsidiaries	24%	24%
Effective income tax rate	35.5%	34.8%

27. Other Liabilities

Details of this item are as follows:

Description	December 31,2016	December 31,2015
	JD	JD
Acceptable Checks	1,116,397	1,695,797
Revenues received in advance	1,757,256	1,741,444
Al Qard Al Hasan Fund	1,787,393	1,331,983
Temporary Trusts	623,670	591,276
Miscellaneous Credit Balances	2,283,578	1,897,759
Checks for Notes Payment	2,301,916	6,399,809
In transit transactions between the Head Office and branches	-	9,489
Managers Checks	4,486,589	5,519,121
Others	1,093,947	1,529,134
Total	15,450,746	20,715,812



28. A. Unrestricted Investment Accounts

Details of this item are as follows:

Description	December 31, 2016					
	Individuals	Corporates	Small and Medium Enterprises	Government and Public Sector	Banks	Total
	JD	JD	JD	JD	JD	JD
Saving Accounts	504,905,395	371,179	4,338,379	19,445	640,443	510,274,841
Notice Accounts	13,307,276	4,112	945,760	16,460,335	-	30,717,483
Time Accounts	1,661,267,517	5,687,842	88,040,059	41,202,155	-	1,796,197,573
Total	2,179,480,188	6,063,133	93,324,198	57,681,935	640,443	2,337,189,897
Depositors' Share in Investment Returns	49,029,865	136,397	2,115,095	1,297,620	3,863	52,582,840
Total Unrestricted Investment Accounts	2,228,510,053	6,199,530	95,439,293	58,979,555	644,306	2,389,772,737

Description	December 31, 2015					
	Individuals	Corporates	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
Total	2,048,523,187	5,487,625	80,646,766	37,244,898	5,338,688	2,177,241,164
Depositors' Share in Investment Returns	45,318,229	121,646	1,796,388	825,622	15,876	48,077,761
Total Unrestricted Investment Accounts	2,093,841,416	5,609,271	82,443,154	38,070,520	5,354,564	2,225,318,925

- The unrestricted investment accounts share in the profits according to the following bases:
 - 50% of the annual average of saving accounts balance.
 - 70% of the annual average of notice accounts balance.
 - 90% of the minimum balance of time accounts.
- The gross profits percentage amounted in JD 3.39% as of December 31, 2016 compared to 3.4% as of December 31, 2015, and the gross profits percentage in foreign currencies amounted 0.92% as of December 31, 2016 compared to 0.6% as of December 31, 2015.

- The unrestricted investment accounts (for Government of Jordan and Public Sector) inside the Kingdom amounted JD 58,979,555, i.e. 2.47% of the total unrestricted investment accounts as of December 31, 2016 compared to JD 38,070,520, i.e. 1.71% as of December 31, 2015.
- The (restricted withdrawal) investment accounts of the total unrestricted investment accounts amounted JD 5,524,003, i.e. 0.23% as of December 31, 2016 compared to JD 8,997,297, i.e. 0.4% as of December 31, 2015.

28. B. Reserve of Investment accounts Holders and Non-Controlling Interests – Affiliates and Subsidiaries

Details of this item are as follows:

Description	Joint	
	December 31, 2016	December 31, 2015
	JD	JD
Reserve of Investment Accounts Holders – Subsidiaries	12,505,441	10,969,790
Reserve of Investment Accounts Holders – Affiliates	1,939,960	150,393
Total	14,445,401	11,120,183
Non-Controlling Interests	130,070	1,172,977

29. Fair Value Reserve

The Details of this item are as follows:

(A) Joint

Description	Joint	
	December 31, 2016	December 31, 2015
	JD	JD
Financial Assets Reserve at fair value through the joint investment accounts holders equities	1,437,445	1,609,468
Real estate investments reserve	9,773,412	8,952,677
Total	11,210,857	10,562,145

(B) Self-constructed

Description	Self-constructed	
	December 31, 2016	December 31, 2015
	JD	JD
Financial Assets Reserve at fair value through the equity – self constructed	608,319	562,291
Total	608,319	562,291



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

Description	December 31, 2016		
	Financial Assets at fair value	Real Estate Investments	Total
	JD	JD	JD
Year-Beginning Balance *	2,476,104	13,773,349	16,249,453
Unrealized profits	917,081	5,163,387	6,080,468
Deferred Tax Liabilities	(774,009)	(5,262,607)	(6,036,616)
Profits Transferred to the Consolidated Income Statement	(1,181,731)	(3,900,717)	(5,082,448)
Year-End Balance	1,437,445	9,773,412	11,210,857

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)
Year-End Balance	1,609,468	8,952,677	10,562,145

* The fair value reserve balance 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 5,687,308.

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

Description	Financial assets at fair value	
	December 31, 2016	December 31, 2015
	JD	JD
Year-Beginning Balance*	865,063	1,293,249
Unrealized (Losses)profits	70,812	(428,186)
Deferred Tax Liabilities	(327,556)	(302,772)
Year-End Balance	608,319	562,291

* The fair value reserve balance is presented at the beginning of the year after the addition of the deferred tax liabilities for the previous year at the sum of JD 302,772.

30. Investment Risk Fund:

(A) The movement in the Investment Risk Fund is as follows:

Description	December 31, 2016	December 31, 2015
	JD	JD
Year-Beginning Balance	91,752,989	83,498,467
Add: investment profits transferred this year	19,794,532	17,739,064
Net Tax Settlement	-	18,591
Recovered amounts from previous years losses	92,995	624,745
Less: losses amortized during the year*	(13,991,315)	(5,752,675)
Less: payments on the tax account for 2016 and 2015	(1,366,739)	(1,209,017)
Net accrued tax**	(652,909)	(3,166,186)
Year-End Balance	95,629,553	91,752,989

* The losses charged to the Fund as at December 31, 2016 represent debt amortization losses at the sum of JD 6,036,538 compared to a sum of JD 5,752,675 as at 31 December 2015, and realized losses from investment in sukuk and sale of investment in shares at the sum of JD 7,954,777 as at 31 December 2016 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 2016 from the net joint investment profits realized from different operations , and the amount was transferred to the Investment Risk Fund (2015:10%.)
- The balance of the Investment Risk Fund devolves to the Zakah Fund in case of the Bank's liquidation.

**The above fund income tax Item represents:

Description	December 31, 2016	December 31, 2015
	JD	JD
Income tax payable on amounts transferred from the investment profits	2,019,648	4,375,203
Less: payment on the tax account for 2016 and 2015	(1,366,739)	(1,209,017)
Net due tax	652,909	3,166,186





(B) The Investment Risk Fund balance is distributed as follows:

Description	December 31, 2016	December 31, 2015
	JD	JD
Year – End Balance	95,629,553	91,752,989
Deferred Sales Receivables (impairment provision)- note 7	70,513,371	75,761,684
Ijara Muntahia Bittamleek (impairment provision)- note 7	1,640,270	1,538,075
Finances (impairment provision)- note 9	175,997	173,196
Acquired properties – note 14	15,453	6,871
Acquired properties impairment – note 14	261,188	3,676
Total impairment provision	72,606,279	77,483,502
Share of Reciprocal Insurance Fund - deferred sales receivables (impairment provision)	(6,514,959)	(5,602,526)
Share of Reciprocal Insurance Fund – Ijara Muntahia Bittamleek (impairment provision)	(81,219)	(36,060)
Remaining Balance *	29,619,452	19,908,073

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

- The income tax for the Investment Risks Fund for 2014 was settled, self estimated report was submitted for the year 2015 and the tax payable on the Fund was paid in accordance with the related Sharia fatwa.

