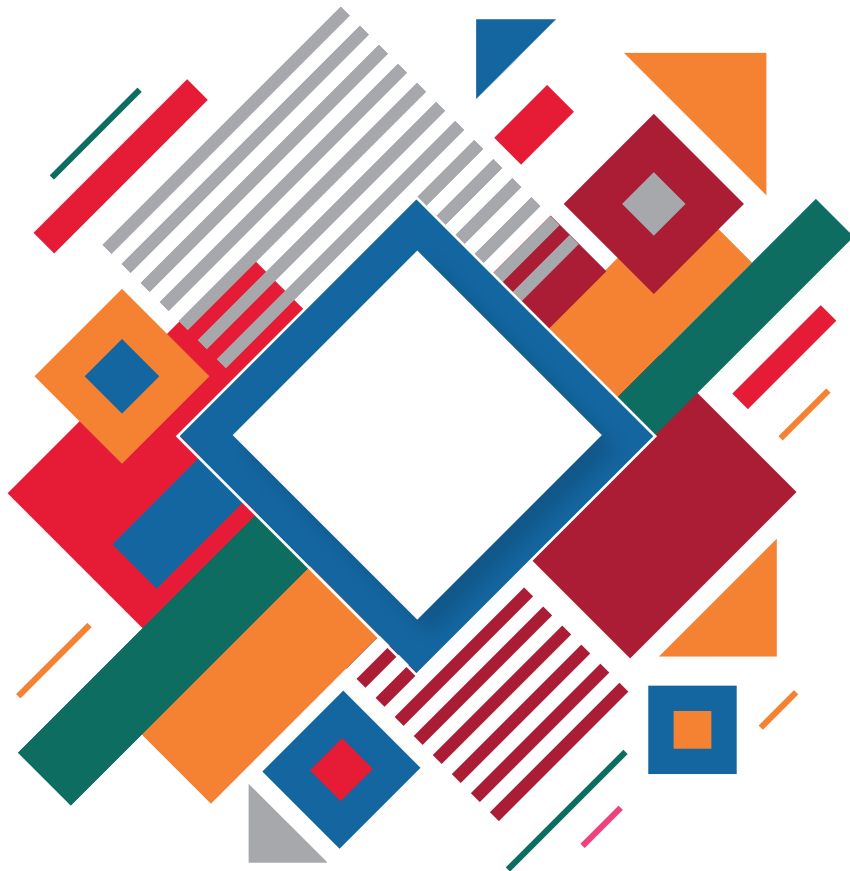


The Fortieth
Annual Report

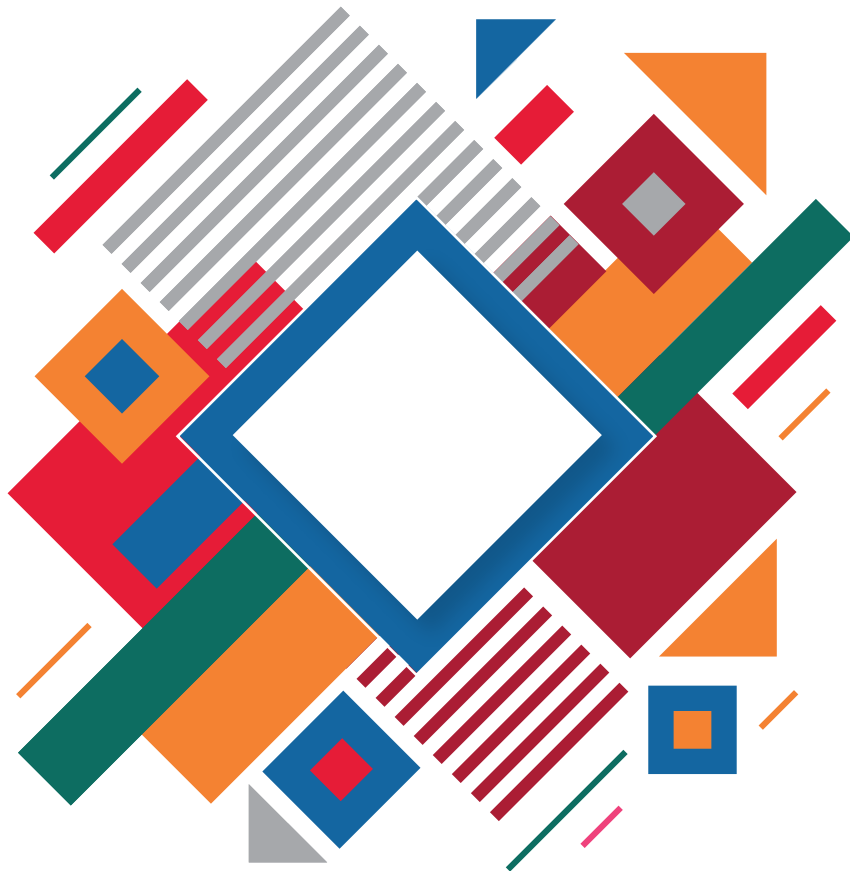
2018





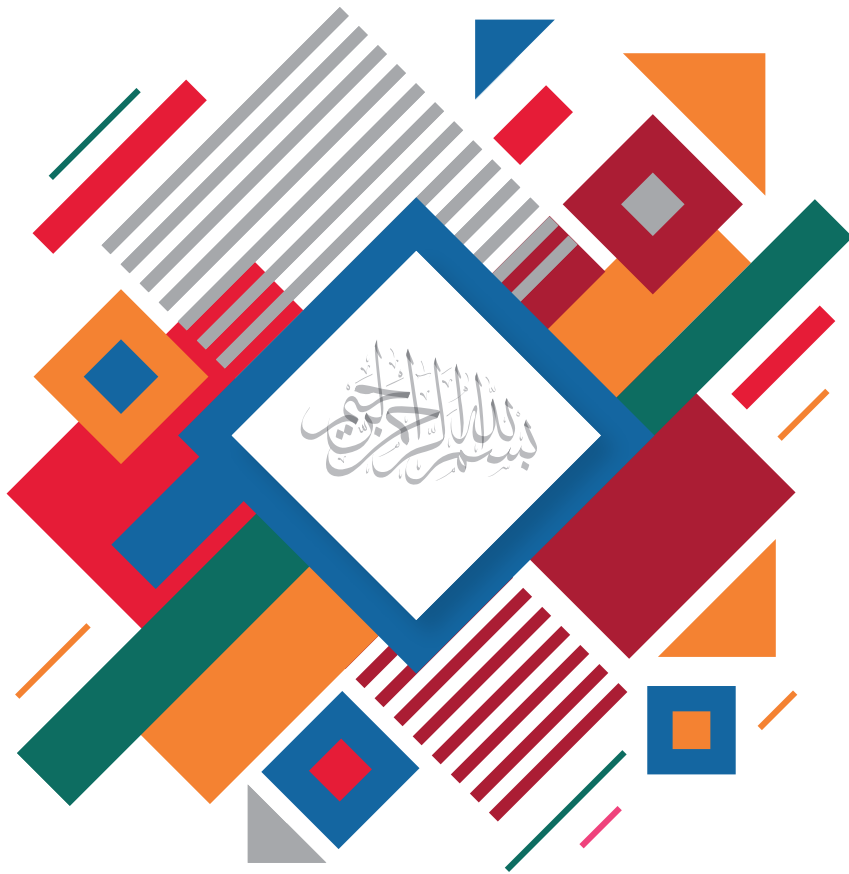


**His Majesty
King Abdullah II bin Al Hussein**





**HRH Prince Hussein bin Abdullah
Crown Prince**



Jordan Islamic Bank

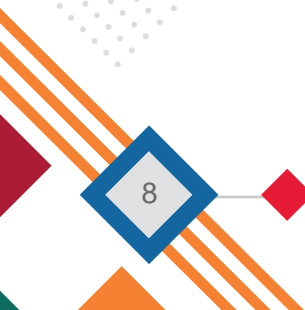
Public Shareholding Limited Liability Company

Established in Amman - the Hashemite Kingdom of Jordan and registered as a public shareholding limited liability company in the Companies Registry on 28/11/1978 under reference No. 124 pursuant to the requirements of the by-then effective Companies Law and in accordance with the provisions of Jordan Islamic Bank Law No. 13 of 1978, which was superseded by the Banks Law No. 62 of 1985 that was abolished pursuant to the Banks Law No. 28 of 2000 effective as of 02/08/2000, which included a special chapter on Islamic Banks.

The Fortieth Annual Report For the Year 2018

Presented to the General Assembly in its ordinary meeting convened in Amman on Monday the 23rd of Shabaan, 1440 AH, corresponding to 29/4/2019 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. Chairman
Board of Directors
Represented by H.E. Mr. Adnan Ahmed Yousif Abdul Malek
- **H.E. Dr. Hatem Hafez (Halawani Al -Tamimi)** Vice-Chairman, Board of Directors
- AlBaraka Banking Group Co. Member
Represented by H.E. Mr. Hamad Abdulla Ali Al Oqab
- AlBaraka Banking Group Co. Member
Represented by H.E. Mr. Adnan Abdulla Alsulaiman Albassam
- AlBaraka Banking Group Co. Member
Represented by H.E. Mr. Hood Hashem Ahmed Hashem
- **H.E. Mr. Salem Ahmad Jamil Al Khaza'aleh** Member
- **H.E. Mr. Nour (Moh'd Shafer) (Moh'd Lutfi) Mahayni** Member
- **H.E. Mr. Issa Haidar Issa Murad** Member
- **H.E. Mrs. Malak F. R. Ghanem** Member
- **H.E. Dr. Nabih Ahmad Mahmoud (Salameh Alzenat)** Member
- **H.E. Mr. Saleh Yacoub Moh'd Hussein** Member

Auditors: Messrs. Ernst & Young/ Jordan

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 Jordan Islamic Bank

- Mr. Musa Abdel-Aziz Mohammad Shihadeh CEO / General Manager

- H.E. Dr. Hussein Said Moh'd "Ammar Saifan" Deputy General Manager

- H.E. Mr. Naim Mohammad Najim AlKmos Second Deputy General Manager

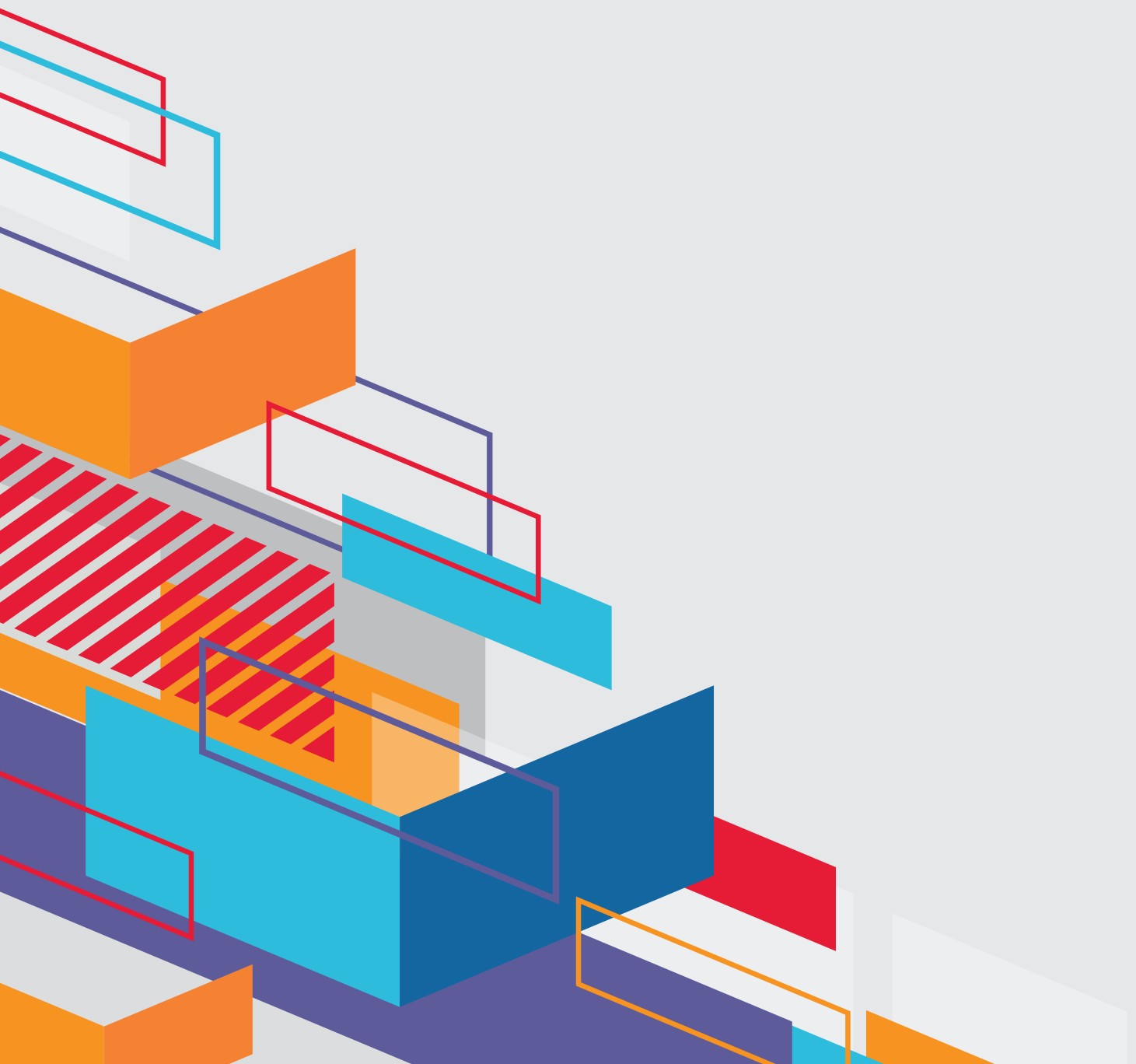
- H.E. Dr. "Mohamed Fahmy", "Mohamed Khalil", El Jabari Assistant General Manager

- H.E. Dr. Abdul Hamid Abdullah Abu Saqri Assistant General Manager

- H.E. Dr. Musa Omar Abu Muhaimed Assistant General Manager

- H.E. Mr. Mohamed Ahmed Jibril Assistant General Manager

- H.E. Mr. "Mohammed Fawaz" Sudqi Imam Assistant General Manager



Chairman's Message



Chairman's Message



In the name of Allah, most Gracious, Most Merciful
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 His Prophet
Mohammed His Servant and Messenger, his Kinsfolk and all his companions.

Dear Shareholders,

Jordan Islamic Bank continued its efforts to deepen the experience of Islamic banking, maintaining its position in the Jordanian banking arena, despite the difficulties and challenges, as well as the rapid changes facing the regional and international environments, thus establishing the ability of Islamic sharia to deal effectively with the facts of the times and enhancing the trust and satisfaction of its clients, along with continuing its prudent approach to deal with the variables, in line with all new developments in the banking industry and its technologies.

During the year 2018, the Bank continued its good career. Despite the crisis facing the global economy and the surrounding region, along with their negative effects on the national economy, the Bank's assets amounted to about JD 4.2 billion, total

savings balances amounted to approx. JD 3.6 billion, total financial investments balance amounted to approx. JD 3.1 billion, profits of the joint investment amounted to about JD 192 million, Bank's profits before tax amounted to about JD 75.4 million, while the profits after tax amounted to JD 49.8 million and the rate of return on the average shareholders' equity is about 12.96%. The Board of Directors recommended to the Ordinary General Assembly to distribute cash dividends to shareholders at a rate of 15% of its paid-up capital, recommended to the Extraordinary General Assembly to distribute free shares at the rate of 11.11% of the paid-up share capital, by capitalizing part of the retained earnings and voluntary reserve, so that the Bank's capital would increase from JD 180 million to 200 dinars/shares.

During the year 2018, our Bank continued its expansion plan to provide new services through its electronic channels, the most important of which are launching more services through the application of Mobile Banking, such as information about client finances, financial transfers between accounts inside Jordan, issuing and printing cards immediately in the branches (issuing the card to the client for the first time) and renewing the certificate of data security standard for protection of card industry (PCI-DSS). Further, more ATMs have been installed and operated throughout the Kingdom to serve clients around the clock.

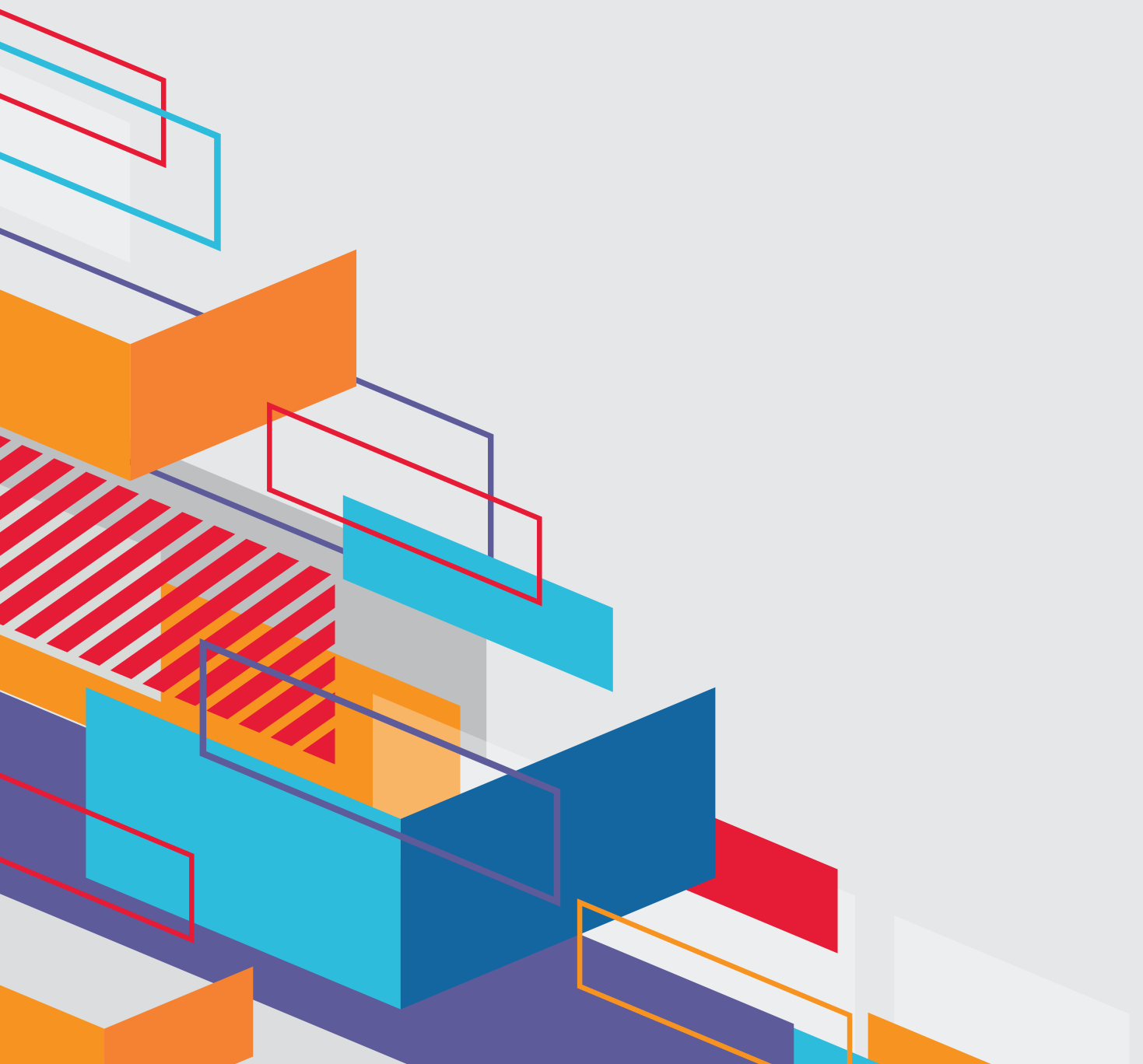
These achievements are all attributed to the blessing of Allah, the support of those of us who believe in the mission and values of the Bank, and its clients, as well as the continuous efforts of the executive management of the Bank and its staff, we pray to Allah to bless them and reward them all for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

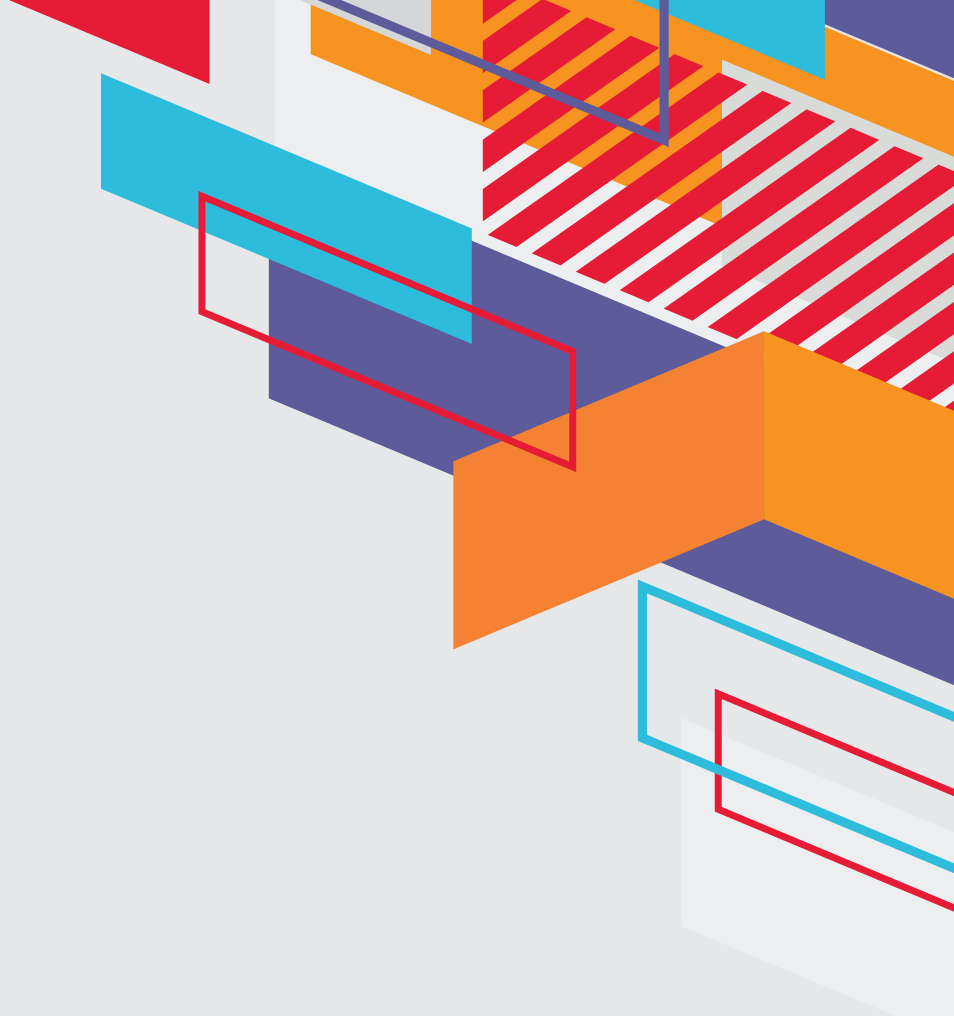
The Bank will continue on its endeavors while observing its values to serve its mission, meet the needs of national economy and local community, by this contributing to the good to the best extent possible.