(C) Mutual Insurance Fund

Movement on the Mutual fund was as follows:

Description	December 31, 2016	December 31, 2015
	JD	JD
Year beginning balance	64,236,270	53,590,986
Add: fund accounts profit during 2015, 2014	1,535,834	1,675,081
Add: insurance premiums collected during the year	17,095,660	17,007,692
Add: reclaimed from previous years losses	16,771	-
Less: insurance premiums paid to Islamic Insurance Company during the year	(3,679,520)	(3,287,685)
Less: payment on the account of tax for 2016, 2015	(938,351)	(916,590)
Less: Fund income tax for the year	(4,211,637)	(3,090,203)
Less: Fund Committee members remunerations	(16,000)	(16,000)
Less: compensation paid to the Fund accounts auditors during the year	(1,740)	(1,740)
Less: amortized losses during the year	(325,990)	(725,271)
Year – End balance	73,711,297	64,236,270

- The Mutual 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 Mutual Insurance Fund regulation.
- In case of stopping the Mutual 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 Mutual 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 Mutual Insurance Fund balance is distributed as follows:

Description	December 31, 2016	December 31, 2015
	JD	JD
Year end balance	73,711,297	64,236,270
Deferred Sales Receivables (impairment provision)	(6,514,959)	(5,602,526)
Ijara Muntahia Bittamleek Receivables (impairment provision)	(81,219)	(36,060)
Surplus of Reciprocal Insurance Fund	67,115,119	58,597,684

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

(D) Impairment provisions for subsidiaries

The details of this item are as follows:

Description	December 31, 2016	December 31, 2015
	JD	JD
Al Samaha Financing and Investment Company	64,708	20,702
Al Omariah Schools Company	450,000	280,317
Total	514,708	301,019

31. Capital:

- The Paid-up capital amounted to JD 150 million (2015: JD 150 million) as of December 31, 2016 distributed to 150 million shares (2015: 150 million shares).



32. 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 not exceeds (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	68,370,796	Pursuant to the Banking Law
General Banking Risks Reserve	1,000,000	As per the Central Bank Of Jordan Instructions

(33) Retained Earnings:

Details of this item are as follows:

Description	December 31, 2016	December 31, 2015
	JD	JD
Year-Beginning Balance	85,631,408	71,334,410
Profit after tax	54,019,075	48,720,456
Transferred to Statutory Reserve	(8,382,680)	(7,475,936)
Transferred to Voluntary Reserve	(8,344,180)	(7,447,522)
General Banking Risks Reserve	(300,000)	-
Dividends distributed to the shareholders	(22,500,000)	(19,500,000)
Year-End Balance	100,123,623	85,631,408

Proposed Dividends:

- The rate of cash dividends proposed to be distributed to shareholders for 2016 amounted to 15% of the capital, i.e., JD 22,500,000, and bonus shares 20% amounted JD 30,000,000 compared to distributing cash dividends at 15% of the capital i.e JD 22,500,000 in the previous year.

34. Deferred Sales Revenues:

The details of this item are as follows:

Description	Joint		Self	
	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
	JD	JD	JD	JD
Individuals (Retail):				
Murabaha to Purchase-Orderer	52,264,084	45,140,693	-	-
Deferred Sale	315,843	163,695	-	-
Ijara Mawsofa bill thimma	188,996	111,883	-	-
Real Estate Finances	34,297,845	31,553,929	78,996	158,000
Carporates:				
International Murabaha	60,099	33,343	-	-
Istisna'	330,810	-	-	-
Murabaha to Purchase-Orderer	19,796,910	20,643,318	-	-
Small and Medium Enterprises:				
Murabaha to Purchase-Orderer	9,602,450	9,223,572	-	-
Government and public sector	31,200,302	32,048,813	-	-
Total	148,057,339	138,919,246	78,996	158,000

35. Finances Revenues:

The details of this item are as follows:

Description	Joint		Self		Total	
	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
	JD	JD	JD	JD	JD	JD
Individuals (Retail):						
Diminishing Musharaka	396,330	368,077	3,975	4,502	400,305	372,579
Small & Medium Enterprises:						
Diminishing Musharaka	8,160	53,329	-	-	8,160	53,329
Total	404,490	421,406	3,975	4,502	408,465	425,908



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

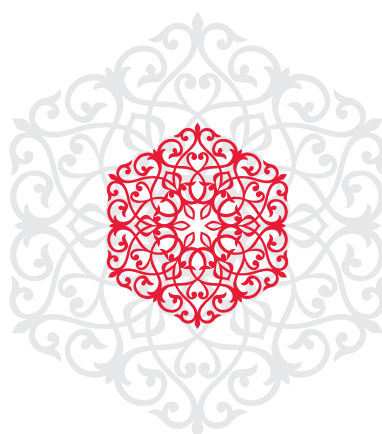
The details of this item are as follows:

Description	Joint	
	December 31, 2016	December 31, 2015
	JD	JD
Returns of Company Stock Distributions	528,946	535,146
Profits of selling financial assets at the fair value	1,181,731	4,812
Islamic Banks Portfolio Revenues	103,676	287,887
Islamic Leasing Sukuk Revenues	1,122,166	427,937
Investment funds Revenues	17,725	17,725
Total	2,954,244	1,273,507

37. Profits of Financial assets at amortized cost assets

The details of this item are as follows:

Description	Joint	
	December 31, 2016	December 31, 2015
	JD	JD
Islamic Sukuk	315,230	-
Total	315,230	-



38. Share of funds involved in investment from Dividends Distributed by Affiliates and Subsidiaries:

The details of this item are as follows:

Joint	Ownership Percentage	Distribution Percentage	Distributed Dividends	
			December 31, 2016	December 31, 2015
	%	%	JD	JD
Subsidiaries:				
Omariah Schools Company Ltd.	99.4	6.0	484,517	-
Affiliates:				
Jordanian Center for International Trading Co.	28.4	8.0	77,120	77,120
AlAmin Investment Co.	29.9	-	-	178,287
Islamic Insurance Co.	33.4	8.0	319,212	299,100
Arabian Steel Pipes Mfg. Co.	26.0	5.0	117,000	234,000
Total			997,849	788,507

39. Investments in Real Estate Revenues:

The details of this item are as follows:

Description	Joint	
	December 31, 2016	December 31, 2015
	JD	JD
Profits realized from investments in Real Estate	4,736,711	1,098,537
Total	4,736,711	1,098,537

40. Revenues of Leased Assets and Ijarah Muntahia Bittamleek

The details of this item are as follows:

Description	Joint	
	December 31, 2016	December 31, 2015
	JD	JD
Ijarah Muntahia Bittamleek	40,362,962	34,741,112
Total	40,362,962	34,741,112



41. Other Investments Revenues

The details of this item are as follows:

Description	December 31, 2016	December 31, 2015
	JD	JD
Revenues of Investment Deposits at Islamic Financial Institutions	116,491	148,323
Total	116,491	148,323

42. Net Business Results of Subsidiaries

The details of this item are as follows:

Description	December 31, 2016	December 31, 2015
	JD	JD
Revenues		
School installments and transportation	9,954,335	9,538,314
Profits of financial assets	9,250	143,083
Muqarada Bonds Revenues	128,259	103,685
Projects Revenues	1,610,394	1,567,608
Other Revenues	472,251	435,218
Total Revenues	12,174,489	11,787,908
Expenses		
Administrative Expenses	(8,188,781)	(7,223,249)
Depreciations	(1,046,365)	(955,281)
Provision for bad debts	(223,677)	(202,851)
Other expenses	(575,777)	(1,295,490)
Total expenses	(10,034,600)	(9,676,871)
Net business results	2,139,889	2,111,037



43. Share of Unrestricted Investment Accounts Holders:

The details of this item are as follows:

Description	December 31, 2016	December 31, 2015
	JD	JD
Banks and Institutions	3,863	15,876
Clients		
Saving Accounts	6,728,329	6,120,486
Notice Accounts	626,779	696,283
Time Accounts	45,223,869	41,245,116
Total	52,582,840	48,077,761

44. The Bank's Share of the Joint Investment Accounts Revenues as Mudarib and Rab-Mal:

The details of this item are as follows:

Description	December 31, 2016	December 31, 2015
	JD	JD
As a Mudarib	89,257,236	79,939,959
As a Rab-Mal	36,310,708	31,633,854
Total	125,567,944	111,573,813

45. Bank's Self Profits:

The details of this item are as follows:

Description	December 31, 2016	December 31, 2015
	JD	JD
Deferred sales Revenues - Note (34)	78,996	158,000
Finances Revenues - Note (35)	3,975	4,502
Profits of financial assets through the consolidated income statement	174,917	977
Profits of financial assets at the fair value through the equity	10,795	9,151
Total	268,683	172,630



46. The Bank's Share of the Restricted Investment Revenues as Mudarib and/or Proxy:

The details of this item are as follows:

Description	As proxy	As speculator	As proxy	As speculator
	December 31, 2016		December 31, 2015	
	JD	JD	JD	JD
Restricted Investment Revenues	177,582	545,435	103,034	97,324
Less: Share of Restricted Investment Accounts Holders	(122,028)	(450,693)	(68,710)	(66,196)
Net	55,554	94,742	34,324	31,128
Muqarada Bonds Profits	-	18,558,036	-	14,667,124
Less: Share of Muqarada Bonds Accounts Holders	-	(16,977,101)	-	(13,919,731)
Net	-	1,580,935	-	747,393
Total	55,554	1,675,677	34,324	778,521

47. Banking Services Revenues:

The details of this item are as follows:

Description	December 31, 2016	December 31, 2015
	JD	JD
Letter of Credit Commissions	850,805	910,880
Guarantee Commissions	2,695,701	2,475,184
Collection Bills Commissions	485,136	474,367
Transfers Commissions	640,620	662,680
Salary Transfer Commissions	3,882,979	3,730,326
Bounced Checks Commissions	2,159,732	2,412,050
Account Management Commissions	1,323,227	1,316,662
Check book commissions	378,297	401,099
Cash deposits commissions in foreign currencies	90,753	120,322
Brokerage Commissions	543,592	386,066
Checks collection commissions	121,111	119,934
Credit Cards Revenues	3,792,410	3,514,144
Other Commissions	1,851,795	1,430,340
Total	18,816,158	17,954,054

48. Foreign Currency Profits:

The details of this item are as follows:

Description	Self	
	December 31, 2016	December 31, 2015
	JD	JD
Resulting from Trading	766,692	785,863
Resulting from Valuation	1,072,271	1,406,132
Total	1,838,963	2,191,995

49. Other Revenues:

The details of this item are as follows:

Description	December 31, 2016	December 31, 2015
	JD	JD
Collected Rentals	73,098	89,797
Bond Revenues	193,211	-
Post, Mail and Telephone	383,746	372,037
Safe Box Leasing	160,636	165,030
Other Revenues	557,623	1,145,802
Total	1,368,314	1,772,666

50. Employee Expenses

The details of this item are as follows:

Description	December 31, 2016	December 31, 2015
	JD	JD
Salaries, Benefits and allowances	27,692,955	25,489,448
Bank's contribution to Social Security	3,193,047	2,905,172
Medical Expenses	2,626,275	2,536,395
Training Expenses	200,574	189,097
Per diem	203,411	201,622
Meals	125,593	123,261
End of service benefits	742,633	790,139
Mutual Insurance	208,524	217,014
Total	34,993,012	32,452,148



51. Other Expenses

The details of this item are as follows:

Description	December 31, 2016	December 31, 2015
	JD	JD
Post, Mail, Telephone	1,353,475	1,526,589
Stationery, Publications and Supplies	1,331,584	1,686,047
Systems and programs licences maintenance	2,337,149	783,516
Credit Cards	1,514,332	1,337,464
Paid Rentals	1,605,591	1,467,229
Water, Electricity and Heating	2,288,922	2,356,495
Maintenance, Repairs and Cleaning	1,135,177	1,109,960
Insurance Premiums	616,700	556,015
Travel and Transportation Expenses	1,011,975	903,557
Legal Fees and Consultations	228,838	290,644
Professional fees	116,460	104,060
Subscriptions and Memberships	659,323	684,829
Donations	850,865	909,860
Charges, licences, and taxes	890,291	829,385
Hospitality and Tips	148,562	145,504
Promotion and Advertising	2,080,587	1,917,009
Saving Accounts Rewards	149,235	149,600
Board Committees Remunerations	49,000	46,900
Master Card and Visa Accounts Rewards	133,227	122,159
Board Members Remunerations	78,863	74,283
Investor Protection Fund	21,127	10,408
Doubtful Debts	125,000	32,856
Overdraft accounts coverage	139,094	256,438
Others	541,010	497,647
Total	19,406,387	17,798,454

52. Other Provisions

The details of this item are as follows

Description	December 31, 2016	December 31, 2015
	JD	JD
End of service Indemity provision	600,00	150,000
Employee Leaves Provision	100,000	150,000
Total	700,000	300,000

53. Basic and Diluted Earning per Share for the year profit

The details of this item are as follows:

Description	December 31, 2016	December 31, 2015
	JD	JD
Profit for the Year after tax (JD)	54,019,075	48,720,456
Weighted Average Number of Shares (Share)	150,000,000	150,000,000
Basic and diluted earnings per Share from the profit for the year (JD/Fils)	0,360	0,325

54. Cash and Cash Equivalent

The details of this item are as follows:

Description	December 31, 2016	December 31, 2016
	JD	JD
Cash and Balances with Central Banks that are due within three months	1,090,770,170	891,885,751
Add: Balances with Banks and Banking Institutions that are due within three months	41,713,931	46,393,358
Less: Accounts with Banks and Banking Institutions that are due within three months	(8,812,042)	(3,175,947)
Total	1,123,672,059	935,103,162



55. Restricted Investments

The details of this item are as follows:

Description	Real Estate Trading		International Murabaha		Deferred Sales Receivables		Cash Balances		Total	
	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Year-Beginning Investments	311,352	311,352	24,144,978	24,033,252	4,283,746	647,495	1,678,225	2,409,990	30,418,301	27,402,089
Deposits	289	-	1,895,543	8,726,079	8,908,159	4,351,545	3,215,516	3,737,684	14,019,507	16,815,308
Withdrawals	-	-	(6,521,968)	(8,623,582)	(1,985,389)	(772,261)	(4,386,513)	(4,469,449)	(12,893,870)	(13,865,292)
Investment Profits	-	-	72,642	24,610	472,793	72,714	-	-	545,435	97,324
Bank's fees as Mudarib	-	-	(37,558)	(15,381)	(57,184)	(15,747)	-	-	(94,742)	(31,128)
Year-End Investments	311,641	311,352	19,553,637	24,144,978	11,622,125	4,283,746	507,228	1,678,225	31,994,631	30,418,301
Less: Deferred profits	-	-	-	-	(3,169,652)	(1,312,406)	-	-	(3,169,652)	(1,312,406)
Year – End Balance, Net	311,641	311,352	19,553,637	24,144,978	8,452,473	2,971,340	507,228	1,678,225	28,824,979	29,105,895



56. Muqarada Bonds:

This item represents the following:

Description	Financial assets for trading		Real Estate Trading		Deferred Sales Receivables		Ijarah Muntahia Bittamleek		Cash Balances		Total	
	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Year-Beginning Balance	53,277,335	56,910,082	28,031,600	27,184,174	220,193,489	116,119,896	92,678,472	47,348,090	8,443,391	55,803,518	402,624,287	303,365,760
Number of Investment Units at Year-Beginning											656,775	519,869
Value of Investment Units at Year-Beginning											328,387,500	259,934,500
Deposits	10,743,640	4,387,007	403,300	2,812,946	70,222,859	105,191,929	14,436,842	45,272,005	131,247,959	67,240,684	227,054,600	224,904,571
Drawings	(21,271,716)	(5,941,224)	(1,045,119)	(2,793,310)	(82,675,913)	(12,739,031)	(18,984,940)	(3,491,399)	(95,806,676)	(114,600,811)	(219,784,364)	(139,565,775)
Investment Profits (losses)	(2,475,233)	(2,078,530)	350,680	890,393	15,164,919	12,104,188	5,517,670	3,751,073	-	-	18,558,036	14,667,124
Bank's Fees as mudarib	-	-	(26,366)	(62,603)	(1,139,732)	(483,493)	(414,837)	(201,297)	-	-	(1,580,935)	(747,393)
Total	40,274,026	53,277,335	27,714,095	28,031,600	221,765,622	220,193,489	93,233,207	92,678,472	43,884,674	8,443,391	426,871,624	402,624,287
Less: deferred portfolios profits	-	-	-	-	(26,482,702)	(30,148,645)	(32,289,846)	(33,794,878)	-	-	(58,772,548)	(63,943,523)
Year-End Balance, Net	40,274,026	53,277,335	27,714,095	28,031,600	195,282,920	190,044,844	60,943,361	58,883,594	43,884,674	8,443,391	368,099,076	338,680,764
Number of Investment Units at Year-End											714,462	656,775
Value of Investment Units at Year-End											357,231,000	328,387,500
Profits Equalization Reserve	1,990,926	2,296,866	-	-	-	-	-	-	-	-	1,990,926	2,296,866
Investment Risk Provision	-	-	-	-	8,877,086	7,996,308	-	-	-	-	8,877,086	7,996,308
Other liabilities	-	-	-	90	64	-	-	-	-	-	64	90
Year-End Balance	1,990,926	2,296,866	-	90	8,877,150	7,996,308	-	-	-	-	10,868,076	10,293,264



57. Investment by Proxy Accounts – Central Bank of Jordan:

Description	December 31, 2016	December 31, 2015
	JD	JD
Investment by Proxy Accounts – Central Bank of Jordan	6,222,149	3,038,826
Total	6,222,149	3,038,826

- 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. 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%.

58. Transactions with Related Parties:

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

Company Name	Ownership Rate	Company Capital	
		December 31, 2016	December 31, 2015
		JD	JD
Omariah Schools Company Ltd.	99,4%	8,550,000	8,550,000
Al Samaha Financing and Investment Company Ltd.	100%	12,000,000	8,000,000
Future Applied Computer Technology Company Ltd.	100%	5,000,000	5,000,000
Sanabel Al-Khair for Financial Investments Company Ltd.	100%	5,000,000	5,000,000

- The Bank entered into transactions with the 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 Executive Management	December 31, 2016	December 31, 2015
	JD	JD	JD	JD	JD	JD
Items within the consolidated statement of financial position:						
Deferred sale receivables	-	1,393,662	337,428	6,056,136	7,787,226	5,863,245
Financing of employee housing / Musharaka	-	-	-	1,190,516	1,190,516	857,403
Musharaka Financing	-	-	3,667	-	3,667	9,106
Deposits	56,720	7,251,648	3,184,834	1,320,505	11,813,707	14,756,757
Items beyond the consolidated statement of financial position:						
Guarantees and L/Cs	-	48,698	669,333	1,843,054	2,561,085	2,208,793
Description					December 31, 2016	December 31, 2015
Items of consolidated income statement:						
Received revenues	-	96,664	44,930	126,500	268,094	225,145
Paid Profits	-	113,890	72,690	8,714	195,294	502,606

- The general rate of the profits distributed to the investment accounts in the Jordanian Dinar reached 3.39 % as on December 31, 2016 (2015: 3.40%).
- The general rate of the profits distributed to the investment accounts in the US Dollar reached 0.92 % as on December 31, 2016 (2015: 0.60%).
- The Murabaha rate of the granted finances reached 3,5% - 5.5% per annum as on December 31, 2016 (2015: 3,5% - 5.5%).
- The profit rate of the Musharaka finances granted to the employees reached about 2% - 4.8% per annum as on December 31, 2016 (2015: 2% - 4.8%).
- The rate of guarantees commission reached 1% - 4% per annum as on December 31, 2016 (2015: 1% - 4%), and 1/4% - 3/8% on letters of credit for quarters as on December 31, 2016 (2015: 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, 2016	December 31, 2015
	JD	JD
Salaries, Remunerations and Transportation	2,314,179	1,967,356
End of service Indemnity	74,963	-
Total	2,389,142	1,967,356

59. 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, 2016	First Level	Second Level	Third Level	Total
Financial Assets at fair value through the joint investment accounts holders equities	JD	JD	JD	JD
Companies shares	33,883,478	-	-	33,883,478
December 31, 2015	First Level	Second Level	Third Level	Total
Financial Assets at fair value through the joint investment accounts holders equities	JD	JD	JD	JD
Companies shares	31,559,441	-	-	31,559,441

60. 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 25,403,319 that are carried at cost because the Bank was unable to estimate their fair value.

61. 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	
	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2016
	JD	JD	JD	JD
Items within the consolidated statement of financial position:				
Balances with Central Banks	-	-	970,382,428	779,161,276
Balances with banks and banking institutions	10,950,984	13,437,395	30,762,947	32,955,963
InvestmentAccountswithBanksandBankingInstitutions	17,725,000	7,444,500	-	-
Deferred sales and other receivables:				
Individuals	611,107,804	538,653,523	11,890,979	12,969,614
Real Estate Finances	370,139,779	334,056,694	220,000	79,000
Companies:				
Corporates	336,209,518	321,468,239	-	-
Small and Medium Enterprises (SMEs)	125,231,234	129,264,770	-	-
Government and public sector	594,299,944	746,227,656	3,356,102	263,875
Finances				
Musharaka:				
Individuals	-	-	55,000	55,000
Real-estates finances	29,749,834	27,459,119	259,192	278,707
Items beyond the consolidated statement of financial position:				
Guarantees	-	-	114,674,722	112,253,077
L/Cs	-	-	38,579,418	50,151,678
Acceptances	-	-	5,325,298	5,511,775
Unutilized Limits	-	-	140,915,403	122,269,462
Total	2,095,414,097	2,118,011,896	1,316,421,489	1,115,949,427

Collaterals and Other Credit Risk Mitigants against Credit Exposures:

- The quantity and quality of required Collaterals 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 Collaterals 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 2016	Joint						Self						Total			
	Individuals		Real Estate Finances		Companies		Government and public sector	Banks and Other Banking Institutions	Total	Individuals	Real Estate Finances	Companies		Government and public sector	Banks and Other Banking Institutions	
	JD		JD		Corporates	SMEs						JD				
Low Risk	2,156,392	-	23,123,110	933,826	639,067,907	-	-	665,281,235	-	-	-	-	-	3,356,102	970,382,428	973,738,530
Acceptable Risk	663,650,241	434,372,294	321,750,027	116,520,085	-	28,675,984	12,845,454	1,564,968,631	509,192	-	-	-	-	-	30,762,947	44,117,593
Accrued: *																
Up to 30 days	66,608	27,165	65,622	35,168	-	-	99	194,563	-	-	-	-	-	-	-	99
From 31 to 60 Days	1,182,403	626,964	1,968,790	970,911	-	-	6,245	4,749,068	-	-	-	-	-	-	-	6,245
Under-watch	21,088,198	22,729,316	14,978,743	12,535,327	-	-	1,731,922	71,331,584	-	-	-	-	-	-	-	1,731,922
Non-performing:																
Substandard	1,811,154	1,323,732	1,180,210	30,689	-	-	462,081	4,345,785	-	-	-	-	-	-	-	462,081
Doubtful	2,894,531	3,662,840	-	303,096	-	-	361,381	6,860,467	-	-	-	-	-	-	-	361,381
Loss	20,216,970	27,076,770	17,984,622	19,681,798	-	-	1,695,141	84,960,160	-	-	-	-	-	-	-	1,695,141
Total	711,817,486	489,164,952	379,016,712	150,004,821	639,067,907	28,675,984	17,095,979	2,397,747,862	509,192	-	-	-	3,356,102	1,001,145,375	1,022,106,648	
Less: Deferred Revenues	79,561,374	65,026,899	22,207,442	7,324,631	44,767,963	-	-	218,888,309	30,000	-	-	-	-	-	-	30,000
Less:suspended revenues	2,536,469	3,442,334	2,792,514	1,829,793	-	-	-	10,601,110	-	-	-	-	-	-	-	-
Less: Impairment provision	18,611,839	20,806,106	17,807,238	15,619,163	-	-	5,150,000	72,844,346	-	-	-	-	-	-	-	5,150,000
Net	611,107,804	399,889,613	336,209,518	125,231,234	594,299,944	28,675,984	11,945,979	2,095,414,097	479,192	-	-	-	3,356,102	1,001,145,375	1,016,926,648	