I'd like to thank the Sharia Supervisory Board for the efforts they exerted to give us insights about banking according to sharia.

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 2018

In the Name of Allah, Most Merciful, 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 2018

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 and all his family and companions.

Dear Shareholders,

It seems that the global financial crisis, which occurred ten years ago, is still overshadowing, where the high economic costs of the crisis are borne by the individuals in attempt to mitigate its impacts on the banking sector, which stirred their anger and led to the emergence of an anti-globalization reaction, especially in developed economies, in addition to the declining trust in the policies of governments and institutions, along with tendency to withdraw part of the deposits from the financial system. Consequently, a number of countries fell victims of banking crises and economic activity is not yet recovered in the majority of aspects.

The year 2018 witnessed the continuation of confronting and combating terrorism in many countries of the world and the region. The war in Yemen, the political crisis in Libya and the Gulf crisis continued, as a number of countries cut off diplomatic relations with Qatar and the subsequent developments in this crisis. On the other hand, there has been a breakthrough in the Syrian and Iraqi arenas with stability returning in most of their cities. The pace of events has slowed, accompanies with opening the Syrian-Jordanian border, preceded by the opening of the Iraqi-Jordanian border late last year.

Amid these international and regional events, initial estimates of the Jordanian economy indicated that real Gross Domestic Product was (2.0%) in the first nine months of 2018, compared to a growth of 2.2% for the same period in 2017. The estimates also indicate that the growth in 2018 will reach about (2.2%). The inflation rate has increased by (4.5%) during 2018, compared to a growth of (3.3%) during 2017. However, unemployment increased in the fourth quarter of 2018 to reach about (18.7%) of the total workforce, compared to about 18.5% during the same quarter of 2017.

The net public debt of Jordan has risen by the end of 2018 compared with its level recorded at the end of 2017 by about JD (1.04) billion, or at (3.8%), to reach about JD (28.3) billions, at (94%) of the Gross Domestic Product by the end of 2018.

During 2018, the trading volume of Amman Stock Exchange recorded JD (2.3) billions, with a decrease of around JD (600) million or the percentage of 20.7% compared to the level recorded in 2017. The market-value weighted index of free shares has decreased during 2018 by around (218) points or at (10.3%) compared to the score of last year, to reach about (1909) points. The market value of the shares listed on the Stock Exchange amounted to about JD (16.1) billions by the end of 2018, with a decrease of about JD (900) millions, or about (5%) compared to the record at the end of 2017.

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 2018, the balance of such reserves reached about USD (13.4) billions which is sufficient to secure the Kingdom's imports of goods and services for about (7.3) months. The policy of maintaining the Jordanian Dinar/ US Dollar exchange rate which started in October 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 the Jordanian Dinar to other foreign currencies depending on the development of exchange rates of such currencies in the international markets.

During 2018, the Central Bank of Jordan (CBJ) increased the interest rate many times on the monetary policy instruments, so the repurchase price per night reached (5.50%) and the rediscount rate reached (5.75%). As regards the interest rate in the Jordanian banking market, the weighted average of interest rates on loans and advances increased at the end of 2018 by (18) base points to reach (8.46%) above its level at the end of 2017. Meanwhile, the weighted average of interest rates on time deposits for the same period increased by (75) base points to reach (4.55%).

At the end of 2018, the net balance of the credit facilities granted by banks amounted at about JD (26.1) billions, with an increase of about JD (1.4) billion or a rate of around (5.5%) compared to level recorded at the end of 2017.

Total balance of the deposits with licensed banks reached about JD (33.8) billion at the end of 2018, with an increase of about JD (650) million, or (2.0%) compared to the level recorded at the end of 2017.

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 2018 as well as the future ambitions.

First: Branching

During the year 2018, one new branch was opened, that is Abdoun branch/Amman and four new offices: Al-Turra/Ramtha, Bawabat Al-Mafraq/Al-Mafraq, Al-Jubaiha/Amman, Dhahiyat Al-Rasheed/Amman, and the name of Jarash office was changed into Bawabat Jerash and it was transformed into a branch. Thus, the Bank's offices have become to consist of 76 branches and 29 bank offices at the end of 2018. It is expected that 2019 will witness the completion of 2018 Branching Plan by opening of Al-Mazar Al-Shamali Office/Irbid ⁽¹⁾ and Al-Zarqa Al-Gharbiya branch ⁽²⁾, in addition to embarking on 2019 Branching Plan by transforming three offices into branches: Al-Badia Al-Shamaliyah/Al-Mafraq, Madaba Al-Gharbi and Ain Al-Basha/Al-Balqa.

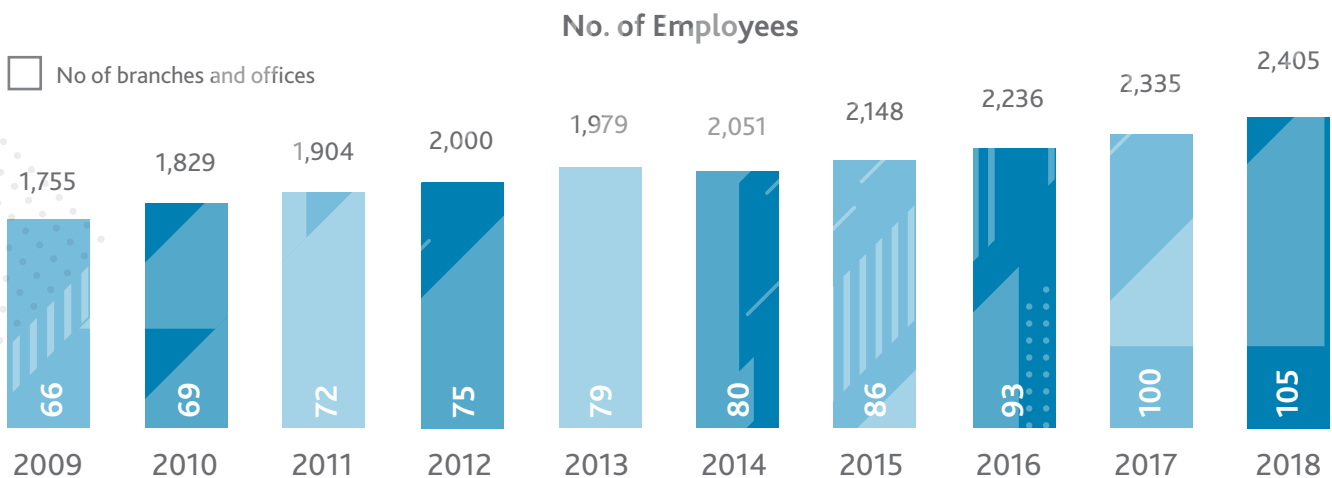
On the other hand, the branches of Al-Jubaiha / Amman and Bawabat Jerash were moved to two new sites where the new locations are more convenient to the clients and ensures easier provision of banking services.

The services were also continued during the official holidays and on Fridays, Saturdays and evening periods in some branches and offices of the Bank as follows:

- City Center branch / Irbid, and Al Istiklal Mall and Arifa Mall offices in the evening period and on Saturdays and Fridays.
- Abdulla Ghousha and new Zarqa branches for the evening period and Saturdays.
- Free zone office / Al Zarqa – Saturdays.

Second: Staff

At the end of 2018, the number of the Bank's staff reached (2405). Below is a figure showing the development in the employees' number over the past ten years:



1- Opened on 30/1/2019

2- Opened on 31/1/2019

Out of its interest to improve its employees' performance, the Bank enrolled (5,833) employees in 2018 for training courses and seminars organized by the Bank's Academy for training and human resources development and internal and external specialized parties, compared to (4,570) employees in 2017 as shown in the table below:

Description	2018		2017	
	No. of courses and seminars	No. of participants	No. of courses and seminars	No. of participants
Bank's Training and Human Resource Development Academy	295	4,298	217	3,171
Centers in Jordan	294	800	399	1,097
Centers abroad	10	17	30	50
E-learning	13	718	4	252
Total	612	5,833	650	4,570

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, development of managerial skills, English language, 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, e-learning for the employees in different areas, and involving employees in social responsibility activities such as dealing with persons with disabilities and friends of police courses, in addition to health and vocational safety such as first aid, and general safety principles, and the work environment. Moreover, employees newly appointed continued to receive practical training in branches.

The Bank also continued to provide training opportunities and introduce its business to new groups of educational institutions students. The number of those students reached (691) throughout 2018, compared to (864) students in 2017. In addition, (9) employees coming from non-Jordanian banks received training on the work of our bank, compared to having (34) employees trained in 2017.

Third: Banking Techniques:

During 2018, the Bank accomplished further developments and updating in the field of banking techniques, most notably of which are:

- Launching more services provided through the Mobile Banking application; e.g. inquiries about the client's finance and financial transfer between accounts within Jordan.
- Renewal of the PCI-DSS certificate.
- Working on the implementation of work policies and work procedures to achieve the requirements of governance and management of information and the technology associated therewith (IT Governance) according to (COBIT 5) standards.
- Issuing and printing cards immediately in the branches (issuing cards to clients for the first time).
- Application of systems to upgrade the level of protection against cyberattacks and malware.
- Completion of the datacenter backup, with all components, including the transfer and operation of all network equipment, main servers and central storage units, so as to work simultaneously with the data center.
- Development and implementation of a number of systems and products.
- Installation and operation of new ATMs in 2018, rendering the Bank's network of ATMs consisting of 232 units (i.e. 13.6% of the number of ATMs operating in the Kingdom), all linked to customer accounts and with the Middle East Payment Services (MEPS) as well as the Jordanian Joint Network for ATMs (JONET), which consists of approximately 1,700 ATMs and the Visa International 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 and Umra.
- At the beginning of 2008, the Bank introduced awards to users of all types of bank cards, where the awards in 2018 took the form of the client's receipt of the full value of his purchases or part thereof, or financial prizes with different values for Visa card holders (signature). During the year, the total prizes amounted to about JD (235) thousand.
- It is known that the Bank incurs the value of all these awards from the funds of shareholders in accordance with the legal opinion (Fatwa) 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 2018:

A. Conferences and Seminars

Throughout 2018, 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 2018 reached around JD (372) thousand distributed as follows:

Description	JD
Direct expenditures of the Bank Training Academy	4,200
Contribution to the costs of employees' study and training	209,896
Participation in the expenses of the Institute of Banking Studies affiliated to the CBJ	11,418
Sponsorship of scientific conferences and educational institutions	146,025
Total	371,539

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, in addition to other social activities organized in Jordan.

The total donations provided by the Bank inside Jordan during 2018 for such events and activities reached around One Million Jordanian Dinar, distributed as follows:

Description	Number	JD
Jordanian Hashemite Fund for Human Development (JHFHD)	2	107,691
The Hashemite Charity Association	3	10,000
Princess Aliaa Foundation	1	235
Al Aman Fund for the Future of Orphans	1	42,500
King Hussein Cancer Center	1	25,000
Associations and competition of Holy Quran Memorization	5	61,850
Charity Associations and Organizations and Zakah committees	48	304,461
Scientific Conferences and educational and cultural programs	7	192,786
Mosque Commissions	12	25,851
Tkiyet Um Ali	1	10,000
Societal Financial Culture Dissemination Project	1	51,700
Fund to support the families of the martyrs of the armed forces and security agencies	1	100,000
Educational Endowment Initiative and Community Partnerships	1	100,000
Total	84	1,032,074

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 2018, the balance of this account reached around JD (2.3) million.

The Bank also continued to provide Al Qard Al Hasan for justified social purposes, such as education, medical treatment and marriage. The loans provided by the Bank in 2018 from the fund and the money allocated for this purpose, reached around JD (14.4) millions benefiting nearly (23.4) thousand citizens, compared to about JD (13.6) millions in 2017 benefiting nearly (21.9) thousand citizens.

It is worth mentioning that the Bank has been granting such loans since its incorporation, where the granted loans amounted at JD (282) millions till the end of 2018, benefiting nearly (472) thousand citizens.

In addition, some of these loans were granted for youth who were about to get married in cooperation with Al Afaf Charity Association. The total of such loans in 2018 reached about JD (327) thousand benefiting (327) young people compared to about JD (354) thousands benefiting (354) youngsters in 2017.

Part of these loans is granted to teachers through the agreement signed with the Jordan Teachers Association. In 2018 the total of such loans reached about JD (1.6) million benefiting (2,890) beneficiaries, compared to about JD (2.2) million in 2017 benefiting (2,639) 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 Bittamleek) according to which financing is paid from the revenues generated by the project. The Bank also finances small and medium enterprises whether by financing such projects through the joint investment funds or through investment by proxy accounts funds (investment portfolios) or through the special agreements signed with the Central Bank of Jordan in this regard.

To give more attention to these projects, in 2013 the Bank increased 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 Dinars in 2016. The funds given by the subsidiary to projects, craftsmen, professionals, and projects in women sector contribute to eliminating unemployment and preserving the existent job opportunities along with providing new job opportunities. During 2018, the subsidiary financed (75) projects for approximately JD (1.7) million.

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 2018, the number of indemnified cases reached (211), and the compensations paid in this year amounted to nearly JD (1.6) million. Since the Fund establishment until the end of 2018, the total compensation cases reached (2,695) cases, and the amount of compensations paid reached

around JD (11.4) million. At the end of 2018, the Fund's balance amounted to around JD (75) million, with about (159) thousand participants and a total balance of indebtedness of around JD (1.25) billion against the Fund's balance of around JD (81) million, and a total balance of indebtedness of around JD (1.24) billion in 2017.

It's worth mentioning that the Bank has expanded the umbrella of the insured people as of 1/10/2018, to cover all persons with indebtedness of JD (150) thousand or less (and as of 2013, the umbrella was expanded to cover lease financing in addition to Murabaha clients) instead of (100) thousand or less. The Bank expanded the umbrella of the insured several times. The insurance started with a ceiling of JD 25,000 or less.

G- Interaction with the Local Community

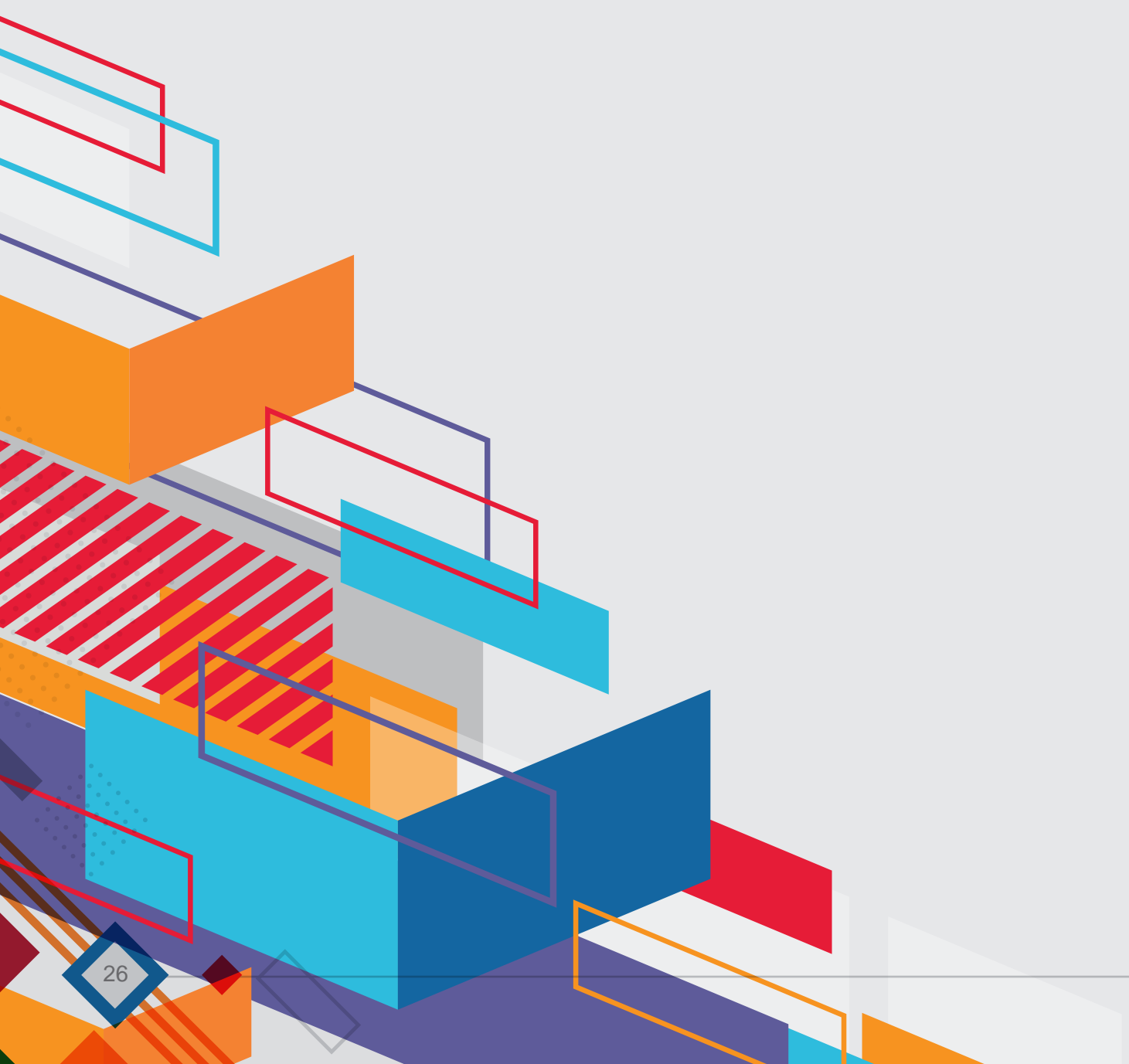
The Bank participated with the Public Security Directorate / Central Traffic Directorate in its Ramadan Campaign and during Eid Al Fitr and Eid Al Adha by supporting the printing of guiding and awareness leaflets, greeting cards, gift boxes and sweets to the drivers, in addition to distributing water and dates to the drivers at the traffic lights at the time of calling for Maghrib Prayer and meeting the initiative of educational endowment and community partnerships, which aim at mobilizing national, private and public support to support the Ministry of Education in improving the educational environment in its schools by building schools and facilities, kindergartens rooms, classroom additions and maintenance works, in addition to contributing to the expenses of school supplies and school foodstuff, as well as students' participation in internal and external educational activities.