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



Description 2015	Joint							Self										
	Individuals		Real Estate Finances		Companies			Government and public sector	Banks and Other Banking Institutions	Total	Individuals		Real Estate Finances	Companies		Government and public sector	Banks and Other Banking Institutions	Total
	JD		JD		Corporates	SMEs	JD					JD			Corporates			
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:*																		
Up to 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-watch	15,451,960	28,995,079	31,251,961	8,979,386	-	-	-	84,678,386	1,458,955	-	-	-	-	-	-	-	-	1,458,955
Non-performing:																		
Substandard	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
Loss	21,414,396	16,964,177	27,995,642	22,670,123	-	-	-	89,044,338	1,677,588	-	-	-	-	-	-	-	-	1,677,588
Total	631,246,564	437,401,896	379,132,018	156,224,450	822,195,920	20,881,895	2,447,082,743	16,473,614	278,707	278,707	263,875	812,117,239	829,133,435	-	-	-	-	-
Less: Deferred Revenues	71,348,143	61,746,033	25,591,401	7,077,035	75,968,264	-	-	241,730,876	-	-	-	-	-	-	-	-	-	-
Less:suspended 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
Net	538,653,523	361,515,813	321,468,239	129,264,770	746,227,656	20,881,895	2,118,011,896	13,048,614	278,707	278,707	263,875	812,117,239	825,708,435	-	-	-	-	-

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

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

Description 2016	Joint						Self					
	Individuals	Real Estate Finances	Companies		Government and public sector	Total	Individuals	Real Estate Finances	Companies		Government and public sector	Total
			Corporates	SMEs					Corporates	SMEs		
			JD	JD					JD	JD		
Collaterals against:												
Low Risk	2,156,392	-	23,123,110	933,826	639,067,907	665,281,235	-	-	-	-	3,356,102	3,356,102
Acceptable Risk	391,987,258	377,030,615	289,057,299	96,888,454	-	1,154,963,626	6,205,416	509,192	-	-	-	6,714,608
Under-watch	15,427,693	17,675,753	14,094,408	10,809,877	-	58,007,731	540	-	-	-	-	540
Non-performing:												
Substandard	781,730	571,349	509,402	13,246	-	1,875,727	23,720	-	-	-	-	23,720
Doubtful	2,180,966	2,759,870	-	228,376	-	5,169,212	47,692	-	-	-	-	47,692
Loss	17,369,653	23,263,332	15,451,704	16,909,853	-	72,994,542	197,445	-	-	-	-	197,445
Total	429,903,692	421,300,919	342,235,923	125,783,632	639,067,907	1,958,292,073	6,474,813	509,192	-	-	3,356,102	10,340,107
of which:												
Cash margins	2,156,392	-	-	933,826	-	3,090,218	33,636	-	-	-	-	33,636
Acceptable bank guarantees	-	-	23,123,110	-	-	23,123,110	-	-	-	-	-	-
Real estate	134,563,114	402,384,115	311,198,490	110,104,790	-	958,250,509	268,857	509,192	-	-	-	778,049
Traded shares	-	-	-	12,600	-	12,600	6,172,320	-	-	-	-	6,172,320
Vehicles and machines	293,184,185	18,916,804	7,914,323	14,732,417	-	334,747,729	-	-	-	-	-	-



Description 2015	Joint						Self					
	Individuals	Real Estate Finances	Companies		Government and public sector	Total	Individuals	Real Estate Finances	Companies		Government and public sector	Total
			Corporates	SMEs					Corporates	SMEs		
			JD	JD					JD	JD		
	2,572,298	-	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	
Under-watch	9,877,239	17,838,090	24,900,311	10,383,331	-	62,998,971	-	-	-	-	-	
Non-Performing:												
Substandard	965,204	923,993	603,468	190,923	-	2,683,588	106,619	-	-	-	106,619	
Doubtful	1,041,898	639,755	3,105,689	1,370,778	-	6,158,120	19,931	-	-	-	19,931	
Loss	18,514,664	14,667,051	24,204,741	19,600,352	-	76,986,808	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	
of which:												
Cash margins	2,572,298	-	-	1,516,010	-	4,088,308	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	
Traded shares	-	-	-	12,600	-	12,600	6,013,597	-	-	-	6,013,597	
Vehicles and machines	241,405,696	15,229,344	5,792,836	13,656,858	-	276,084,734	-	-	-	-	-	

Collaterals against:



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 26,178,208 on December 31, 2016 against JD 24,080,197 on December 31, 2015.

The restructured deferred sales receivables and other receivables and finances:

- Restructuring means rearranging the statuses of receivables/ financings in terms of amending the installments or extending the span of receivables/ finances, deferring some installments or extending the grace period, etc. and reclassifying them as receivables/ finances under monitoring was JD 1,049,467 on December 31, 2016 against JD 647,813 on December 31, 2015.

Sukuk:

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

December 31, 2016

Rating Grade	Rating Agency	Financial assets at amortized cost	Financial assets at the fair value through the joint investment accounts holders equities	Total
		JD	JD	JD
A	S&P	-	4,608,500	4,608,500
BB	S&P	-	10,475,744	10,475,744
BB -	S&P	37,760,000	-	37,760,000
Total		37,760,000	15,084,244	52,844,244

December 31, 2015

Rating Grade	Rating Agency	Financial assets at amortized cost	Financial assets at the fair value through the joint investment accounts holders equities	Total
		JD	JD	JD
A	S&P	-	4,608,500	4,608,500
BB	S&P	-	10,008,953	10,008,953
Total		-	14,617,453	14,617,453

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

Description	Inside the Kingdom		Europe	Asia*	America	Other countries	Total
	JD	JD					
Balances at Central Banks	970,382,428	-	-	-	-	-	970,382,428
Balances at Banks and Banking Institutions	1,560	6,118,916	9,928,096	484,935	18,404,464	6,775,960	41,713,931
joint investment account at banks and banking institutions	-	-	-	-	-	17,725,000	17,725,000
Deferred Sales and other Receivables and Finances:							
Individuals	623,053,783	-	-	-	-	-	623,053,783
Real Estate Finances	400,368,805	-	-	-	-	-	400,368,805
Enterprises:							
Corporates	313,086,408	3,455,650	4,972,845	-	-	14,694,615	336,209,518
Small and Medium Enterprises (SMEs)	125,231,234	-	-	-	-	-	125,231,234
Government and public sector	597,656,046	-	-	-	-	-	597,656,046
Sukuk:							
Within the financial assets at fair value through joint investment accounts holders equity	-	15,084,244	-	-	-	-	15,084,244
Within Financial assets at amortized cost	37,760,000	-	-	-	-	-	37,760,000
Total as on December 31, 2016	3,067,540,264	24,658,810	14,900,941	484,935	18,404,464	39,195,575	3,165,184,989
Total as on December 31, 2015	2,879,370,045	30,039,230	13,033,987	1,402,680	13,093,475	21,398,367	2,958,337,784

*Except the Middle East countries.

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

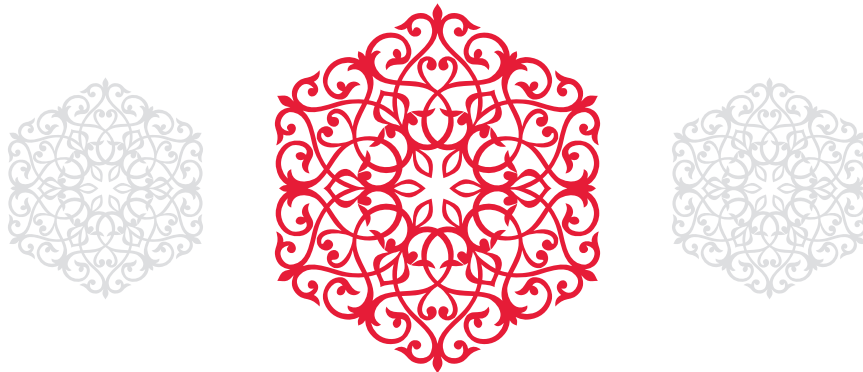
Description	Financial	Industrial	Commercial	Real Estate	Agriculture	Stocks	Individuals	Government and Public Sector	Total
	JD	JD	JD	JD	JD	JD	JD	JD	JD
Balances at Central Banks	-	-	-	-	-	-	-	970,382,428	970,382,428
Balances with Banks and Banking Institutions	41,713,931	-	-	-	-	-	-	-	41,713,931
Investment accounts at banks and banking institutions	17,725,000	-	-	-	-	-	-	-	17,725,000
Deferred Sales and other Receivables and Finances	-	81,685,761	319,420,267	400,368,805	23,041,254	-	660,347,253	597,656,046	2,082,519,386
Sukuk:									
Within the financial assets at fair value through joint investment accounts holders equity	-	-	15,084,244	-	-	-	-	-	15,084,244
Within Financial assets at amortized cost	-	-	37,760,000	-	-	-	-	-	37,760,000
Total as on December 31, 2016	59,438,931	81,685,761	372,264,511	400,368,805	23,041,254	-	660,347,253	1,568,038,474	3,165,184,989
Total as on December 31, 2015	53,837,858	25,833,049	472,631,586	361,794,520	11,888,922	-	506,699,042	1,525,652,807	2,958,337,784





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 financings to various sectors and multiple geographic areas to reduce risks of concentrations.
 6. Liquidity management is measured and monitored based on natural and incidental circumstances and this includes using and analyzing the maturity dates of assets and 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 2016	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
	JD	JD	JD	JD	JD	JD	JD	JD
Liabilities:								
Accounts of Banks and Banking Institutions	8,812,042	-	-	-	-	-	-	8,812,042
Clients' Current Accounts	445,230,664	172,337,340	136,357,300	100,377,259	103,509,639	241,522,490	-	1,199,334,692
Cash Margins	12,339,312	5,739,435	5,262,057	5,104,744	5,842,097	13,631,561	-	47,919,206
Other Provisions	-	-	-	-	-	-	6,500,000	6,500,000
Income Tax Provision	10,170,098	-	15,255,146	-	-	-	-	25,425,244
Deferred Tax liabilities	826,174	-	-	1,052,521	1,578,782	-	2,906,695	6,364,172
Investment Risk Fund	261,164	-	391,745	-	-	-	29,619,452	30,272,361
Other liabilities	16,398,724	5,186,051	1,757,256	7,137,938	2,932,023	-	8,857,418	42,269,410
Unrestricted Investment Accounts holders equity	281,262,312	205,816,261	245,334,680	321,391,401	400,790,425	935,307,728	-	2,389,902,807
Total	775,300,490	389,079,087	404,358,184	435,063,863	514,652,966	1,190,461,779	47,883,565	3,756,799,934
Total Assets (according to their Expected Maturity Date)	1,311,574,554	179,800,849	184,265,266	449,632,400	1,001,327,057	832,813,544	140,106,026	4,099,519,696
Description 2015	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
	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 equity	231,849,258	186,586,259	223,353,393	294,095,261	420,484,859	868,949,895	-	2,225,318,925
Total	685,323,782	373,727,909	356,600,406	404,032,702	525,819,682	1,105,089,804	37,242,491	3,487,836,776
Total Assets (according to their Expected Maturity Date)	1,100,967,796	118,154,758	219,847,611	419,285,166	983,077,861	823,697,265	133,960,978	3,798,991,435

Second: Off - Consolidated Statement of Financial Position items:

Description	December 31, 2016	
	Till 1 year	Total
	JD	JD
L/Cs and Acceptances	43,904,716	43,904,716
Letter of Guarantees	114,674,722	114,674,722
Unutilized Ceilings	140,915,403	140,915,403
Capital liabilities	4,862,744	4,862,744
Total	304,357,585	304,357,585

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

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. 152 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.

Description	December 31, 2016			
	Change (Increase) in Rate of Return (1%)	Rate of Return Sensitivity (Profits & Losses)	Ownership Equity Sensitivity	Investment Accounts Holders Equity Sensitivity
	JD	JD	JD	JD
JD	7,068,600	-	4,484,014	2,584,586

Description	December 31, 2016			
	Change (decrease) in Rate of Return (1%)	Rate of Return Sensitivity (Profits & Losses)	Ownership Equity Sensitivity	Investment Accounts Holders Equity Sensitivity
	JD	JD	JD	JD
JD	(7,068,600)	-	(4,484,014)	(2,584,586)

Description	December 31, 2015			
	Change (Increase) in Rate of Return (1%)	Rate of Return Sensitivity (Profits & Losses)	Ownership Equity Sensitivity	Investment Accounts Holders Equity Sensitivity
	JD	JD	JD	JD
JD	10,944,431	-	6,883,745	4,060,686

Description	December 31, 2015			
	Change (decrease) in Rate of Return (1%)	Rate of Return Sensitivity (Profits & Losses)	Ownership Equity Sensitivity	Investment Accounts Holders Equity Sensitivity
	JD	JD	JD	JD
JD	(10,944,431)	-	(6,883,745)	(4,060,686)

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.

Currency	December 31, 2016		
	Change in the Exchange Rate (5%)	Impact on Profits and Losses	Impact on equity
USD	9,936,745	-	-
EURO	211,427	10,571	633
GBP	46,781	2,339	-
JPY	17,821	891	-
Other Currencies	546,322	27,316	-

Currency	December 31, 2015		
	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

Concentration in Foreign Currency Risks:

	2016						
	USD	Euro	GBP	JPY	Others	Total	
Assets:							
Cash on hand & at central banks	68,286,124	7,528,766	2,369,795	-	1,282,432	79,467,117	
Cash at banks & banking Institutions	21,527,041	5,651,922	1,267,292	72,858	2,242,554	30,761,667	
Investment accounts at banks and banking institutions	25,709,384	2,966,600	-	-	-	28,675,984	
Deferred sale receivables and other receivables	102,723,248	8,850,014	937,975	-	3,738,733	116,249,970	
Financial assets at fair value through the ownership equity – self constructed	821,758	12,667	-	-	-	834,425	
Financial assets at fair value through the joint investment accounts holders equities	19,732,923	-	-	-	-	19,732,923	
Other assets	234,198	70,674	-	-	-	304,872	
Total Assets	239,034,676	25,080,643	4,575,062	72,858	7,263,719	276,026,958	
Liabilities:							
Deposits in banks and banking institutions	1,594,598	27,639	-	-	1,200	1,623,437	
Cash Margins	4,472,496	114,026	-	-	1,512	4,588,034	
Current accounts	60,356,064	10,280,887	1,659,394	121	1,544,927	73,841,393	
Unrestricted investment accounts	162,666,825	14,444,154	2,868,887	54,916	5,169,758	185,204,540	
Other liabilities	7,948	2,510	-	-	-	10,458	
Total liabilities	229,097,931	24,869,216	4,528,281	55,037	6,717,397	265,267,862	
Net concentration in the consolidated financial position statement 2016	9,936,745	211,427	46,781	17,821	546,322	10,759,096	
Off - consolidated financial position statement contingent liabilities 2016	27,901,001	2,723,232	-	-	164,574	30,788,807	
2015							
Total Assets	240,344,258	22,817,307	6,413,141	55,324	8,930,371	278,560,401	
Total Liabilities	228,784,541	22,812,629	6,286,965	53,085	7,834,979	265,772,199	
Net Concentration in the consolidated financial position statement 2015	11,559,717	4,678	126,176	2,239	1,095,392	12,788,202	
Off - consolidated financial position statement contingent liabilities 2015	31,340,781	4,726,957	52,577	-	1,418,890	37,539,205	



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 equity
	JD	JD	JD	JD
2016				
Amman Stock Exchange Index	821,312	-	521,005	300,307
2015				
Amman Stock Exchange Index	4,830	-	3,038	1,792

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.



62. 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

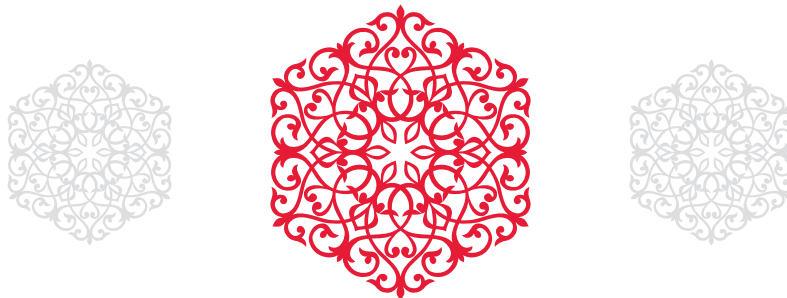
These encompass follows up the unrestricted investment accounts, deferred sales receivables and other financing and banking services related to the institutions' clients.