In addition, there is a partnership between the Bank and the Eyes Bank and the Friends Society of Jordan Eye Bank and Prevention of Blindness. This partnership is crowned on a yearly basis with an honoring lunch ceremony of the cornea donators, supporters, and volunteers and distribution of acknowledgment certificates to them for the ninth consecutive year.

H. Energy and Environment

The Bank kept on providing alternate energy in July 2013 by utilizing 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.

The bank continued to provide renewable energy at some of its headquarters by utilizing solar power generation using solar cells or through the plant operated at the Bonded Center, of the Bank, since May 2018, with a view to generate solar electricity. This plant covers part of the electricity consumption in the branches and offices of the Bank in the central governorates (Amman, Zarqa, Madaba and Salt) with a generating capacity of 2.7 MWP at a cost of JD 1.5 million. Thus, the number of branches and offices benefiting from the solar system reached 50 branches and offices, in addition to the Head Office buildings, the Information Technology building and the Disaster Recovery Center, which are all fed by the solar cells installed on the roofs of the buildings and/or the plant. Approvals and licenses were also taken and obtained for the construction of a power station in Irbid to cover the consumption of electricity in the branches and offices of the Bank in the northern governorates (Irbid, Ramtha, Jerash, Ajloun and Mafraq) and work is underway to operate the station in 2019, by the grace of Allah.



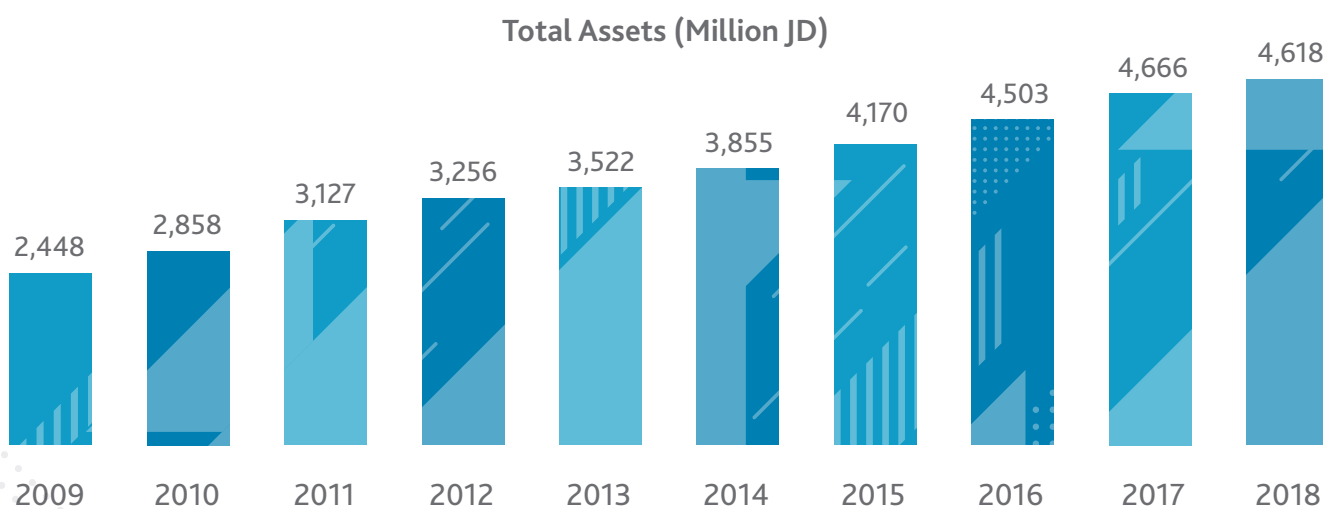
Financial Position

Sixth: Financial Position

A. Total Assets:

At the end of 2018, the total assets amounted to around JD (4,618) millions (including off-balance sheet items), compared to around JD (4,666) millions (including off-balance sheet items) at the end of 2017. Following are the relevant details in million JD:

Year	Total Balance Sheet	Off Balance Sheet Items				Total
		Restricted Investments	Investment by proxy (investment portfolio)	Investment by proxy	Total	
2018	4,160.6	35.6	358.1	63.2	456.9	4,617.5
2017	4,211.6	31.0	376.5	46.6	454.1	4,665.7
Increase (Decrease)	(1.2%)	14.8%	(4.9%)	35.6%	0.6%	(1.0%)



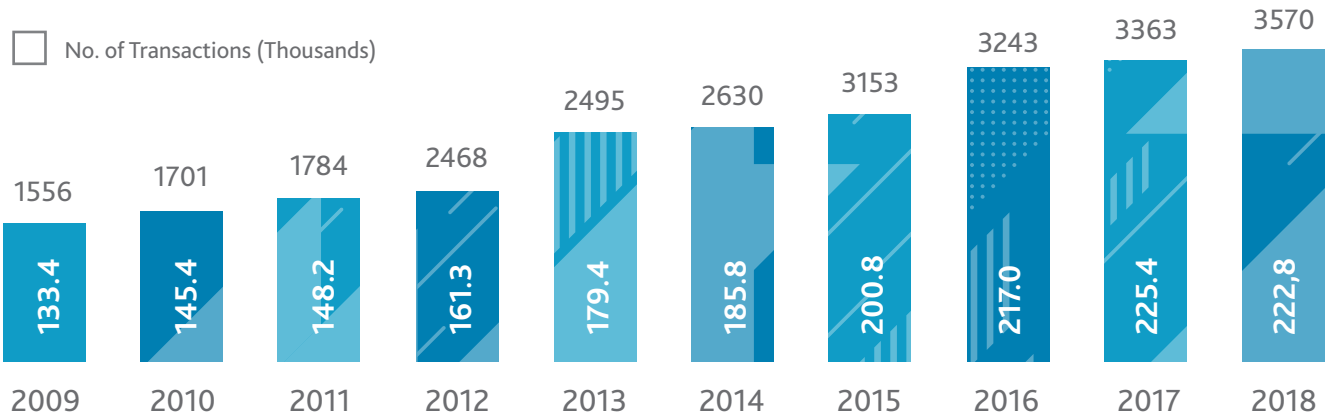
B. Cash on Hand and at Banks

At the end of 2018, the total cash on hand and at banks amounted to about JD (988) million, compared to JD (1,215) millions at the end of 2017.

C. Financing and Investment

At the end of 2018, the total balances of financing and investment amounted to around JD (3,570) millions (including off-balance sheet items), distributed to (223) thousand transactions compared to around JD (3,363) million (including off-balance sheet items) at the end of 2017, distributed to (225) thousand transactions.

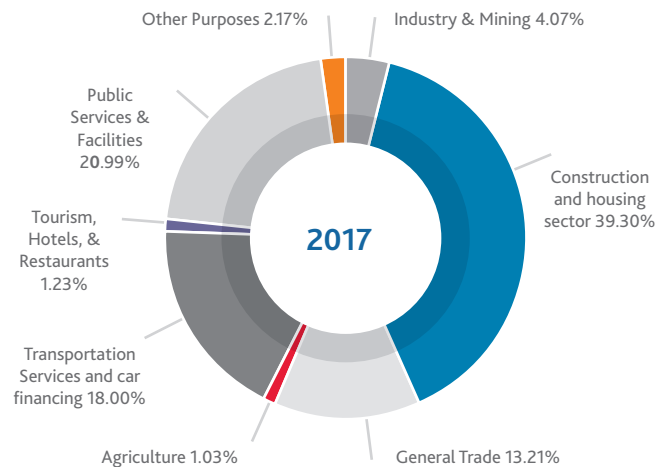
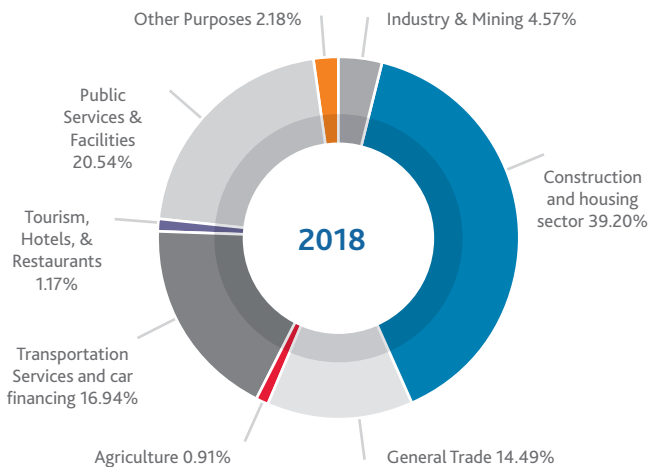
Total Financing and Investment Balances (Million JD)



The financing operations carried out by the Bank in the domestic market during 2018 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 sector	Transportation Services and car financing	Tourism, Hotels, & Restaurants	Public Services & Facilities	Other Purposes	Total
2018	25.5	127.5	404.4	1093.8	472.7	32.6	573.1	60.5	2,790.1
2017	28.0	111.0	359.9	1,070.7	490.5	33.5	572.0	59.1	2,724.7



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 by proxy (investment portfolios) during 2018 for the most significant needs:

Financed Needs of Individuals	JD (Million)	Number of beneficiaries of Financing
Land, housing and construction materials	192.7	14,537
Transportation means and construction vehicles	180.3	16,950
Furniture	16.8	5,679

The outstanding balance of Murabaha financing allocated for such needs from the funds of joint investment and Investment by proxy (investment portfolios) by the end of 2018 was as follows:

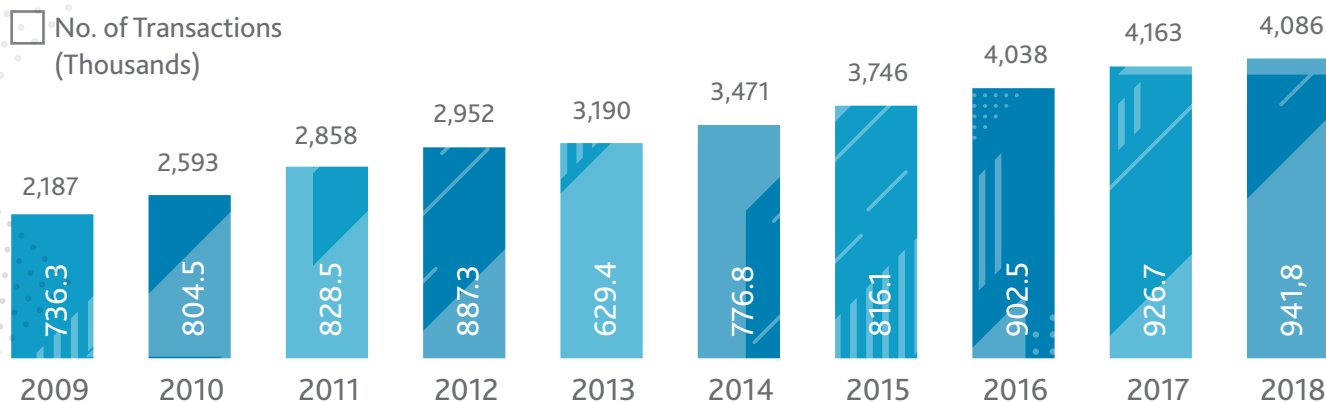
Financed Needs of Individuals	JD (Million)	Number of beneficiaries of Financing
Land, housing and construction materials	467.2	64,422
Transportation means and construction vehicles	475.3	85,063
Furniture	35.6	18,782

Moreover, the Bank continued to direct a part of its self-funds, joint investment funds and Investment by proxy (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 2018, the number of companies whose capitals are invested in by the Bank reached (33), and the volume of such investment reached nearly JD (99) million.

D. Attracting Savings:

At the end of 2018, the total balances of saving schemes amounted to around JD (4,086) million (including the off-balance sheet items), distributed to (942) thousand active accounts compared to around JD (4,163) million (including the off-balance sheet items) at the end of 2017, distributed to (927) thousand active accounts.

Saving Schemes Total Balances (Million JD)

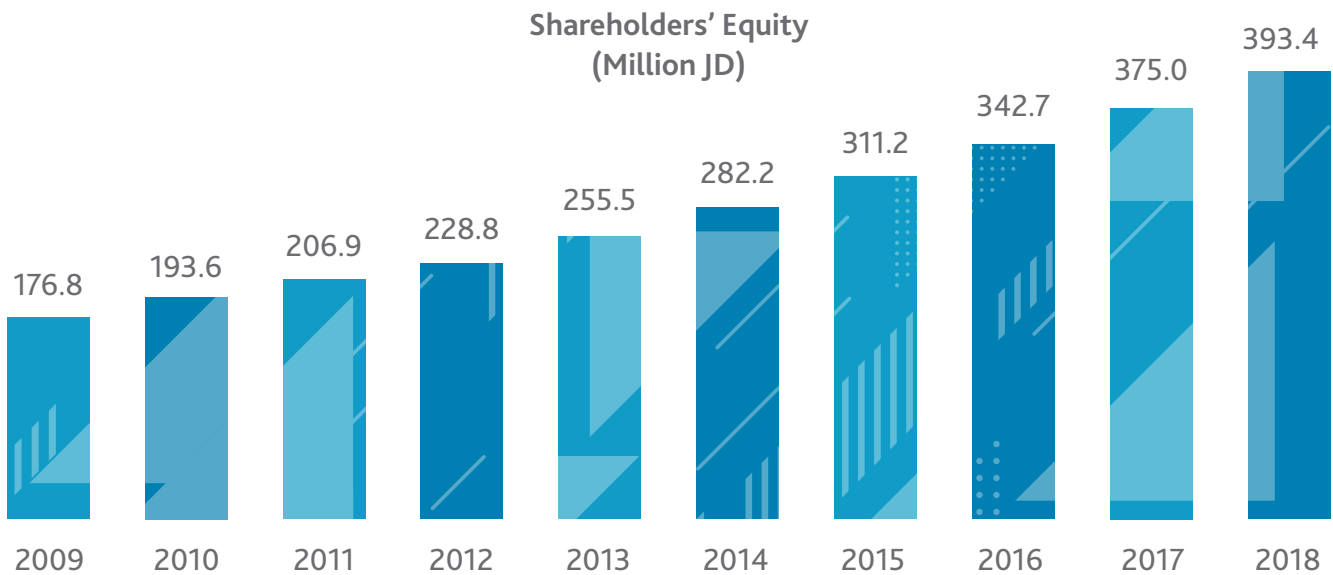


E. Shareholders' Equity:

By the end of 2018, the shareholders' equity reached around JD (393) million compared to JD (375) million at the end of 2017. 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
2018	180.00	84.02	38.23	0.00	1.38	89.77	393.39
2017	180.00	76.47	30.70	1.00	1.21	85.58	374.96
Increase (decrease)	0.00	7.55	7.53	(1.00)	0.17	4.19	18.43
	0.0%	9.9%	24.5%	(100.0%)	14.0%	4.9%	4.9%

The Capital Adequacy Ratio (CAR) at the end of 2018 and 2017 amounted to about (22.8%) and (23.0%) respectively according to the Islamic banks CAR standards issued by CBJ.



F. Profits of Joint Investment:

The total profits of joint investment during 2018 reached around JD (192) million compared to around JD (191) million during 2017. 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 Rab Mal	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 Rab Mal	Share of Unrestricted Investment Accounts
2018	186.99	18.70	84.14	34.46	49.69	4.77	0.48	2.35	0.00	1.94
2017	186.96	18.70	82.82	33.59	51.85	4.27	0.43	2.13	0.01	1.70

The rates of profits distribution over accounts of 2018 were as follows:

Currency	General Percentage	Term	Notice	Savings
Local Currency	3.10%	2.79%	2.17%	1.55%
Foreign Currencies	1.10%	0.99%	0.77%	0.55%

G. Bank Profits:

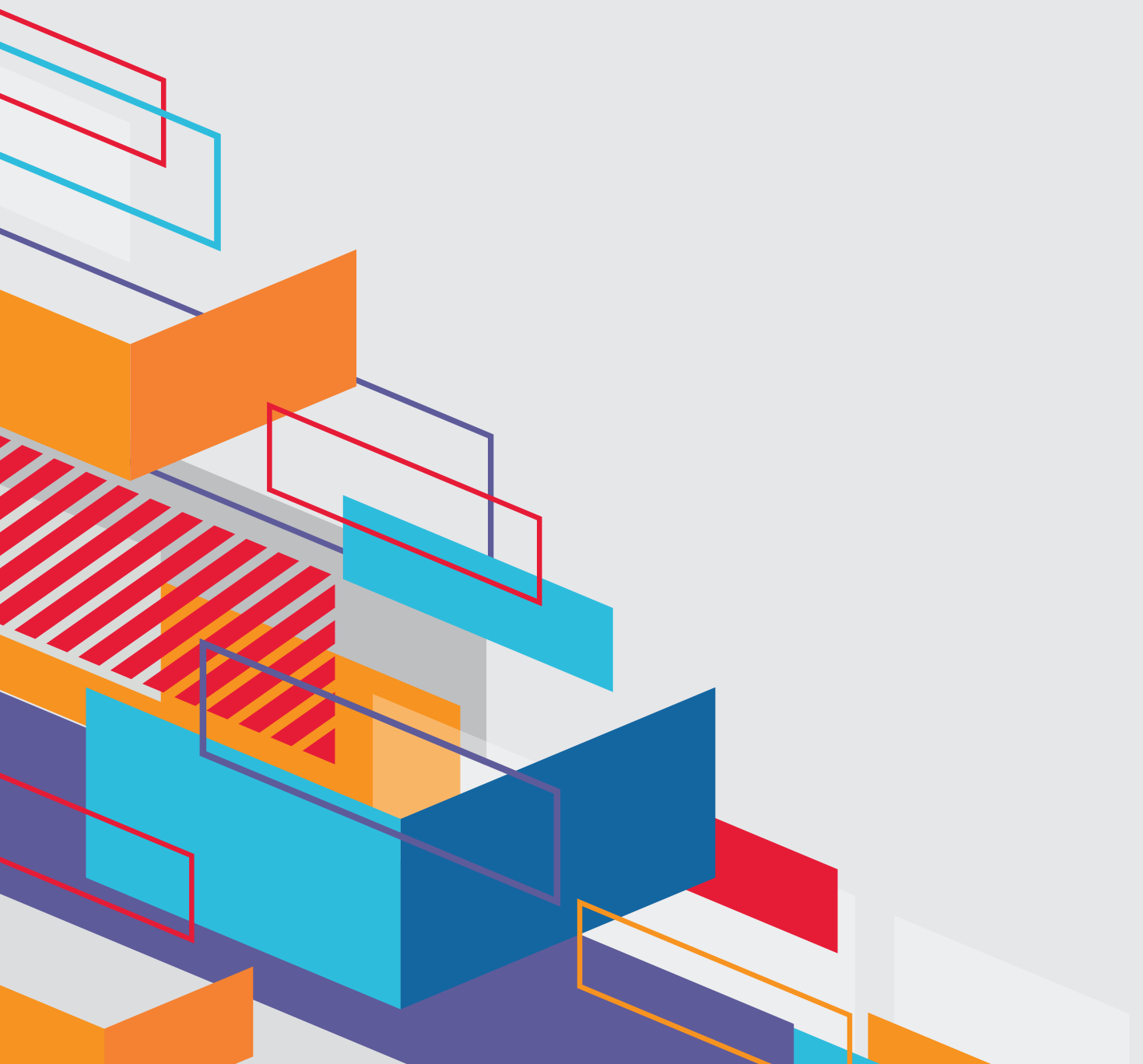
In 2018, the Bank's profits before tax amounted to around JD (75.4) millions, while the profits after tax amounted to around JD (49.8) millions.

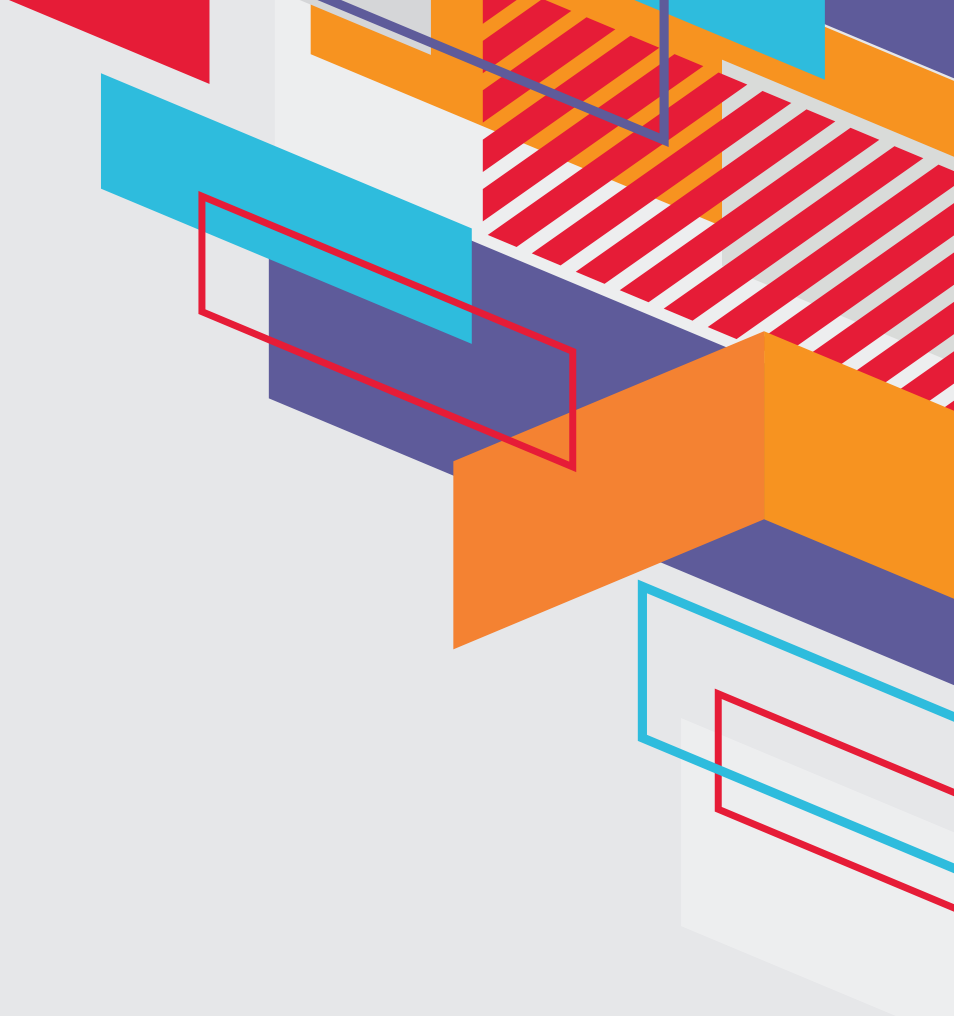
Rounded To Million JD

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

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											
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	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	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	3.35%	0.69%	15% in cash 25% bonus shares (5)	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	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	4.29%	1.67%	15% in cash 20% bonus shares (6)	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	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	3.40%	0.61%	15% in cash	93	2,148	
2016	4,502.7	4,037.5	902.5	3,243.3	217.0	150.0	342.7	197.9	29.6	83.7	54.0	3.39%	0.92%	15% in cash 20% bonus shares (7)	97	2,236	
2017	4,665.6	4,163.3	926.7	3,362.7	225.4	180.0	375.0	191.2	36.4	80.9	54.1	3.20%	1.04%	15% in cash	100	2,335	
2018	4,617.6	4,085.9	941.8	3,570.5	222.8	180.0	393.4	191.8	31.7	75.4	49.8	3.10%	1.10%	15% in cash 11.11% bonus shares (8)	105	2,405	

- 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, and investment by proxy (Investment Portfolios).
- Including the balances of trust (Amanah), unrestricted investments, cash deposits, banks, restricted investments and investment by proxy (Investment Portfolios).
- 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 and "investment by proxy".
- 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.
- Bonus shares distributed on 20/6/2012.
- Bonus shares distributed on 10/6/2014.
- Bonus shares distributed on 5/6/2017.
- Proposed to be distributed.





Future Plan of the Bank for the year 2019

Seventh: Future plan of the Bank for the Year 2019

1. Continuing the introduction and development of new banking electronic services.
2. Extending the offering of financing facilities to individuals on Murabaha, Ijarah Muntahia Bittamlik.
3. Expanding SMEs projects financing grants.
4. Continuing the financing of the government needs by the direct finance by Murabaha or through investment in the issued Islamic Sukuk.
5. Seeking to diversify services and introducing new financing products that meet the demands and needs of banking market and after obtaining the Sharia (legal) approval.
6. Keeping pace 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. Continue to implement the Digitalization Plan
8. Continue to develop staff competencies and skills
9. Branching plan:
 - A. Opening a branch in Al Zarqa Al Gharbiya ¹
 - B. Opening a new office: Al Mazar Al Shamali / Irbid ²
 - C. Turning three offices into branches: Al Badia Al Shamaliyah / Al Mafraq, Madaba Al Gharbi and Ain El Basha/ Al Balqa.
10. Installing and operating new ATMs and replace the old ones, develop and improve their operating management system.
11. Enhancing corporate governance practices.
12. Continue the application of Basel II and Basel III requirements.
13. Keeping on the continuous endeavor to improving the quality of assets, risk management, and compliance control.
14. Continuing to undertake social responsibility in different areas
15. Enhancing the financial inclusion by expanding the umbrella of beneficiaries of the financial services with high quality, in order to contribute to the sustainable development along with the financial and social stability and increasing the number of the working force and reducing poverty rates and women empowerment.
16. Continuing to make available alternative energy in the sites of the Bank, by generating electrical power using solar cells installed on the buildings roofs and/or the power generating plant in the middle region.
17. Making available to our clients the products and services provided by Al Baraka Banking 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.

1- It was opened on 31 / 1 / 2019

2- It was opened on 30 / 1 / 2019



Board of Directors Recommendations to the Ordinary General Assembly

Eighth: Ordinary General Assembly Agenda

1. Reciting the minutes of the Ordinary General Assembly's previous meeting.

Dear Shareholders,

We hope that this report gave an overview of the Bank's activities and achievements during 2018. The Board of Directors is pleased to present the following agenda to the General Assembly:

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, 2018.
3. Reciting, discussing and approving the report of the company's auditor for the fiscal year ended on December 31, 2018.
4. Reviewing the report of the Board for the fiscal year ended on December 31, 2018 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. Appointing the Bank's members of the Sharia Supervisory Board for a period of four years 2019-2023, in accordance with the instructions of the Corporate Governance of Islamic Banks No. 64/2016 dated 25/9/2016 issued by CBJ.
8. Electing the company's auditor for the upcoming year and determine their remuneration.
9. Electing the Board of Directors members for the next session.
10. Any other matters suggested by the General Assembly to be included in the agenda in accordance with the provisions of the law.

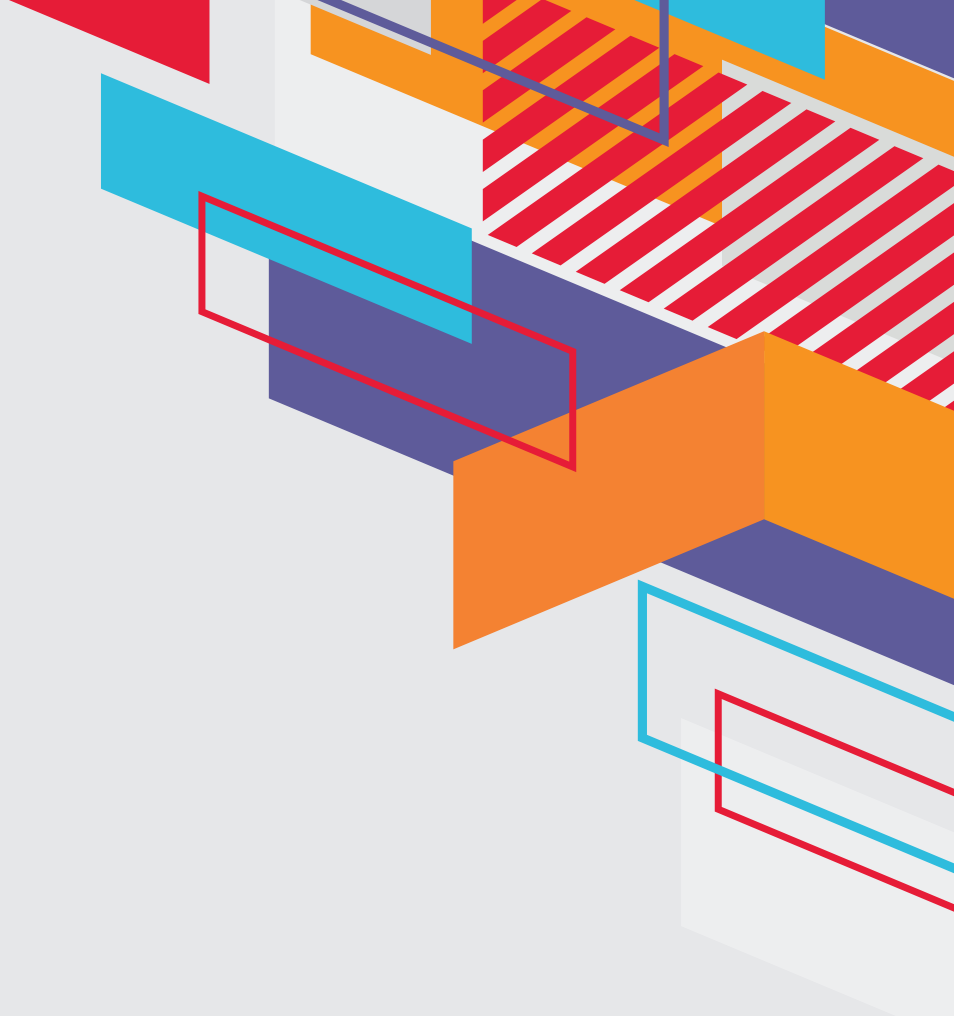
In conclusion, we thank Allah for His grants and donations and for the success He granted us. We provoke Allah the Glorious to give us assistance, help and constant success. We have trust in Allah, and we ask His help in achieving our goals and objectives.

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.

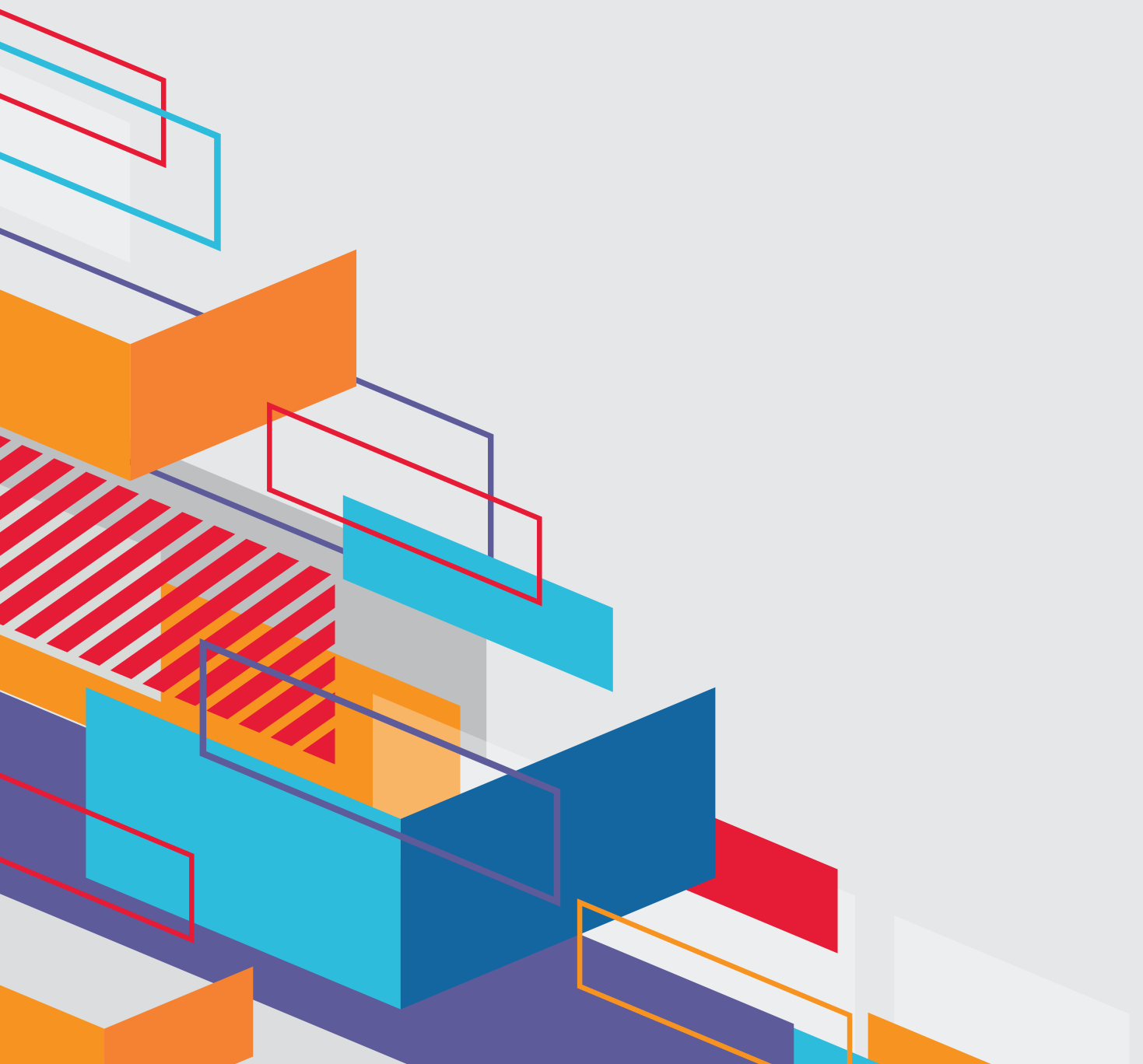
Last but not the least, we proudly and appreciably indicate the important role of our respected jurisprudent scholars for their efforts in promoting public awareness of dealing with the Bank. May Allah reward them the best.

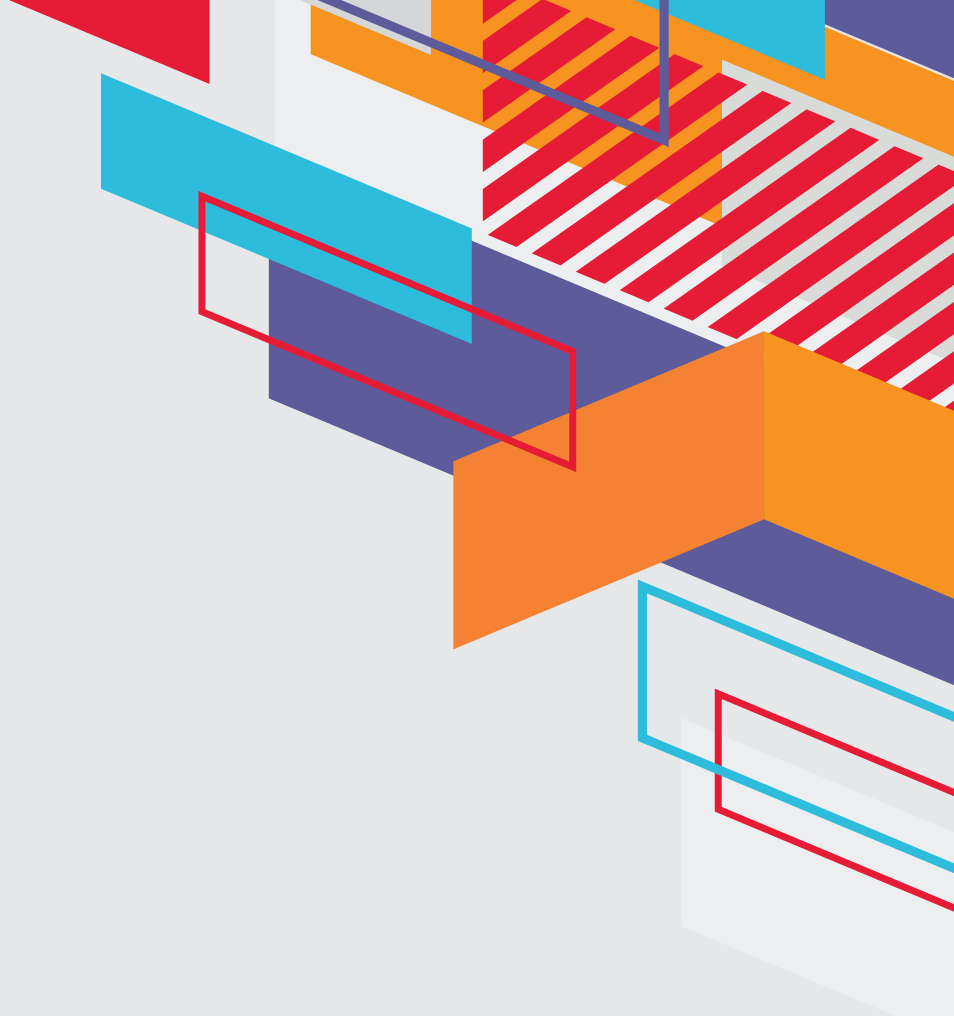
We ask Allah to grant us mercy and prepare for us from our affair right guidance and guide us to the right path.

Board of Directors



Annexes to Board of Directors Report of 2018





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 the CBJ amending Instructions for corporate governance 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- Relationships 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. 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.

3- The Joint Investment Accounts Holders Equities and their Relationship with the Shareholders

The Bank preserves the rights of the joint investment accounts holders. 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 emphatic and advisory independent and objective services to the Board of Directors and executive management in order to assist them in achieving the established objectives, which would improve the effectiveness of risk management and internal control and corporate governance.

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:

- 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 governance 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 covers all work centers, activities and operations of the Bank, including its subsidiaries; it enables the Bank to assess the appropriateness 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 measures 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 (8) meetings in 2018.

B. Details of the Board Committees are as follows:

Description	Current Members Names	Formation	Tasks and responsibilities	No. of meetings in 2018
Corporate Governance Committee	<ul style="list-style-type: none"> - Dr. Hatem Hafez R. (Halawani Al -Tamimi) (Chairman) - Salem Ahmad Jamil Alkhaza'leh (Vice Chairman) - Adnan Ahmed Yousif AbdulMalek (Member) 	Formed in response to the requirements of the Corporate Governance Guide	Ensuring the application of the Corporate Governance Guide	2
Audit Committee	<ul style="list-style-type: none"> - Malak F. R. Ghanem (Chairman) - Hamad Abdulla Ali Al Oqab (Vice-Chairman) - Nabih Ahmad Mahmoud (Salameh Alzenat) (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	<ul style="list-style-type: none"> - Adnan Ahmed Yousif AbdulMalek (Chairman) - Nour (Moh'd Shaher) (Moh'd Lutfi Mahayni (Vice-Chairman) - Adnan Abdulla Alsulaiman Albassam (Member) - Hamad Abdulla Ali Al Oqab (Member) - Hood Hashem Ahmed Hashem (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	9
Nominations and Remunerations Committee	<ul style="list-style-type: none"> - Issa Haidar Issa Murad (Chairman) - Adnan Ahmed Yousif AbdulMalek (Vice Chairman) - Malak F. R. Ghanem (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, and the identifying the qualified persons to join the Board, the Sharia Supervisory Board and the top executive management	3

Description	Current Members Names	Formation	Tasks and responsibilities	No. of meetings in 2018
Risk Management Committee	<ul style="list-style-type: none"> - Saleh Yaqoub Mohammad Hussein (Chairman) - Adnan Abdulla Alsulaiman Albassam (Vice-Chairman) - Hood Hashem Ahmed Hashem (Member) - Musa Abdel-Aziz Mohammad Shihadeh (Member) - Dr. Hussein Said Moh'd (Ammar Saifan) (Member) - Dr. Menawar Atta Allah Hassan Al Mossada 	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 and Sustainability Committee	<ul style="list-style-type: none"> - Salem Ahmad Jamil Alkhaza'leh (Chairman) - Nour (Moh'd Shaher) (Moh'd Lutfi) Mahayni (Vice-Chairman) - Issa Haidar Issa Murad (Member) - Hamad Abdulla Ali Al Oqab (Member) - Musa Abdel -Aziz Mohammad Shihadeh (Member) 	Formed to confirm the Bank's care of the social and sustainability sides	Supervise the Bank's implementation of the social responsibility sustainability	1
IT Governance Committee	<ul style="list-style-type: none"> - Hood Hashem Ahmed Hashem (Chairman) - Salem Ahmad Jamil Alkhaza'leh (Vice Chairman) - Adnan Abdulla Alsulaiman Albassam (Member) 	Formed as a response to governance instructions and management of information and the accompanying technology	General supervision and monitoring the operations and IT projects to ensure their adequacy and effective contribution in achieving the works and requirements of the bank	4
Compliance Committee *	<ul style="list-style-type: none"> - Salem Ahmad Jamil Alkhaza'leh (Chairman) - Adnan Abdulla Alsulaiman Albassam (Vice-Chairman) - Nabih Ahmad Mahmoud (Salameh Alzenat) (Member) 	Formed in response to the instructions of dealing with the domestic banks of systemic interest	Ensuring that there are adequate internal control and monitoring systems in the bank to implement the requirements of the Compliance Monitoring Policy. and be informed about the assessment carried out by the Executive Management on the relevance of the Bank's compliance procedures and guidelines, tracking any deficiencies discovered and drafting the appropriate proposals for amendments.	1

*The committee was formed on 26/7/2018.