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	Individuals		Enterprises		Investment in Assets		Treasury		Others		Total	
	JD		JD		JD		JD		JD		2016	2015
Total Revenues (Joint + Self)	129,342,010		74,988,250		8,955,113		8,627,738		55,554		221,968,665	200,294,828
Net results of Subsidiaries	-		-		2,139,889		-		-		2,139,889	2,111,037
Share of the Investment Risks Fund from the revenues of Joint Investment Accounts Holders	(12,634,201)		(7,148,682)		-		(11,649)		-		(19,794,532)	(17,739,064)
Share of the unrestricted Investment Accounts and non-controlling interests from the net results of subsidiary companies	(48,998,920)		(3,552,975)		(2,139,889)		(30,945)		-		(54,722,729)	(50,188,798)
Sector Business Results	67,708,889		64,286,593		8,955,113		8,585,144		55,554		149,591,293	134,478,003
Distributed Expenses	(29,530,777)		(28,419,467)		(4,029,801)		(3,863,315)		-		(65,843,360)	(59,792,927)
Profits before tax	38,178,112		35,867,126		4,925,312		4,721,829		55,554		83,747,933	74,685,076
Income Tax	(13,925,262)		(12,427,097)		(1,723,859)		(1,652,640)		-		(29,728,858)	(25,964,620)
Profit after tax	24,252,850		23,440,029		3,201,453		3,069,189		55,554		54,019,075	48,720,456
Sector Assets	1,154,532,706		920,019,829		776,034,553		1,150,209,101		-		4,000,796,189	3,702,607,724
Investment in Affiliates	-		-		7,658,670		-		-		7,658,670	15,065,698
Assets not distributed to Sectors	-		-		-		-		91,064,837		91,064,837	81,318,013
Total Assets	1,154,532,706		920,019,829		783,693,223		1,150,209,101		91,064,837		4,099,519,696	3,798,991,435
Sector Liabilities	3,210,996,086		378,111,343		-		8,812,042		-		3,597,919,471	3,341,780,918
Liabilities not Distributed to Sectors	-		-		-		-		158,880,463		158,880,463	146,055,858
Total Liabilities	3,210,996,086		378,111,343		-		8,812,042		158,880,463		3,756,799,934	3,487,836,776
Capital Expenses	-		-		-		-		17,219,986		17,219,986	11,208,573
Depreciations and amortizations	-		-		-		-		9,143,961		9,143,961	9,042,325



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	
	2016	2015	2016	2015	2016	2015
	JD	JD	JD	JD	JD	JD
Total Revenues	220,539,393	199,371,842	1,429,272	922,986	221,968,665	200,294,828
Total assets	3,823,492,738	3,520,431,034	276,026,958	278,560,401	4,099,519,696	3,798,991,435
Capital expenses	17,219,986	11,208,573	-	-	17,219,986	11,208,573

63. 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, 2016	December 31, 2015
	Thousand JD	Thousand JD
Primary Capital Items:	315,330	283,149
Subscribed (paid-up) capital	150,000	150,000
Statutory Reserve	68,371	59,988
Voluntary Reserve	22,617	14,273
Retained Earnings	77,624	63,131
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	(1,006)	(964)
Intangible Assets	(2,029)	(3,032)
Supplementary Capital Items:	13,393	8,486
Fair value reserve of the financial assets at fair value through ownership equities	274	253
Bank's share from the fair value reserve of the financial assets at fair value through the joint investment accounts holders equities	622	464
Bank's share from the surplus of the investment risks fund	8,463	4,305
General Banking Risks Reserve / self-constructed	1,000	700
Bank's share from the general banking risks reserve / joint	4,287	3,975
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	(1,006)	(964)
Total Regulatory Capital	328,723	291,635
Total Risk wiehted Assets	1,493,081	1,381,470
Capital Adequacy Ratio	%22,02	%21,11
Primary Capital Ratio	%21,12	%20,50

64. Accounts Managed for Clients:

- The Accounts managed for clients amounted JD 403,146,204 as of December 31, 2016 compared to JD 370,825,485 as of December 31, 2015. These accounts are not shown within the bank's liabilities in the consolidated financial statements.

65. 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, 2016		
	Till 1 year	More than 1 year	Total
	JD	JD	JD
Assets:			
Cash and account balances at central banks	1,090,770,170	-	1,090,770,170
Account balances at banks and banking institutions	41,713,931	-	41,713,931
Unrestricted investment accounts at banks and banking institutions	17,725,000	-	17,725,000
Deferred Sales and other receivables –Net	851,257,734	1,193,230,775	2,044,488,509
Ijara Muntahia Bittamleek Assets –Net	39,344,547	526,599,992	565,944,539
Finances – Net	3,661,555	26,402,471	30,064,026
Financial assets at fair value through the ownership equity – self	6,845,606	698,535	7,544,141
Financial assets at fair value through joint investment accounts holders equity	32,300,120	22,236,677	54,536,797
Financial assets at amortized cost	-	37,760,000	37,760,000
Investments in Affiliates	5,744,003	1,914,667	7,658,670
Real Estate Investments	22,049,814	88,199,262	110,249,076
Al Qard Al Hasan-Net	4,424,819	3,542,032	7,966,851
Property and Equipment –Net	-	71,633,380	71,633,380
Property and Equipment –Net	-	2,028,836	2,028,836
Other Assets	9,435,770	-	9,435,770
Total Assets	2,125,273,069	1,974,246,627	4,099,519,696
Liabilities and Unrestricted Investment Accounts Holders' Equity:			
Banks and Banking Institutions Accounts	8,812,042	-	8,812,042
Clients' Current and Call Accounts – Trusts	854,302,563	345,032,130	1,199,334,693
Cash Margins	28,445,548	19,473,655	47,919,203
Receivables	1,162,406	-	1,162,406
Other Provisions	-	6,500,000	6,500,000
Income Tax Provision	25,425,244	-	25,425,244
Deferred Tax Liabilities	90,123	237,433	327,556
Other Liabilities	15,450,746	-	15,450,746
Unrestricted Investment Accounts	1,053,804,654	1,335,968,083	2,389,772,737
Fair Value Reserve	6,536,249	4,674,610	11,210,859
Investment Accounts Holders Reserve –Subsidiaries and affiliates	7,330,568	7,114,833	14,445,401
Non-controlling Equities	-	130,070	130,070
Investment Risks Fund	-	29,619,452	29,619,452
Deferred tax liabilities	1,788,572	4,248,044	6,036,616
Income Tax Provision- Investment Risks Fund	652,909	-	652,909
Total Liabilities & Unrestricted Investment Accounts Holders' Equity	2,003,801,624	1,752,998,310	3,756,799,934
Net	121,471,445	221,248,317	342,719,762



Description	December 31, 2015		
	Till 1 year	More than 1 year	Total
	JD	JD	JD
Assets:			
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	7,028,385	676,128	7,704,513
Financial assets at fair value through joint investment accounts holders equity	31,317,956	22,185,537	53,503,493
Financial assets at amortized cost	3,766,425	11,299,273	15,065,698
Investments in Affiliates	21,601,724	86,406,889	108,008,613
Real Estate Investments	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
Total Assets	1,858,255,331	1,940,736,104	3,798,991,435
Liabilities and Unrestricted Investment Accounts Holders' Equity:			
Banks and Banking Institutions Accounts	3,175,947	-	3,175,947
Clients' Current and Call Accounts – Trusts	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 and affiliates	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
Total Liabilities & Unrestricted Investment Accounts Holders' Equity	1,819,684,799	1,668,151,977	3,487,836,776
Net	38,570,532	272,584,127	311,154,659

66. Commitments and Contingent Liabilities (Off the Consolidated Financial Position Statement)

A. Credit Commitments and Contingences

Description	December 31, 2016	December 31, 2015
	JD	JD
L/Cs	38,579,418	50,151,678
Acceptances	5,325,298	5,511,775
Letter of Guarantees:	114,674,722	112,253,077
- Payment	33,446,779	32,319,384
- Performance	51,360,474	46,736,611
- others	29,867,469	33,197,082
Unutilized Ceillings	140,915,403	122,269,462
Total	299,494,841	290,185,992

B. Contractual Obligations

Description	December 31, 2016	December 31, 2015
	JD	JD
Contracts of Purchasing properties, equipment and systems	4,862,744	2,160,942
Total	4,862,744	2,160,942

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

67. Lawsuits filed against the Bank

The value of the lawsuits filed against the bank (self) amounted JD 10,903,574 with a provision JD 76,927 as of December 31, 2016 against JD 10,906,347 with a provision JD 1,500 as of December 31, 2015. In addition, the value of the lawsuits filed against the bank (joint) amounted JD 1,575,049 with a provision JD 174,293 as of December 31, 2016 against JD 1,526,960 with a provision JD 174,293 as of December 31, 2015. In the opinion of the Bank's management and its Legal advisor, 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.