C. Summary of the meetings attended by the Board of Directors and its committees during 2018:

Annex III includes a table showing the number of meetings of the Board of Directors and its committees during 2018 and the number of meetings attended by the members.

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.
- Monitoring 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.

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 accounting issues that have 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 and Sustainability Committee:

- Reviewing the social responsibility and sustainability 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.

IT Governance Committee:

- General supervision on the IT operations, resources, and projects to ensure their adequacy and effective contribution in meeting the Bank’s requirements and operations.

Compliance Committee:

- 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.
- Ensuring that there are adequate internal control and monitoring systems in the bank to implement the requirements of the Compliance Monitoring Policy.
- Be informed about the assessment carried out by the Executive Management on the relevance of the Bank’s compliance procedures and guidelines, tracking any deficiencies discovered and drafting the appropriate proposals for amendments.

6- The Sharia Supervisory Board Meetings:

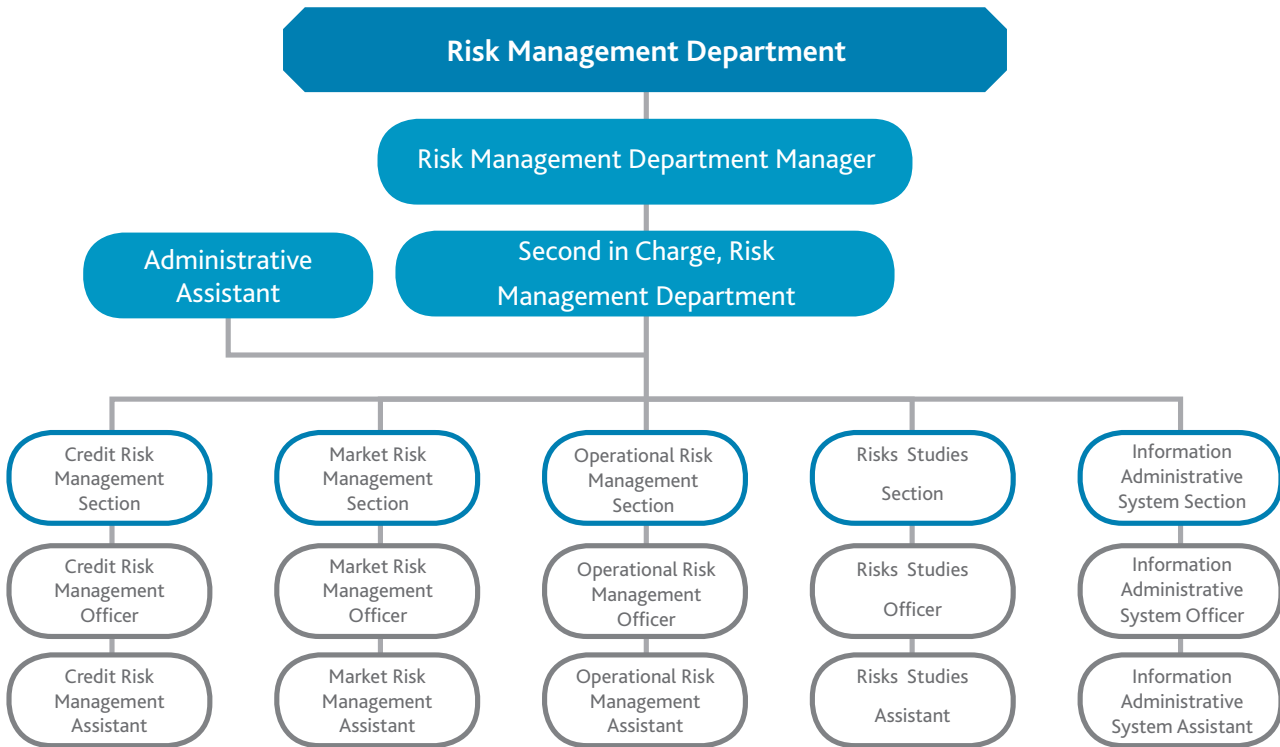
A. The Board held (6) meetings in 2018.

B. Summary of the meeting attendance of the Sharia Supervisory Board:

Current Members	No. of meetings attended
Prof. Mahmoud Ali Mosleh Sartawi (Chairman)	6
Prof. Abd Sattar Abdul Karim Abu Ghoddeh (Vice-Chairman)	6
Dr. “Mohammad Khair” Mohammad Salem Al-Issa (Member)	6
Prof. Abdul Rahman Ibrahim Zaid Al Kelani (Member)	6

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 our Bank and preparing periodic reports in this regard and report to the Risk Management Committee.
- Preparation and review of work procedures policies and documents as well as Bank’s controls and activities related to different risks.
- Managing the internal credit rating system dedicated for the Bank’s clients in accordance with CBJ instructions.
- Credit risk control works and their general framework.

C. The Bank’s risks are stated in Note (61) under the Financial Statements of the Bank for 2018.

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 light of the results achieved by the bank in the previous year, bonuses are paid to the top executive management as follows: (50%) of the bonus in the year in which a decision has been made to disburse the bonus and the other (50%) shall be paid in the next year. Regarding the employees' bonuses, they are paid as lump sum without delay in the year in which a decision has been made to disburse the bonus.

9. Transparency and Disclosure:

- A. Annex IV 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 IV 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 IV 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 IV 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. Annex IV includes the names of shareholders who hold (1%) or more of the Bank's capital.
- G. The Board of directors has reviewed the consolidated report which shows the complaints of the staff during 2018; the results of the complaints evaluation report by the board were as follows:
 1. There is a clear interest by the Bank's management in handling the client's complaints through delegating the relevant authorities to the concerned officers to conduct the necessary investigations and asking for any information or documents that the investigator deems necessary for the completion of his/her work, including assigning special taskforces to investigate the cases that require to do so to ensure the validity of the procedures in place.
 2. The number of complaints received compared to the volume of the work provided (services/products) and the volume of the Bank's customers base is acceptable. Also, the studies carried out by the concerned departments of the Bank to identify the repeated complaints on the same subject, their grounds and the actions taken were appropriate. They are used to further improve the level of service provided to the Bank's clients.

Acknowledgement

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

Board Member
Albaraka Banking Group Co.
Represented by
H.E. Mr. Hamad Abdulla Ali Al Oqab

Vice-Chairman
H.E. Dr. Hatem Hafez R. (Halawani Al
-Tamimi)

Chairman
Albaraka Banking Group Co.
Represented by
H.E. Mr. Adnan Ahmed Yusuf
AbdulMalek

Board Member
H.E. Salem Ahmad Jamil Alkhaza'leh

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

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

Board Member
H.E. Malak F. R. Ghanem

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

Board Member
H.E. Mr. Nour (Moh'd Shaher) (Moh'd
Lutfi) Mahayni

Board Member
H.E. Mr. Saleh Yacoub Moh'd Hussein

Board Member
H.E. Mr. Nabih Ahmad Mahmoud
(Salameh Alzenat)

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.

Chairman

Prof. Mahmoud Ali Mosleh Al Sartawi

Vice-Chairman

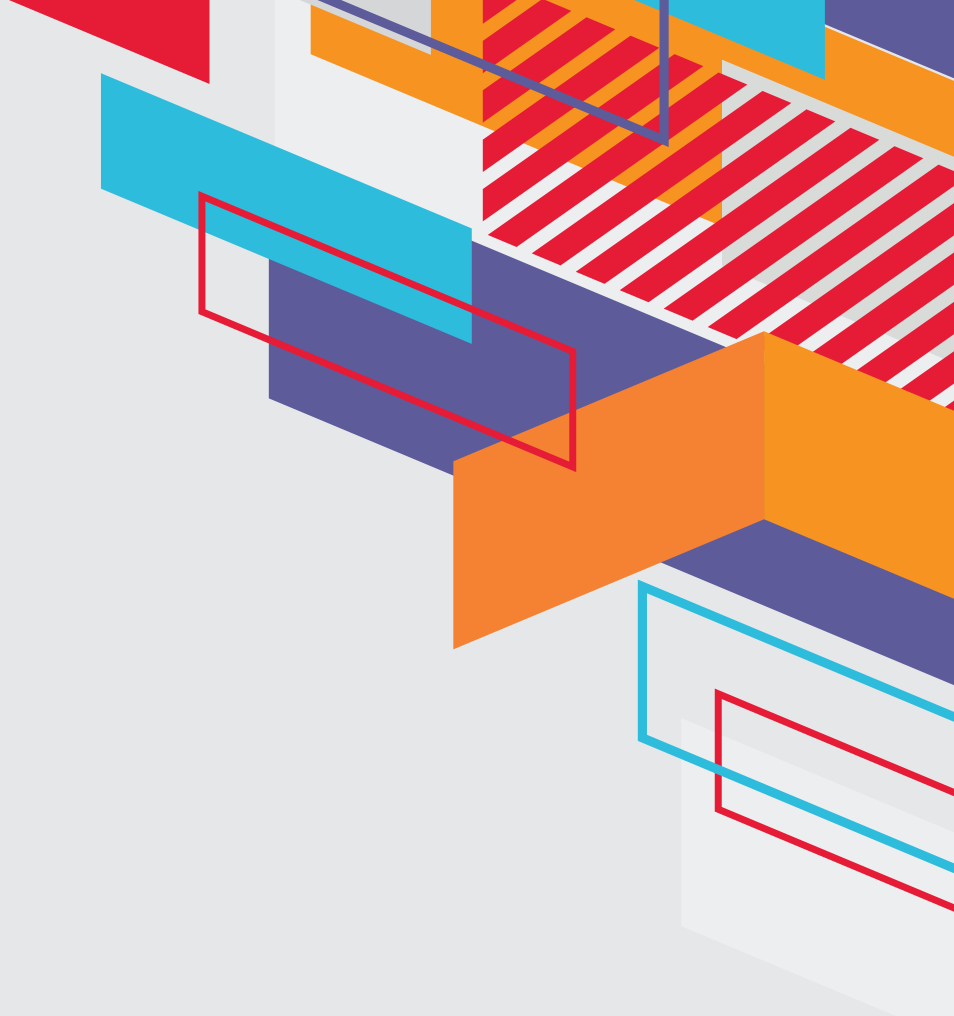
Prof. Abd Sattar Abd Al Karim Abu Goddeh

Board Member

Prof. Abdul Rahman Ibrahim Zaid Al Kelani

Board Member

Dr. "Mohammad Khair" Mohammad Salem Al-Issa



Annex II

Disclosure Requirements According to the Terms
of the IT Governance Guide and the Associated
Technology

Annex II

“Disclosure Requirements According to the Terms of the IT Governance Guide and the Associated Technology”

Compliance with the terms of the IT governance guide and the associated technology:

The concept of IT governance is of great interest to all levels of government, legislation, supervisors, regulators and business organizations alike. The studies and researches revealed the advantages and benefits gained on the macroeconomic level along with the economic units as a result of applying the rules and standards of sound governance. Moreover, the profound actions taken to fix the pillars of corporate governance showed the critical role of IT governance. The proper application of the principles, rules, and methodology of IT governance is a means to protect information security and privacy in the economic institutions.

That’s why the Bank decided to implement the corporate governance practices related to this subject, along with the preparation of the IT governance guide and the associated technology based on the instructions of the Central Bank of Jordan No (65/2016) dated 25/10/2016 and publish the guide on the Bank’s website (www.jordanislamicbank.com).

In accordance with the latest report issued by the Bank’s external adviser, Messers/ Ernst & Young, on October 2018, the level of achievement of the terms of the IT governance guide and the associated technology is as shown in the table below. Based on the pre-set plan, the following evaluation date agreed upon will be during February 2019:

Item	Accomplished	Partially Accomplished*	Not Accomplished*	Total
Item 4: Development of IT governance guide	2	0	0	2
Item 5: Dissemination of the IT governance guide	2	0	0	2
Item 6: Goals of the IT governance guide	8	6	0	14
Item 7: Committees	29	3	0	32
Item 8: IT governance and administrative processes	4	1	0	5
Item 9: Internal and External Audit	14	2	2	18
Item 10: Principles, Policies and work frames	0	4	0	4
Item 11: Organizational Structure	3	0	0	3
Item 12: Information and Reports	3	1	0	4
Item 13: Services, Infrastructure and Applications	2	0	0	2
Item 14: Employees, Skills and Competencies	2	2	0	4
Item 15: Culture, Ethics and behavior	3	0	0	3
Total	72	19	2	93
Compliance level in %	78%	20%	2%	100%

* Given that the implementation of the IT governance guide and the associated technology extends until the end of 2019 according to the instructions of the CBJ issued in this regard.



Annex III

“The Governance Report”

According to the instructions issued by
Jordan Securities Commission for the Public
Shareholding Companies Listed in Amman Stock
Exchange for 2017

Annex III

“The Governance Report”

According to the instructions issued by Jordan Securities Commission for the Public Shareholding Companies Listed in Amman Stock Exchange for 2017

1. The information and details related to the application of the provisions of the instructions and rules of corporate governance:
 - Jordan Islamic Bank decided to adopt the sound Corporate Governance Practices and prepare 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 relations with shareholders and the Joint Investment Account Holders.
 - As such, the Bank applies all the guidelines provided in the “Guidelines for Corporate Governance for Public Shareholding Companies Listed in Amman Stock Exchange in 2017 issued by the Securities Commission.

2. The table below provides the names of the natural current members of the Board of Directors, the representatives of the legal members, showing those nonexecutives and/or not independent and the board memberships of other public Shareholding Companies and resignations during 2018:

Names of the members of the board of directors	Names of the legal members representing the board of directors	Executive / nonexecutive and independent / not independent	Membership in the board of directors of other public shareholding companies in the kingdom
Messrs./ Al Baraka Banking Group (Non-Independent Member)	H.E Mr./ Adnan Ahmed Yousif AbdulMalek, Chairman	Non-executive and not independent member	None
	H.E Mr./ Hamad Abdulla Ali Al Oqab, member	Non-executive and not independent member	None
	H.E Mr./ Adnan Abdulla Alsulaiman AL Bassam, member	Non-executive and not independent member	None
	H.E Mr./ Hood Hashem Ahmed Hashem, member	Non-executive and not independent member	None
H.E. Dr/ Hatem Hafez "Halawani AL -Tamimi", vice chairman	-	Non-executive and independent member	None
H.E Mr./ Salem Ahmad Jamil Alkhaza'leh, member	-	Non-executive and independent member	-Real Estate Development Co. -Arab East for Real Estate Investment. -Arab Union International Insurance Co
H.E Mr./ Nour (Moh'd Shaher) (Moh'd Lutfi) Mahayni, member	-	Non-executive and independent member	-The industrial, commercial, and Agricultural Co.
H.E Mr./ Issa Haidar Issa Murad, member	-	Non-executive and independent member	None
H.E. Mrs./ Malak F. R. Ghanem, member	-	Non-executive and independent member	None
H.E Dr. Nabeeh Ahmad Salama AL Zinat member	-	Non-executive and independent member	-Jordan Petroleum Refinery Co
H.E Mr./ Saleh Yacoub Moh'd Hussein, member	-	Non executive and independent member	None

* No resignations for the members of the Board of Directors during 2018.

3. Executive positions and names of persons they occupy:

Names of the top executive management persons	Position
Mr. Musa Abdel-Aziz Mohammad Shihadeh	CEO – General Manager
Dr. Hussein Said Moh'd (Ammar Saifan)	Deputy General Manager
Mr. Naim Mohammad Najim ALKmos	2nd Deputy General Manager as of 1/1/2018
Mr. (Mohammad Majed) M. R. Allan	Deputy General Manager, resigned on 25/2/2018 (retirement age).
Dr. (Moh'd Fahmi)(Moh'd Khaleel) F. Al Jabari	Assistant General Manager as of 1/1/2018
Dr. Abdel-Hamid Abdalla Ahmad Abu-Saqri	Assistant General Manager as of 1/1/2018
Dr. Musa Omar Mubarak Abu Muhaimed	Assistant General Manager as of 1/1/2018
Mr. Mohammed Ahmed Mohamed Jibril	Assistant General Manager as of 1/1/2018
Mr. Moh'd Fawaz Sudqi Sadeq Imam	Assistant General Manager as of 1/1/2018
Mr. Ali Jamil Allan Hindi	Executive Manager of the Treasury as of 30/4/2018
Dr. Abdullah Attieh Abdullah Attieh	Manager of the Internal Control Department
Mr. Ra'fat I. M. Abu-Afifeh	Manager of the Information Security Department
Mr. Mansour Mahmoud Mohammed Akel	Manager of the External Operations Department
Mr. Amjad Khalil Mahmoud Al Sawalha	Manager of Credit Department as of 24/5/2018
Mr. Ziad Farid Mohamad Abu Ziad	Manager of the Compliance Department. Resigned as of 24/7/2018.
Mr. Khalil Rebhy Khalil Al Baik	Manager of the Shareholders Relations Unit
Mr. Raed Sobhi Mohamed Atta	Manager of the Central (local) Operations Department
Dr. Minwer Atallah Hassan Al Massadeh	Manager of Risks Management Department
Mr. Samer Ahmed Shehadeh Odeh	Manager of the Internal Auditing Department as of 1/3/2018
Mr. Ahmed Tawfiq Younis Tawfiq	Manager of the Compliance Department as of 12/8/2018.
Mr. Musa "Hussein Akram" Mohamed Minawi	Manager of Finance Department as of 1/3/2018
Dr. Ali Mohamad Ahmad Abu Al Ezz	Manager of Internal Sharia Audit Department, and Secretary of the Sharia Supervisory Board
Mr. Fadi Ali Shehadeh Abd Alraheem	Secretary of the board of directors
Mr. Mohamad Jabr Hassan Motab	Legal Advisor

4. Officer for Governance Applications with the Jordan Securities Commission:

Name	Position
Mr. Bassam Ahmad Abdulla Abu Ghazaleh	Manager of the Studies and Social Responsibility and Sustainability Department

5. Committees of the board of directors, and the number of the board's and committees meetings, and summary of meetings' attendance during 2018:

Description	Board of Directors	Audit Committee	Risks Management Committee	Remuneration and Rewards Committee	Social Responsibility and Sustainability Committee	Corporate Governance Committee	Credit Facilities Committee	IT Governance Committee	Compliance Control Committee
No of members	11	3	6	3	5	3	5	3	3
No of meetings during the year	8	4	4	3	1	2	9	4	1*
Member	No of meetings attended								
Adnan Ahmed Yousif AbdulMalek	8	Not a Member	Not a Member	3	Not a Member	2	9	Not a Member	Not a Member
Dr. Hatem Hafez. (Halawani Al -Tamimi)	8	Not a Member	Not a Member	Not a Member	Not a Member	2	Not a Member	Not a Member	Not a Member
Hamad Abdulla Ali Al Oqab	8	4	Not a Member	Not a Member	1	Not a Member	9	Not a Member	Not a Member
Adnan Abdulla Alsulaiman Albassam	8	Not a Member	4	Not a Member	Not a Member	Not a Member	9	4	1
Hood Hashem Ahmed Hashem	8	Not a Member	4	Not a Member	Not a Member	Not a Member	9	4	Not a Member
Salem Ahmad Jamil Alkhaza'leh	8	Not a Member	Not a Member	Not a Member	1	2	Not a Member	4	1
Nour (Moh'd Shaher) (Moh'd Lutfi) Mahayni	8	Not a Member	Not a Member	Not a Member	1	Not a Member	9	Not a Member	Not a Member
Issa Haidar Issa Murad	8	Not a Member	Not a Member	3	1	Not a Member	Not a Member	Not a Member	Not a Member
Malak F. R. Ghanem	7	4	Not a Member	3	Not a Member	Not a Member	Not a Member	Not a Member	Not a Member
Nabih Ahmad Mahmoud (Salameh Alzenat)	8	4	Not a Member	Not a Member	Not a Member	Not a Member	Not a Member	Not a Member	1
Saleh Yacoub Moh'd Hussein	8	Not a Member	4	Not a Member	Not a Member	Not a Member	Not a Member	Not a Member	Not a Member
Musa Abdel-Aziz Mohammad Shihadeh	Not a Member	Not a Member	4	Not a Member	1	Not a Member	Not a Member	Not a Member	Not a Member
Dr. Hussein Said Moh'd "Ammar Saifan"	Not a Member	Not a Member	4	Not a Member	Not a Member	Not a Member	Not a Member	Not a Member	Not a Member
Dr. Minwer Atallah Hassan Al Massadeh	Not a Member	Not a Member	4	Not a Member	Not a Member	Not a Member	Not a Member	Not a Member	Not a Member

* The Committee was formed on 26/7/2018

6. The chairman and members of the audit committee and a brief about their qualifications and experience:

Chairman and members of the audit committee	Academic qualification	Practical experience
<p>H.E. Mrs. Malak F. R. Ghanem, Committee Chairperson</p>	<p>-Master degree in Banks and Finance, Italy, 1987. -Bachelor in Accounting, University of Jordan, 1976</p>	<p>Financial consultant at Jordan Securities Commission. Chairperson of the instructions preparation committee of the Islamic finance Sukuk law in Jordan. Former expert in the International Monetary Fund (IMF), training expert, she worked for the Central Bank of Jordan in the position of the Banks Control Department Manager, former Board member of the Islamic Insurance Company.</p>
<p>H.E. Mr. Hamad Abdulla Ali Al Oqab Member</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. Dr. Nabih Ahmad Mahmoud (Salameh Alzenat), Member</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>

7. Chairpersons and committee members of corporate governance, nomination and remunerations, and risks management committees:

Committee	Names of current members
Corporate Governance Committee	Dr. Hatem Hafez R. (Halawani Al -Tamimi) (Chairman) Mr. Salem Ahmad Jamil Alkhaza'leh (vice Chairman) Mr. Adnan Ahmed Yousif AbdulMalek (member)
Nomination and Remunerations Committee	Mr. Issa Haidar Issa Murad (Chairman) Mr. Adnan Ahmed Yousif AbdulMalek (vice Chairman) Mrs. Malak F. R. Ghanem (Member)
Risks Management Committee	Saleh Yacoub Moh'd Hussein (Chairman) Adnan Abdulla Alsulaiman Albassam (vice Chairman) Hood Hashem Ahmed Hashem (member) Musa AbdelAziz Mohamed Shihadeh (member) Dr. Hussein Said "E'mar Sai'fan (member) Dr. Menawar Atta Allah Hassan Al Mossada (member)

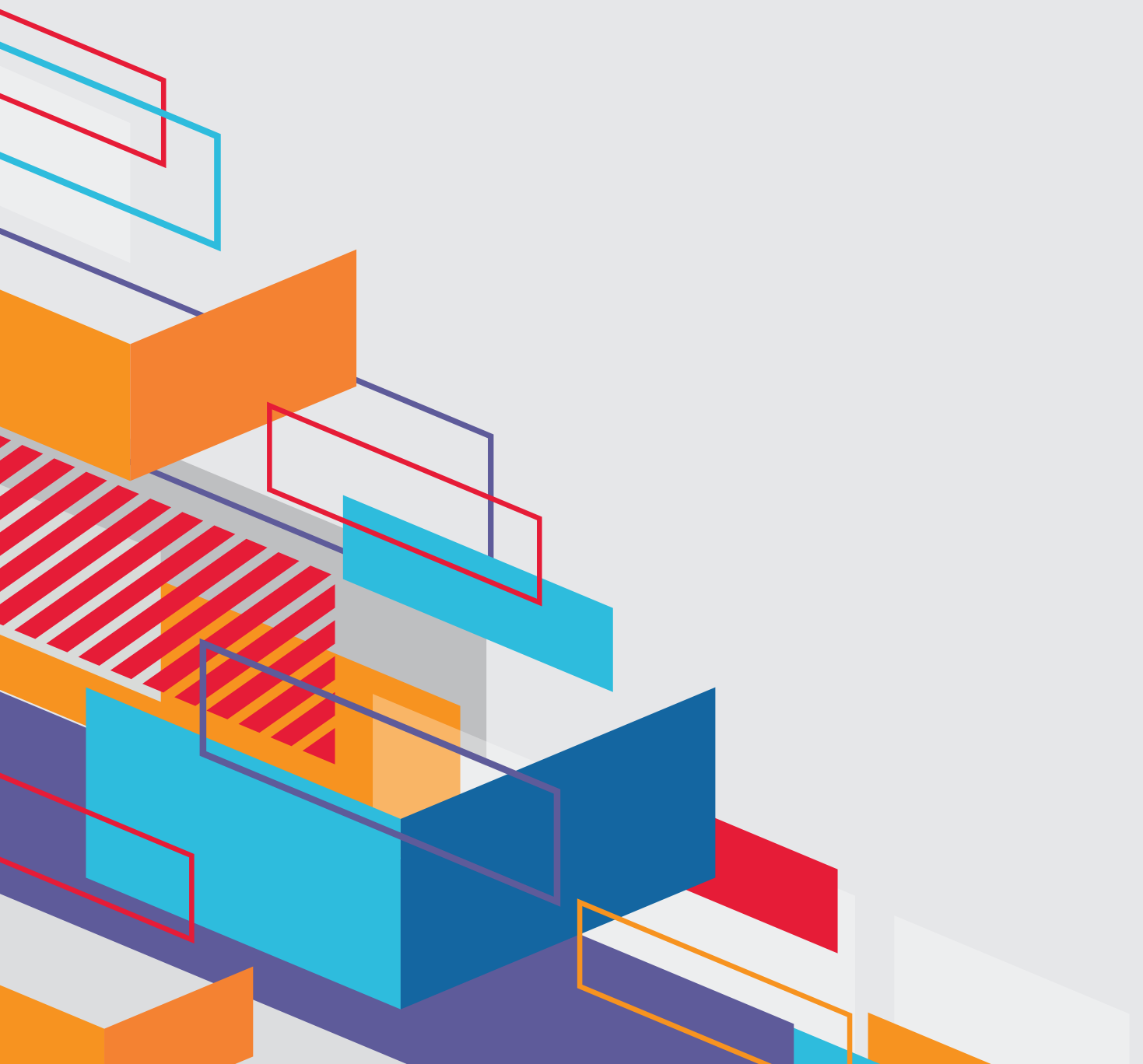
8. Meetings of the audit committee with the external auditor during 2018:

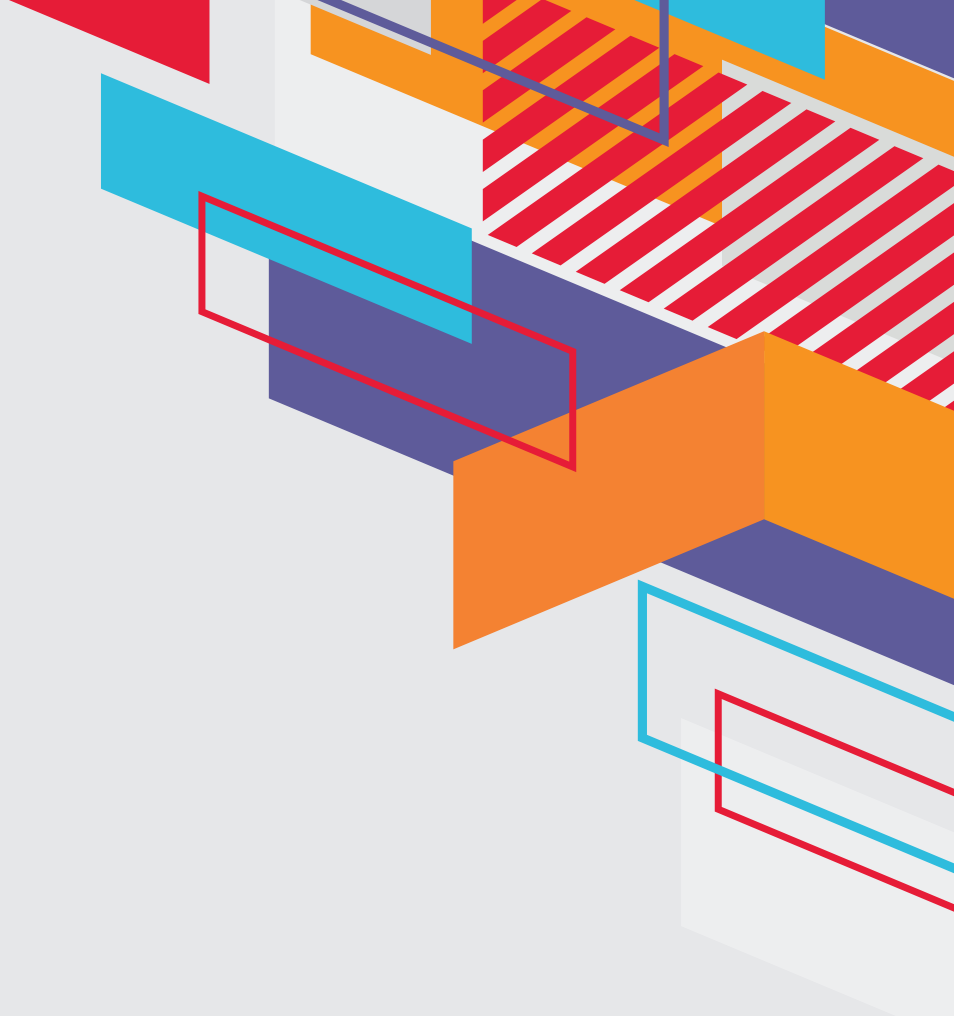
The audit committee of the board of directors met the external and internal auditors and the compliance department officer once during the year, the meeting was not attended by the top executive members.

9. Meetings of the Sharia Supervisory Board of The Bank with the board of directors, the audit committee, and the external auditor during 2018:

The audit committee held two meetings with the board of directors, the audit committee of the board, and the external auditor during the year, to discuss issues of mutual concern.

Adnan Ahmed Yousif AbdulMalek
Chairman of the Board of Directors





Annex IV

“Disclosure Requirements in the Instructions of Jordan Securities Commission”

Annex IV

"Disclosure Requirements in the Instructions of Jordan 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 2018, the volume of the Bank's capital investment (property and equipment, net) reached about JD (83) 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 (JD)	Address
Al Omariah Schools Co	Limited Liability	Education	12.8	99.4%	750	4,930	Al Barakah Quarter, Wasfi Attal St./ Amman
Al Samaha Funding and Investment	Limited Liability	Financing	12.0	100%	30	2,500	Al Madina Al Munawarah Street / Amman
Future Applied Computer Technology Co.	Limited Liability	Services	5.0	100%	135	2,900	Wasfi Attal St./ Amman
Sanabel AlKhair For Financial Investments Co.	Limited Liability	Brokerage	5.0	100%	12	3,770	Housing Bank Complex/ Amman

3. A. The table below provides the names of the natural current members of the Board of Directors, the representatives of the legal members, and an overview about each of them, showing those nonexecutives and/or not independent:

Name of Board Member	Academic Qualification	Practical Experience
<p>H.E. Mr. Adnan Ahmed Yousif AbdulMalek Bahraini Citizen, Chairman and Representative of Al-Baraka Banking Group/ Bahrain, Nonexecutive 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 (ABC) 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 accolades.</p>
<p>H.E. Dr. Hatem Hafez (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, United Kingdom, 2001 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 Abdulla Ali Al Oqab Bahraini Citizen Board member, Representative of Albaraka Banking Group / Bahrain. Non-executive and non-independent member Board member as of 29/4/2007 Date of birth: 1/1/1970</p>	<p>Bachelor of Accounting, University of Bahrain, 1993 Certified Public Accountant (CPA), 1996 Certified Global Management Accountant (CGMA), 2012</p>	<p>Various banking experiences in the internal and external auditing, and financial control. He is currently the senior vice-Chairman and the Financial Manager at Albaraka Banking Group. He is a Board member in many of Albaraka Banking Group Banks, and the vice-chairman of the Accounting and Auditing Standards Board at the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) / Bahrain.</p>
<p>H.E. Mr. Adnan Abdulla Alsulaiman 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 Board Member	Academic Qualification	Practical Experience
<p>H.E. Mr. Hood Hashem Ahmed 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 for information technology management at AL Baraka Banking Group. He is an advisor member in Information Governance Committee of AL Baraka Turk Participation Bank..</p>
<p>H.E. Mr. Salem Ahmad Jamil Alkhaza'leh 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. Nour (Moh'd Shaher) (Moh'd 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>Master of Islamic economy - American Open University, Washington 2016. Bachelor of Islamic and Arabic Studies, American Open University, Washington 2013 Diploma degree in Accounting, Damascus 1981 Studied in the Faculty of Civil Engineering, Damascus University, 1977</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>Member in the Jordanian Senate, President of Amman Chamber of Commerce, Member of many economic and social institutions, Member of Board of Directors in a number of companies.</p>
<p>H.E. Mrs. Malak F. R. Ghanem 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>Financial consultant at Jordan Securities Commission. Chairperson of the instructions preparation committee of the Islamic finance Sukuk law in Jordan. 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 Board Member	Academic Qualification	Practical Experience
<p>H.E. Dr. Nabih Ahmad Mahmoud (Salameh Alzenat) 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 Yacoub Moh'd 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 and positions of the Sharia Supervisory Board and an overview about each of them:

Names of the Sharia Supervisory Board Members	Academic Qualification	Practical Experience
<p>H.E. Prof. Mahmoud Ali Mosleh Al Sartawi Chairman of the Sharia Supervisory Board 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 Sharia, Al-Azhar University, 1967.</p>	<p>Professor of Comparative Jurisprudence at the world Islamic Sciences and Education University, Former Dean of Faculty of Sharia and Former Professor in the comparative Jurisprudence at 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 of Islamic Education books at the Ministry of Education, he was awarded Al Hussein Medal of First Class in serving Islam.</p>

Names of the Sharia Supervisory Board Members	Academic Qualification	Practical Experience
<p>H.E. Dr. 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 Sharia (comparative jurisprudence), Al-Azhar University, 1975 Master degree in Hadith Science, Al-Azhar University, 1967. Master degree in Islamic Sharia, 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 unified Sharia board of Albaraka Banking Group, member of the International Islamic Fiqh Academy, Jeddah, member of the International Sharia Zakat Board, Sharia Board member at the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI). He is an author of many books.</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 in Jordan, 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 an 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>Dean of Sharia Faculty, University of Jordan, expert at the International Islamic Fiqh Academy, member of the central Sharia supervisory board of the Islamic Sukuk, Sharia Supervisory Board of the Orphans Fund Development Foundation, 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 Senior Management Members	Academic Qualification	Practical Experience
<p>H.E. Mr. Musa Abdel-Aziz Mohammad Shihadeh CEO/ General Manager Date of birth: 12/12/1941</p>	<p>Master in Business Administration 1979, University of San Francis Co., / USA Bachelor of Commerce, Arab University of Beirut, 1969</p>	<p>He joined the banking sector in 1961 and he is currently the General Manager of Jordan Islamic Bank. He is a Chairman and Board member in a number of industrial, trading, investment, educational and insurance shareholding companies, and banks. He is member of economic and social societies, committees, and forums.</p>

Names of the Senior Management Members	Academic Qualification	Practical Experience
<p>Dr. Hussein Said Moh'd "Ammar Saifan" Deputy General Manager Date of birth: 26/11/1963</p>	<p>PhD, Islamic Banks, 2006 Master in Banking and Finance Sciences / Islamic Banks, 1994 Bachelor of Accounting / Economics and Statistics, 1985</p>	<p>He joined the Bank in 1987 and currently holds the position of Deputy General Manager. He is also a Board member in more than one company, Member of the Board of Standards for Governance and Ethics in the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI), Board, Member of the Securities Depository Center and Hajj Fund.</p>
<p>Mr. Naim Mohammad Najim AlKmos 2nd Deputy General Manager As of 1/1/2018 Date of birth: 27/2/1965</p>	<p>Master degree in Business Administration, 2014 Bachelor degree in Computer Engineering, 1990</p>	<p>He worked for the Bank for 8 years. Then he worked for Consulting company and Al-Rajhi Bank/KSA. In 2009, he rejoined the Bank and is currently holds the position of 2nd Deputy General Manager. He is board member in more than one company.</p>
<p>Mr. (Mohammad Majed) M. R. Allan Deputy General Manager Date of birth: 24/2/1953</p>	<p>Bachelor of Business Administration, Arab University of Beirut, 1986 Higher Diploma in Banking and Finance, Institute of Banking Studies, Amman, 1978</p>	<p>He joined the banking industry in 1974. In 1980, he joined Jordan Islamic Bank. He held the position of Deputy General Manager prior to his resignation in 25/2/2018. Currently he is a Board member in one of the companies.</p>
<p>Dr. (Moh'd Fahmi)(Moh'd Khaleel) F. Al Jabari Assistant General Manager As of 1/1/2018 Date of birth: 16/10/1964</p>	<p>PhD in Islamic Banks, 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 Certified Control System (CCS), 2008</p>	<p>He joined the Bank in 1988. He currently holds the position of Assistant General Manager. He is a Board member in more than one company.</p>
<p>Dr. Abdel-Hamid Abdalla Ahmad Abu-Saqri Assistant General Manager As of 1/1/2018 Date of birth: 6/10/1963</p>	<p>PhD, Islamic Banks, 2010 Master in Islamic Banks, 2001 Bachelor of Accounting and Economics, 1986 Islamic Certified Public Accountant (CIPA) in 2016. Certified Public Accountant (JCPA), 2005</p>	<p>He started the banking work in 1988. He joined the Bank in 1992 and currently holds the position of Assistant General Manager. He is a Board member in more than one company.</p>
<p>Dr. Musa Omar Mubarak Abu Muhaimeed. Assistant General Manager As of 1/1/2018. Date of Birth: 20/8/1966.</p>	<p>PhD of Islamic Banks in 2008 Master of Islamic Banks in 1999 Bachelor of Business Administration in 1988</p>	<p>He joined the Bank in 1990 and resigned in 2005 to rejoin the Bank in 2006. He currently serves as Assistant General Manager and is a board member/ board of directors in more than one company.</p>
<p>Mr. Mohamed Ahmed Mohamed Jibril. Assistant General Manager As of 1/1/2018. Date of birth: 20/4/1962.</p>	<p>Bachelor of Business Administration in 2002. Diploma in programming and systems analysis 1985.</p>	<p>He joined the Bank in 1987 and worked in the Information Technology Group for 18 years, then worked at Al Rajhi Bank. In 2009, he rejoined the Bank and he is currently holding the position of Assistant General Manager. He is a member of the Board of Directors of more than one company.</p>
<p>Mr. Mohammed Fawaz Sudqi Sadeq Imam Assistant General Manager As of 1/1/2018. Date of Birth: 15/12/1962.</p>	<p>Master in Banking and Finance in 2006. Bachelor of Accounting 1985 - USA.</p>	<p>He started his banking career in 1985 and joined the bank in 1995 where he worked in its branches for 17 years. Then, he worked for Al Wahdah Bank/ Libya. He rejoined the Bank in 2012 and currently serves as Assistant General Manager and he is a board member of one of the companies.</p>

Names of the Senior Management Members	Academic Qualification	Practical Experience
Mr. Ali Jamil Allan Hindi. Executive Director. Date of Birth: 14/10/1971.	Master of Financial Management in 2008. Bachelor of Accounting and Economics in 1993.	He started his banking career in 1994 and joined the bank in 2005. He is currently the Executive Director of Treasury Department as of 30 April 2018.
Dr. Abdullah Atiyeh Abdullah Atiyeh Date of birth: 21/5/1969	PhD., in Islamic Banks, 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. CAMS certificate, 2017 CICS certificate, 2014.	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 Mohammed Akel 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. Amjad Khalil Mahmoud Al-Sawalha. Date of Birth: 27/8/1968.	Bachelor of Accounting in 2001. Diploma of Islamic Banking and Financial Studies in 1997. Accounting Diploma in 1988. Certified international lender in Commercial Banks in 2004. Certified Islamic Banking Certificate (CIB) in 2011.	He joined the Bank in 1992 and is currently the Manager of the Credit Department as of 24/5/2018. He is a member of the Board of Directors of a company.
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 Ghazaleh company. He joined the bank in 1995. He held the Position of Compliance Department Manager. He resigned in 24/7/2018
Mr. Khalil Rebhi Khalil Al Baik Date of birth: 15/10/1965	Master in Islamic Banks 2008 Bachelor in Banking and Finance, 2003. Certified Islamic Public Accountant (CIPA), 2009	He joined the Bank in 1990 and is currently the Manager of the Shareholders Relations Unit.
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. Menawar Atta Allah Hassan Al Mossada Date of birth: 10/1/1963	PhD., in Islamic Banks, 2013 Master of Accounting, 2006 Bachelor of accounting, 2004 Bachelor of economics, 1986	He started working in the banking sector in 1988, he joined the bank in 2006, and he is currently the manager of the Risks Management Department.
Mr. Samer Ahmed Shehadeh Odeh. Date of birth: 21/5/1973.	High Diploma in Business Administration in 2006. Bachelor of Accounting in 1996. Certified Management Accountant (CMA) in 2011. Certified Internal Auditor (CIA) in 2009. Certified Islamic Public Accountant (CIPA) in 2006.	He joined the Bank in 1997 and worked in its branches prior to resignation in 2007 to work as a consultant in several companies. He rejoined the Bank in 2011 and currently he is the Manager of Internal Audit Department as of 1/3/2018.