68. Comparative Figures

Some of 2015 comparative figures were reclassified and adjusted to commensurate with the classification figures of 2016.



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

The Data of the Bank's Headquarters, Branches, and Offices

Website

<http://www.jordanislamicbank.com>

e-mail

jib@islamicbank.com.jo

Contact Centre

Tel: +962 6 5680001

HQ/ Branch	Address	Tel	Fax	P.O. Box	Post Code	Employees No
Head Office	Culture Street/ Shmaisani / Amman	+962 6 5677377 +962 6 5666325	+962 6 5666326 +962 6 5684755	926225	11190	617
Shmaisani Branch	Cuture Street / Shmaisani / Amman	+962 6 5677107 +962 6 5623613	+962 6 5691700 +962 6 5623612	925997	11190	42
Amman Branch	King Faisal Str./ Amman	+962 6 4638306 +962 6 4653306	+962 6 4652400 +962 6 4614299	7987	11118	27
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	29
Zarqa Branch	King Hussein Str. Zarqa	+962 5 3981401 +962 5 3984667	+962 5 3930911 +962 5 3984646	5753	13111	43
Wehdat Branch	Prince Hassan Str./ Amman	+962 6 4744361 +962 6 4778101	+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	39
Bayader Wadi Essir Branch	Main Street / Al Bayader	+962 6 5816152 +962 6 5859662	+962 6 5824162	140223	11814	30
Aqaba Branch	Al Darb – Princess Haya Circle / Aqaba	+962 3 2014315 +962 3 2014317	+962 3 2014313	1048	77110	22
Ma'adaba Branch	Petra Str./ Ma'adaba	+962 5 3242802 +962 5 3248898	+962 5 3244702	695	17110	23
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	19
Kerak Branch	Italian Str. Kerak	+962 3 2353513 +962 3 2352636	+962 3 2353508 +962 3 2353484	220	61110	26
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	27
Salt Branch	Al Bayyadah Str./ Salt	+962 5 3553790 +962 5 3557985	+962 5 3553792	1035	19110	17
Tafileh Branch	Municipality Str./ Tafileh	+962 3 2242647 +962 3 2242648	+962 3 2242650	42	66110	21
Alrawdah Branch	Alrawdah Str./ Amman	+962 6 5159721 +962 6 5152774	+962 6 5151773	961155	11196	18
Rusaifeh Branch	King Hussein Str./ Rusifeh	+962 5 3744756 +962 5 3743698	+962 5 3744758	1138	13710	22
Saqf Al-Seel Branch	Saqf Al-Seel/ Amman	+962 6 4614801 +962 6 4615974	+962 6 4614805 +962 6 4616256	182059	11118	27
Irbid Branch / AL-Hashmi Str.	AL-Hashmi Str./ Irbid	+962 2 7279401 +962 2 7276821	+962 2 7279405 +962 2 7276437	501	21101	35



HQ/ Branch	Address	Tel	Fax	P.O. Box	Post Code	Employees No
Ajloun Branch	Opposite to the Consumers Corporation / Ajloun	+962 2 6420777 +962 2 6421004	+962 2 6420700	167	26810	24
Al-Weibdeh Branch	Abdali / Opposite to the car station / Amman	+962 6 4616420 +962 6 4616340	+962 6 4616450	927988	11190	16
Deir Abi Said Branch	King Hussein Str./ Deir Abi Said	+962 2 6521551 +962 2 6521654	+962 2 6521553	45	21710	22
Yarmouk Branch	Yarmouk Str./ Amman	+962 6 4757161 +962 6 4757162	+962 6 4757169	620823	11162	22
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	20
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 5 3930902	+962 5 3930903	150266	13115	15
Ramtha Branch	Banks Str./ Ramtha	+962 2 7380490 +962 2 7380493	+962 2 7380494	546	21410	23
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 5 3811709	185	13125	16
Irbid Branch / Hakama Str.	Hakama Str./ Irbid	+962 2 7401352 +962 2 7401357	+962 2 7401361	230101	21110	22
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	23
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 5857520 +962 6 5857521	+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

HQ/ Branch	Address	Tel	Fax	P.O. Box	Post Code	Employees No
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
Wadi Musa Branch	Main Street, Wadi Musa	+962 3 2157919 +962 3 2157920	+962 3 2157922	53	71810	16
Al-Jebeiha Branch	Main Street / Amman	+962 6 5344261 +962 6 5344237	+962 6 5344239	874	11941	18
Tareq Branch / Tabarboor	Shehab Al-Habri Str./ Amman	+962 6 5060436 +962 6 5060541	+962 6 5060548	295	11947	22
Irbid Branch / Palestine Street	Palestine Str./ Irbid	+962 2 7262101 +962 2 7262105	+962 2 7262109	3922	21110	24
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 Nsair/ Amman	+962 6 5236325 +962 6 5236326	+962 6 5236329	541405	11937	18
Al-Thaniya Branch	Al-Thaniya / Kerak	+962 3 2386626 +962 3 2386627	+962 3 2386632	15	61151	15
Khraibt Essouq Branch	Khraibt Essouq / Amman	+962 6 4120846 +962 6 4120928	+962 6 4120894	987	11621	19
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	14
Wadi Alhajar Branch	Zarqa / Highway Street	+962 5 3651990 +962 5 3652304	+962 2 3651034	1927	13110	14
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	15
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	14
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-Huriah Street / Al-Muqableen	+962 6 4205413 +962 6 4205347	+962 6 4205386	710068	11117	16



HQ/ Branch	Address	Tel	Fax	P.O. Box	Post Code	Employees No
Al Shouneh Al Janoubayah Branch	King Hussein Bridge Street / Al Shouneh Al Janoubayah	+962 5 3581173 +962 5 3581175	+962 5 3581194	23	18110	12
Southern Marka Branch	Saleh Al Hamalan Street (previously Al Feda'), Sourhthern Marka / Amman	+962 6 4900205 +962 6 4900193	+962 6 4900208	420300	11142	15
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	15
Irbid City Centre Branch	Prince Hasan Str. City Centre/ Irbid	+962 2 6911305 +962 2 6911306	+962 2 6911309	1233	21110	13
Offices						
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 3656664	+962 5 3655029	8545	13162	4
Istiklal Mall Office	Istiklal Street, Al-Nuzha	+962 6 5683936 +962 6 5683937	+962 6 5683897	922503	11192	3
Al-Marj Office	Al-Marj / Kerak	+962 3 2341494 +962 3 2341496	+962 3 2341495	14	61112	4
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 2 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	4
Al Badia Al Shamaliah Office	Baghdad International Street / Salhiyeh, Mafraq	+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 7359366	42	21382	4
Aqaba office	Tunisian Baths Street / Aqaba	+962 3 2014665 +962 3 2014687	+962 3 2031706	1048	77110	7
Madaba Office	Amman – Madaba west road – Opposite to the Electricity Company / Madaba	+962 5 3241731 +962 5 3241756	+962 5 3241764	695	17110	4

HQ/ Branch	Address	Tel	Fax	P.O. Box	Post Code	Employees No
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 5069582	295	11947	3
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
Wasfi Tal Str. Office	Wasfi Tal Str. (Prev. Gardens Str.) Bulding No. 94, besides Al Tabba'a Mosque	+962 6 5693372 +962 6 5693465	+962 6 5693469	961021	11196	4
Theban Office	Main Str. (Royal Road-Theban - Kerak)- Theban-Madaba	+962 5 3207466 +962 5 3207467	+962 5 3207469	695	17110	5
Ebbien Ebilleen Office	Ishtafina Junction, Ebbien Ebilleen Region, Ajloun	+962 2 6440369 +962 2 6440375	+962 2 6440372	167	26810	5
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.