Names of the Senior Management Members	Academic Qualification	Practical Experience
Mr. Ahmed Tawfiq Younis Tawfiq. Date of birth: 23/12/1981.	Bachelor of Administrative Sciences and Information Systems 2005 - UK. The International Foundation Year Program (IFY), Economy Specialization 2002. Anti-Money Laundering (CAMS) 2013.	He started his banking career in 2006 and joined the bank in 2010. He is currently the Manager of the Compliance Control Department as of 12/8/2018.
Mr. Musa "Hussein Akram" Mohamed Minawi. Date of birth: 15/1/1974.	Master of Business Administration in 2017. Bachelor of Accounting 2012. Diploma in accounting of Islamic banks in 2000. Diploma of Accounting in 1995. Certified Islamic Public Accountant (CIPA) in 2014.	He joined the Bank in 1995 and is currently the Manager of the Finance Department as of 1/3/2018.
Dr. Ali Mohamad 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. CIMA Certificate, 2016. Professional executive master degree in Islamic finance, 2015 CIPA certificate, 2013 CIB certificate, 2011. CSAA certificate, 2010	He joined the Bank in 2009. He currently holds the position of the Sharia Internal Auditing Department Manager, and the Secretary of the Sharia Supervisory Board.
Mr. 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. Profile of the legal counselor of The Bank:

Name	Academic qualification	Practical experience
Mr. Mohammad Jabr Hassan Mite'b Date of birth: 5/2/1967	Bachelor in Law, 1994	He practiced the attorney profession since 1995. He is a local and international arbitrator. He became the legal advisor of the Bank in 2011.

E. Officer for Governance applications with the Jordan Securities Commission profile:

Name	Academic qualification	Practical experience
Mr./ Bassam Ahmad Abdulla Abu Ghazaleh Date of birth: 12/9/1971	Master of financial management, 2008. Bachelor of statistics and computer, 1993	He joined the Bank in 1994, he is currently the manager of the Studies and Social Responsibility and Sustainability Department

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

Shareholder Name	Nationality	By the end of 2018						By the end of 2017					
		No. of Shares	Share of capital	Ultimate beneficiary	Mortgaged	Mortgaged Shares compared to total shares	Mortgage Party	No. of Shares	Share of capital	Ultimate beneficiary	Mortgaged	Mortgaged Shares compared to total shares	Mortgage Party
Albaraka Banking Group Co., / Bahrain	Bahrain	118,809,000	66.005%	1- Shaikh Saleh Abdulla Kamel. 2- Dallah Albaraka Holding Co. (Shaikh Saleh Abdulla Kamel). 3- Tawfeek Co. for Investment Funds (Shaikh Saleh Abdulla Kamel). 4- Abdulla Abdul Aziz Saleh AlRajhi. 5 - Other shareholders: Emirates NBD. Mohammed Abdul Aziz Ateeq. Barwa Real Estate Company. - Other.	0	0	-	118,809,000	66.005%	1- Shaikh Saleh Abdulla Kamel. 2- Dallah Albaraka Holding Co. (Shaikh Saleh Abdulla Kamel). 3- Tawfeek Co. for Investment Funds (Shaikh Saleh Abdulla Kamel). 4- Abdulla Abdul Aziz Saleh AlRajhi. 5 - Other shareholders: Emirates NBD. Mohammed Abdul Aziz Ateeq. Barwa Real Estate Company QSC. - Other.	0	0	-
		9,002,079	5.001%	Itself (government-related).	0	0	-	9,002,079	5.001%	Itself (government-related).	0	0	-
		3,809,984	2.117%	Himself	0	0	-	3,809,984	2.117%	Himself	0	0	-
		2,389,352	1.327%	Himself	0	0	-	2,389,352	1.327%	Himself	0	0	-
		2,282,919	1.268%	Itself (related to the government - the Ministry of Awqaf, Islamic Affairs and Holy Sites).	0	0	-	2,282,919	1.268%	Itself (related to the government - the Ministry of Awqaf, Islamic Affairs and Holy Sites).	0	0	-
Social Security Corporation	Jordan	9,002,079	5.001%	Itself (government-related).	0	0	-	9,002,079	5.001%	Itself (government-related).	0	0	-
Hussein bin Mohsen bin Hussein Al Harthy	Saudi Arabia	3,809,984	2.117%	Himself	0	0	-	3,809,984	2.117%	Himself	0	0	-
Hani Masoud Darwish Ahmed	Jordan	2,389,352	1.327%	Himself	0	0	-	2,389,352	1.327%	Himself	0	0	-
Hajj Fund	Jordan	2,282,919	1.268%	Itself (related to the government - the Ministry of Awqaf, Islamic Affairs and Holy Sites).	0	0	-	2,282,919	1.268%	Itself (related to the government - the Ministry of Awqaf, Islamic Affairs and Holy Sites).	0	0	-

5. The Bank's market share of the banks' activities in Jordan at the end of 2017 and 2018 were as follows:

Item	End of 2018	End of 2017
Total Assets at our Bank/ Total Assets of banks	9.1%	9.5%
Total Balances of savings schemes at our Bank/ Total client deposits at banks	12.0%	12.5%
Total balances of financing and investment at our Bank/ total direct credit facilities of banks	13.7%	13.6%

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

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

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

It is worth mentioning that Jordan Islamic Bank obtained a number of distinguished ratings in 2018 from many international rating agencies including:

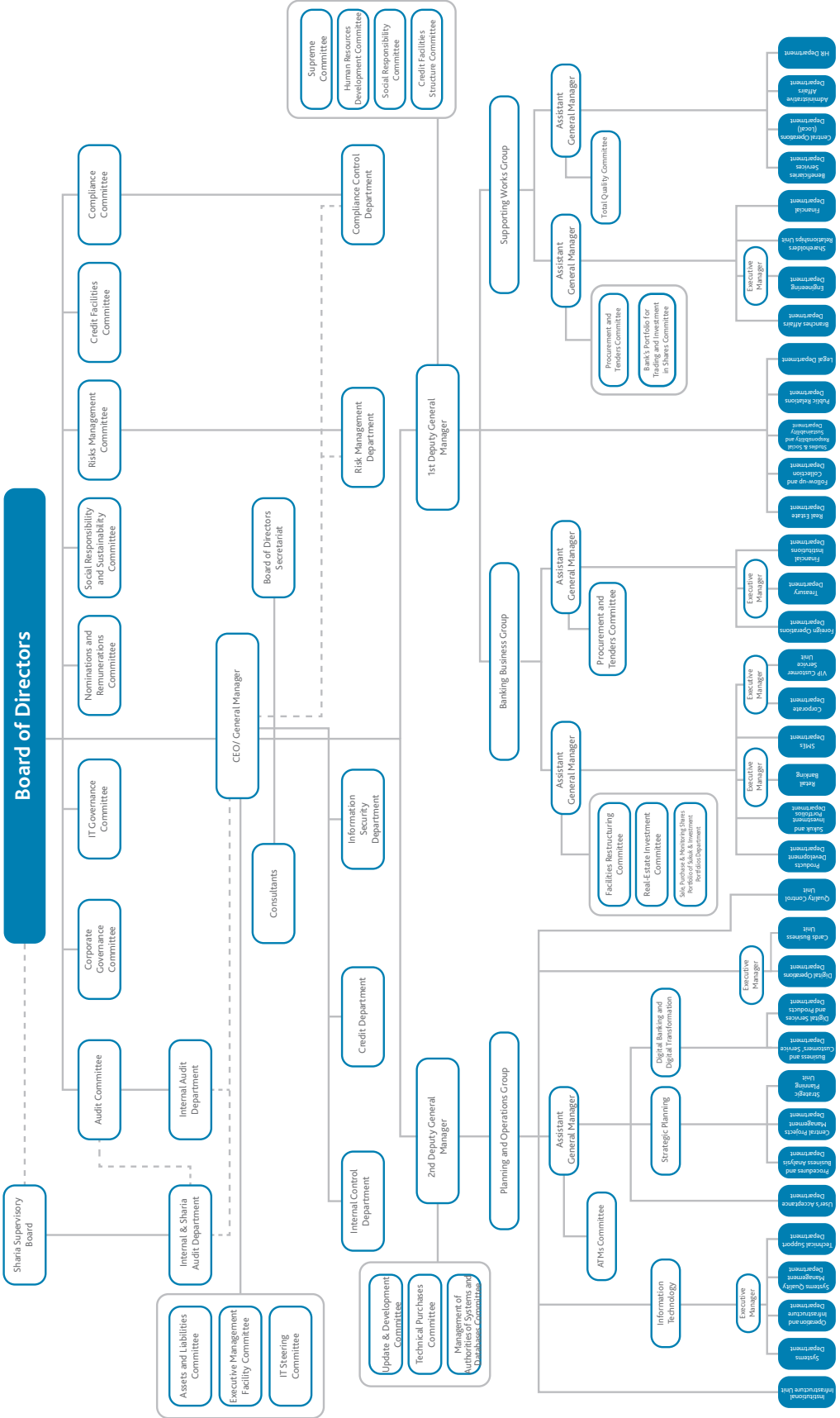
- **Standard & Poor's:** (B+/stable/B), the same rating of the Kingdom.
- **Fitch rating:** (BB-/stable/B).
- **Capital Intelligence: Financial Strength Rating (FSR):**(BBB-) and FCRs :(BB-/B/negative)
- **Islamic International Rating Agency (IIRA):** "Stable (BB+/A-3" for foreign currencies, "Stable (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 2018, notably:

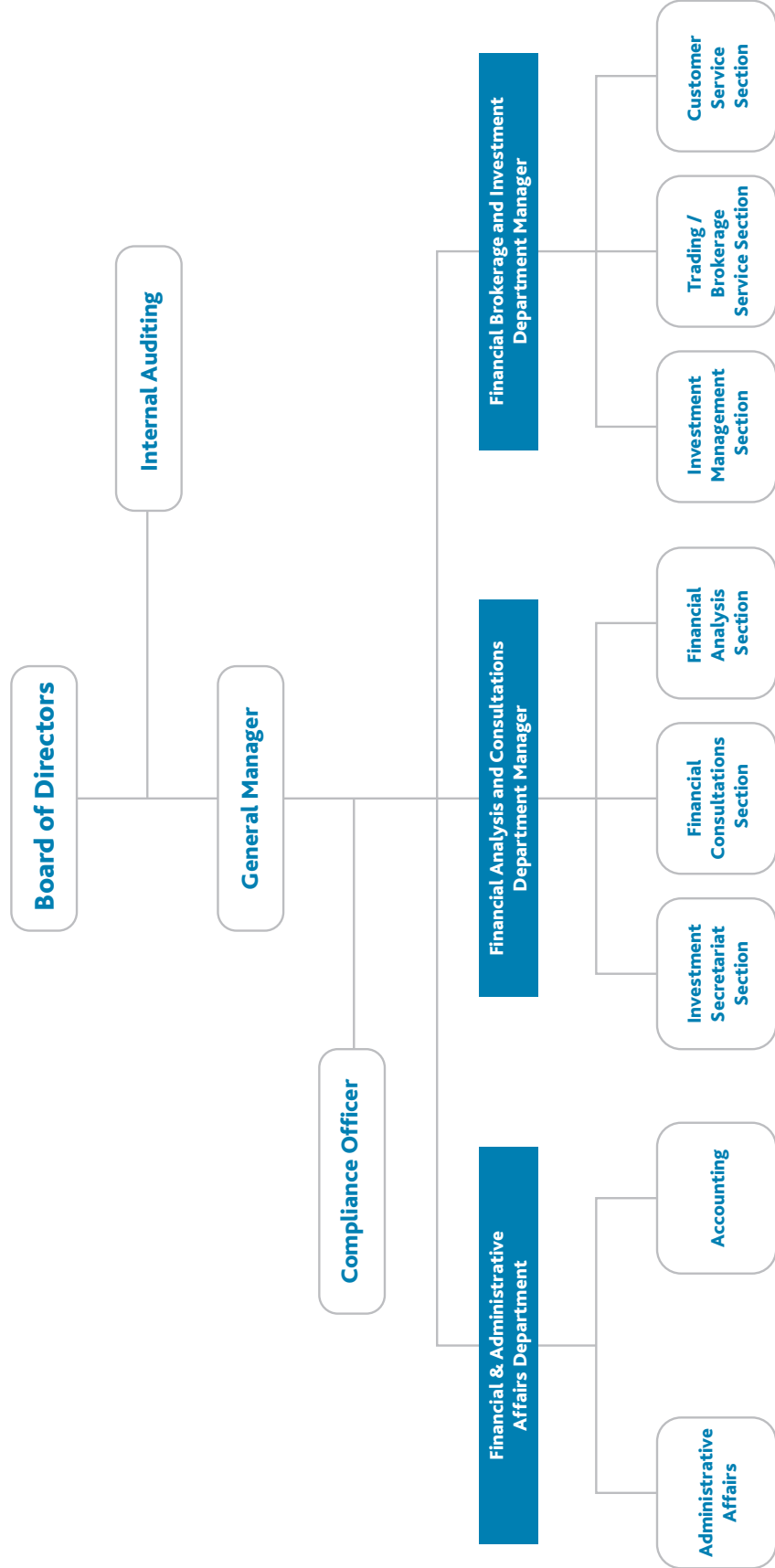
- **An award form Global Finance Magazine - New York**
 - The best Islamic Financial Institution – Jordan 2018.
- **Many awards from World Finance Magazine - London**
 - The best banking group – Jordan 2018.
 - The best Islamic Bank – Jordan 2018.
 - Best Corporate Governance - Jordan 2018.
 - Business Leadership and Prestigious Contribution Award in Islamic Finance – on the global level 2018 to the CEO/ General Manager.
- **An award from the Banker Magazine – London**
 - The best Islamic Bank – Jordan 2018.
- **An Award from the EMEA Finance Magazine - London:**
 - The best Islamic Bank – Jordan 2018.
- **An Award from the World Islamic Banking Conference Performance:**
 - The best Islamic Bank – Levant Region 2018.
- **Award from Islamic Finance News\Malaysia.**
 - The best Islamic Bank – Jordan 2018.
- **Award from the Global Islamic Finance – London:**
 - CEO / General Manager was awarded the Islamic Financial Personality Award for 2018.

9- (A)

Organizational Structure of Jordan Islamic Bank



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



B. By the end of 2018, the total number of employees was (2,405) employees distributed by academic qualification as follows:

PHD	Master	Bachelor	Diploma	General Secondary Certificate	Below General Secondary Certificate level				Total	
					Employees	Professionals/ Technicians	Office boys/ Guards	Service workers		
9	79	1,450	330	70	4	114	250	99	467	2,405

While the distribution of the subsidiaries employees in 2018 was as follows:

Company	PhD	Master	Higher Diploma	Bachelor	Diploma	General Secondary Certificate	Below General Secondary Certificate	Total
Al Omariah Schools Co. Ltd.	7	63	29	352	86	96	117	750
Al Samaha Funding and Investment Co. Ltd.	0	2	0	19	2	2	5	30
Future Applied Computer Technology Co. Ltd.	0	7	0	111	15	1	1	135
Sanabel ALKhair For Financial Investments Co. Ltd.	0	0	0	7	3	0	2	12

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

10. The Bank is exposed to some risks due to the nature of its business. Such risks are outlined in note No (61) of 2018 consolidated 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 2018.

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 2014-2018:

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
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	Distributing JD 22,500,000 in cash at 15% of the capital	311,154,659	3	550
2016	83,747,933	Distributing JD 22,500,000 in cash at 15% of the capital and bonus shares at 20%*	342,719,762	3	860
2017	80,938,755	Distributing JD 27,000,000 in cash at 15% of the capital	374,958,618	3	650
2018	75,404,005	The Board of Directors recommended to distribute JD 27,000,000 in cash at 15% of the capital, and bonus shares at 11.11%	393,393,779	2	880

* Bonus shares were distributed on 5/6/2017.

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
2018	10.81%	86.19%	75.37%	87.45%	1.80%	19.63%	12.96%	27.67%
2017	10.09%	78.94%	69.65%	88.22%	1.95%	22.56%	15.09%	32.81%

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

16. The auditing fees of the Bank in 2018 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 2018	Number of shares at the end of 2017
AL Baraka Banking Group represented by:	-	Bahraini	118,809,000	118,809,000
H.E. Mr. Adnan Ahmed Yousif AbdulMalek	Chairman	Bahraini	0	0
H.E. Mr. Hamad Abdulla Ali Al Oqab	Member	Bahraini	0	0
H.E. Mr. Adnan Abdullah Al Sulaiman Al-Bassam	Member	Bahraini	0	0
H.E. Mr. Hood Hashem Ahmed Hashem	Member	Bahraini	0	0
H.E. Dr. Hatem Hafez R. (Halawani Al -Tamimi)	Vice-chairman	Jordanian	12,000	12,000
Mr. Salem Ahmad Jamil Alkhaza'leh	Member	Jordanian	6,000	6,000
H.E. Mr. Nour (Moh'd Shafer) (Moh'd Lutfi) Mahayni	Member	Jordanian	18,000	18,000
H.E. Mr. Issa Haidar Issa Murad	Member	Jordanian	6,000	6,000
Spouse of Mr. Issa Haidar Issa Murad	-	Jordanian	5,172	5,172
H.E. Mrs. Malak F. R. Ghanem	Member	Jordanian	6,000	6,000
H.E. Dr. Nabeeh Ahmad Salameh Al Zainat	Member	Jordanian	15,000	13,500
Spouse of Dr. Nabih Ahmad Mahmoud (Salameh Alzenat)	-	Jordanian	2,345	2,345
H.E. Mr. Saleh Yacoub Moh'd Hussein	Member	Jordanian	5,000	5,000

B. Below is a statement for the number of 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 2018	Number of shares at the end of 2017
H.E. Mr. Musa Abdel-Aziz Mohammad Shihadeh	CEO/ General Manager	Jordanian	120,000	120,000
- Spouse of H.E. Mr. Musa Abdel-Aziz Mohammad Shihadeh	-	Jordanian	15,000	15,000
Dr. Hussein Said Moh'd (Ammar Saifan)	Deputy General Manager	Jordanian	0	0
Spouse of Dr. Hussein Said Moh'd "Ammar Saifan	-	Jordanian	14,400	14,400
Mr. Naim Mohammad Najim AlKmos*	2nd Deputy General Manager	Jordanian	0	0
Mr. Mohammed Majid "Mahmoud Rashid Alan	Deputy General Manager. Resigned on 25/2/2018 (retirement age)	Jordanian	40,000	40,000

Name	Position	Nationality	Number of shares at the end of 2018	Number of shares at the end of 2017
Dr. (Moh'd Fahmi) (Moh'd Khaleel) F. Al Jabari*	Assistant General Manager	Jordanian	0	0
Dr. Abdel-Hamid Abdalla Ahmad Abu-Saqri*	Assistant General Manager	Jordanian	0	0
Dr. Musa Omar Mubarak Abu Muhaimed *	Assistant General Manager	Jordanian	0	0
Mr. Mohammed Ahmed Mohammed Jibril *	Assistant General Manager	Jordanian	0	0
Mr. Mohammed Fawaz Sudqi Sadeq Imam *	Assistant General Manager	Jordanian	0	0
Mr. Ali Jamil Allan Hindi *	Treasury Executive Manager	Jordanian		
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 Mohammed Aqel	Foreign Operations Department Manager	Jordanian	0	0
Mr. Amjad Khalil Mahmoud Al Sawalha *	Credit Manager	Jordanian	0	0
Mr. Ziad Farid Mohammad Abu Ziad	Compliance Manager. He resigned on 24/7/2018	Jordanian	0	0
Mr. Khalil Rebhi Khalil Al Baik	Shareholders Relations Unit Manager	Jordanian	0	0
Mr. Raed Subhi Mohammad Atta	Central (local) Operations Manager	Jordanian	0	0
Dr. Menawar Atta Allah Hassan Al Mossada	Risk Management Manager	Jordanian	0	0
Mr. Samer Ahmad Shehadeh Odeh *	Internal Auditing Manager	Jordanian	0	0
Mr. Ahmed Tawfiq Younis Tawfiq *	Compliance Control Manager	Jordanian	0	0
Mr. Musa "Hussein Akram" Mohammed Minawi *	Manager of Financial Department	Jordanian	0	0
Dr. Ali Mohammed Ahmed Abou El Ezz	Internal Sharia Audit Manager and Secretary of Sharia Supervisory Board	Jordanian	0	0
Mr. Fadi Ali Shehadeh Abdurrahim	BOD Secretary	Jordanian	0	0

* New appointments during the year are shown in the profile table.

C. Below is a statement about the number of securities issued by the Company and owned by the legal counselor and his relatives "wife and minor children" in details:

Name	Nationality	Number of shares at the end of 2018	Number of shares at the end of 2017
Mr. Mohamad Jabr Hassan Mot'ab	Jordanian	0	0

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:	0	0
H.E. Mr. Adnan Ahmed Yusuf AbdulMalek	0	0
H.E. Mr. Hamad Abdulla Ali Al Oqab	0	0
H.E. Mr. Adnan Abdullah Al Sulaiman Al-Bassam	0	0
H.E. Mr. Hood Hashem Ahmed Hashem	0	0
H.E. Dr. Hatem Hafez R. (Halawani Al -Tamimi)	0	0
H.E. Mr. Salem Ahmad Jamil Alkhaza'leh	0	0
H.E. Mr. Nour (Moh'd Shaher) (Moh'd Lutfi) Mahayni - Industrial Commercial Agricultural Company, INTAJ- Full Time Vice-Chairman	7,453,371	1,910,393
H.E. Mr. Issa Haidar Issa Murad ¹ Issa Murad and Sons Co. Vice Chairman	1,605,465 *	56,155
H.E. Mrs. Malak F. R. Ghanem	28,204	0
H.E. Dr. Nabih Ahmad Mahmoud (Salameh Alzenat)	0	0
H.E. Mr. Saleh Yacoub Moh'd Hussein	18,940	0

* Balance of the account of Musharaka payment of (counter account) of JD 301,900 and checks under collection for the purpose of payment of JD 99,000.

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 2018 in (JD):

Name	Board Membership Remuneration	Board Committees Membership Remuneration	Transportation Allowances	Travel Expenses	Per diem Allowances	Total
Albaraka Banking Group Co. represented by:						
H.E. Mr. Adnan Ahmed Yousif AbdulMalek	5,000	9,800	24,000	9,147	4,793	52,740
H.E. Mr. Hamad Abdulla Ali Al Oqab	5,000	9,800	24,000	6,924	5,112	50,836
H.E. Mr. Adnan Abdullah Al Sulaiman Al Bassam	5,000	12,600	24,000	6,578	5,112	53,290
H.E. Mr. Hood Hashem Ahmed Hashem	5,000	11,900	24,000	6,935	5,432	53,267
H.E. Dr. Hatem Hafez (Halawani Al -Tamimi)	5,000	1,400	24,000	0	0	30,400
H.E. Mr. Salem Ahmad Jamil Alkhaza'leh	5,000	8,400	24,000	0	0	37,400
H.E. Mr. Nour (Moh'd Shaher) (Moh'd Lutfi) Mahayni	5,000	7,000	24,000	0	0	36,000
H.E. Mr. Issa Haidar Issa Murad	5,000	2,800	24,000	0	0	31,800
H.E. Mrs. Malak F. R. Ghanem	5,000	4,900	24,000	0	0	33,900
H.E. Dr. Nabih Ahmad Mahmoud (Salameh Alzenat)	5,000	3,500	24,000	0	0	32,500
H.E. Mr. Saleh Yacoub Moh'd Hussein	5,000	2,800	24,000	0	0	31,800

(B) Below are the benefits and remunerations that the senior management staff, with executive authorities of the bank received as wages, salaries and remunerations...etc and the amounts paid for each as travel and transportation expenses inside and outside Jordan during the fiscal year 2018 (in JD):

Name	Total Salaries	Remunerations	Travel & transportation expenses	Board Committees membership remunerations	Total
Mr. Musa Abdelaziz Mohammed Shihadeh CEO –General Manager *	643,692	444,054	19,889	3,500	1,111,135
Dr. Hussein Said Mohammad "E'mar Sai'fan" Deputy General Manager*	320,964	129,616	13,595	2,800	466,975
Mr. Nai'm Mohammad Najem ALKhmous 2nd Deputy General Manager as of 1/1/2018*	227,839	81,866	4,585	0	314,290
Mr. "Mohammed Majed" Mahmoud Rashid Allan/ Deputy General Manager**	101,362	373,204	0	0	474,566
Dr "Mohamamd Fahmi" "Mohammad Khalil" Fahmi Al-Ja'abari Assistant General Manager as of 1/1/2018.	101,405	6,350	2,384	0	110,139
Dr. Abdulhamid Abdullah Ahmad Abu Saqri Assistant General Manager as of 1/1/2018.	108,253	6,750	2,036	0	117,039
Dr. Musa Omar Mubarak Abu Muhaimed Assistant General Manager as of 1/1/2018.	101,485	3,750	0	0	105,235
Mr. Mohammad Ahmed Mohammed Jebri Assistant General Manager as of 1/1/2018	116,833	3,750	3,041	0	123,624
Mr. "Mohammad Fawaz" Sudqi Sadiq Imam Assistant General Manager as of 1/1/2018	113,449	7,050	1,774	0	122,273
Mr. Ali Jamil Allan Hindi Executive Manager of Treasury as of 30/4/2018	37,743	2,465	3,193	0	43,401
Dr. Abdullah Attieh Abdullah Attieh Manager of the Internal Control Department	31,379	3,350	0	0	34,729
Mr. Ra'fat I. M. Abu-Afifeh Manager of the Information Security Department	50,434	3,350	145	0	53,929
Mr. Mansour Mahmoud Mohammed Akel Manager of the External Operations Department	28,980	2,950	794	0	32,724
Mr. Amjad Khalil Mahmoud Al Sawalha Manager of Credit Department as of 24/5/2018	30,028	2,400	0	0	32,428
Mr. Ziad Farid Mohamad Abu Ziad Manager of the Compliance Department. ***	25,566	44,708	1,697	0	71,971
Mr. Khalil Rebhy Khalil Al Baik Manager of the Shareholders Relations Unit	26,618	1,749	0	0	28,367

Name	Total Salaries	Remunerations	Travel & transportation expenses	Board Committees membership remunerations	Total
Mr./ Raed Sobhi Mohamed Atta Manager of the Central (local) Operations Department	27,533	2,900	0	0	30,433
Dr/ Minwer Atallah Hassan Al Massadeh Manager of Risks Management Department	35,414	1,750	0	2,800	39,964
Mr. Samer Ahmed Shehadeh Odeh Manager of the Internal Auditing Department as of 1/3/2018	29,967	1,654	1,750	0	33,371
Mr. Ahmed Tawfiq Younis Tawfiq Manager of the Compliance Department as of 12/8/2018.	27,368	1,590	841	0	29,799
Mr. Mr. Musa "Hussein Akram" Mohamed Minawi Manager of Finance Department as of 1/3/2018	30,748	1,590	3,436	0	35,774
Dr. Ali Mohammad Ahmad Abu Elizz Manager of Internal Sharia Audit Dept.	32,900	2,900	909	0	36,709
Mr. Fadi Ali Shehadeh Abdulrahim Board Secretary	34,436	2,777	269	0	37,482

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

** Resigned on 25/2/2018 (retirement age).He used a private car from the bank.

***Resigned as of 24/7/2018.

C. Below are the benefits and remunerations that the legal counselor of the bank, received as wages, salaries and remunerations...etc., and the amounts paid as travel and transportation expenses inside and outside Jordan during the fiscal year 2018 (in JD):

Name	Total Wages and Fess	Travel and Transportation Expenses	Total
Mr. Mohamed Jabr Hassan Mot'eb	51,000	290	51,290

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 2018 (in JD):

Name	Annual Allocations	Daily Allowances	Travel expenses	Total
H.E Prof. Mahmoud Ali Mosleh Al Sartawi	18,000	909	0	18,909
H.E Prof. Abd Sattar Abdul Karim Abu Goddeh	18,000	1,118	2,731	21,849
H.E Dr. "Mohammad Khair" Mohammad Salem Al-Issa	18,000	0	0	18,000
H.E Prof. Abdul Rahman Ibrahim Zaid Al Kelani	18,000	1,009	0	19,009

19. The Board's report included a statement of donations and grants paid by the Bank during the fiscal year 2018.
20. Note No; (58) 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.

Board Member
Albaraka Banking Group Co.
Represented by
H.E. Mr. Hamad Abdulla Ali Al Oqab

Vice-Chairman
H.E. Dr. Hatem Hafez R.
(Halawani Al -Tamimi)

Chairman
Albaraka Banking Group Co. Represented by
H.E. Mr. Adnan Ahmed Yusuf AbdulMalek

Board Member
H.E. Salem Ahmad Jamil Alkhaza'leh

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

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

Board Member
H.E. Malak F. R. Ghanem

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

Board Member
H.E. Mr. Nour (Moh'd Shaheer) (Moh'd Lutfi)
Mahayni

Board Member
H.E. Mr. Saleh Yacoub Moh'd Hussein

Board Member
H.E. Mr. Nabih Ahmad
Mahmoud (Salameh Alzenat)


Acknowledgement

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

Financial Department Manager
Musa "Hussein Akram" Mohammed
Minawi

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

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



Report of the Sharia Supervisory Board

**for the Fiscal Year Ending
31/12/2018**

Jordan Islamic Bank
Date: 22 Jumada I, 1440 H
Corresponding to: 28th January 2019

Head Office

Report of Sharia Supervisory Board For the fiscal year ending on 31/12/2018 AD

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 31/12/2018 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.

In our opinion:

- A. Contracts, operations, and transactions of the Bank during the year ending on 31/12/2018 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, given that Zakat is (26 Fils/ share), Twenty-Six Fils per share. In the event the necessary amounts of cash is not available, Zakat or part thereof might be deferred and so it becomes a debt to be settled as soon as the amount of money is available.

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: 22 Jamada I, 1440 H

Corresponding to: 28th January, 2019

Chairman

Prof. Mahmoud Ali Mosleh Al Sartawi

Vice-Chairman

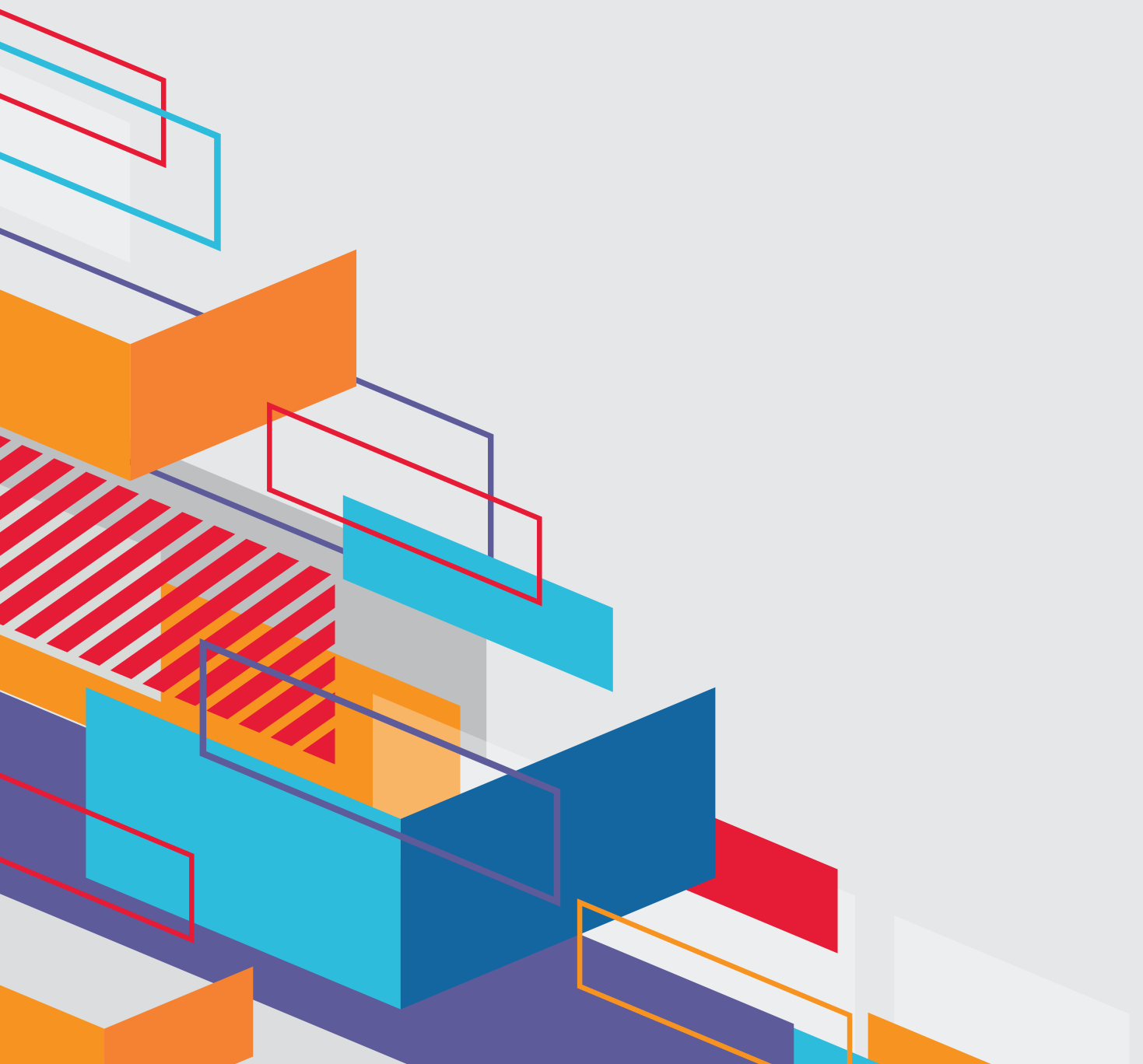
Prof. Abd Sattar Abd Al Karim Abu Goddeh

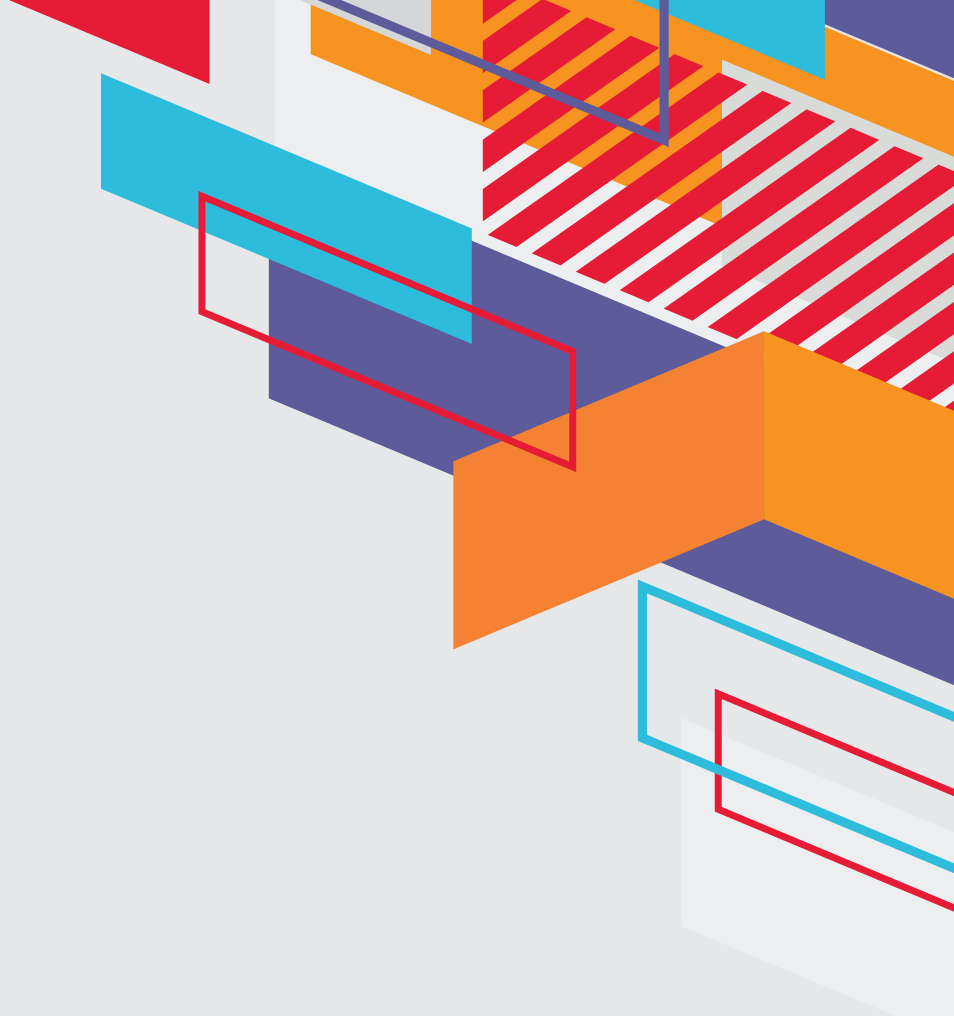
Board Member

Prof. Abdul Rahman Ibrahim Zaid Al Kelani

Board Member

Dr. "Mohammad Khair" Mohammad Salem Al-Issa





Auditor's Report



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INDEPENDENT AUDITOR'S REPORT
To the Shareholders of Jordan Islamic Bank
Public Shareholding Company
Amman - Jordan

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Jordan Islamic Bank (the "Bank") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at 31 December 2018, and the consolidated income statement, consolidated statement of other comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows, and consolidated statement of sources and uses of funds of Al Qard Al Hasan 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 Group as at 31 December 2018, and its financial performance and its cash flows for the year then ended in accordance with Islamic Shari'a rules and principles as determined by the Shari'a Supervisory Board of the Bank and in accordance with Financial Accounting Standards as issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI).

Basis for Opinion

We conducted our audit in accordance with Auditing Standards as issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI). Our responsibilities under those standards, are further described in the Auditor's 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 Code) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in Jordan, 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.

Other Matters

The consolidated financial statements for the year ended 31 December 2017 were audited by another auditing entity, where a communicative opinion on the financial statements was issued dated 07 February 2018.



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. For each matter below, our description of how our audit addressed the matter provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

<p>Expected credit loss of receivables and financing (Deferred sales receivables, Ijarah Muntahia Bittamleek receivables, Al Qard Al Hasan and other receivables), balances and investment accounts at banks and financial institutions and financial assets at amortized cost.</p> <p>Disclosures related to the expected credit loss of receivables and financing (Deferred sales receivables, Ijarah Muntahia Bittamleek receivables, Al Qard Al Hasan and other receivables), balances and investment accounts at banks and financial institutions and financial assets at amortized cost are detailed in notes (2), (5), (6), (7), (9), (12) and (15) of the consolidated financial statements.</p>	
<p>The expected credit loss of customer receivables and financing (Deferred sales receivables, Ijarah Muntahia Bittamleek receivables, Al Qard Al Hasan and other receivables), balances and investment accounts at banks and financial institutions and financial assets at amortized cost is one of the most significant matters which affect the results of the Bank's business; Due to the significance of the judgments used in classifying receivables and financing into various stages stipulated in IFRS 9 and determining related provision requirements, this audit area is considered a key audit risk.</p>	<p>Our audit procedures included the assessment of controls over the granting, booking and monitoring processes of receivables and financing, and measuring the expected credit loss including consideration of Central Bank of Jordan (CBJ) requirements, to validate the operating effectiveness of the key controls in place, which identify the expected credit loss of receivables, financing and financial assets at amortized cost and the required expected credit loss against them. As part of the control testing procedures, we assessed whether the key controls in the above processes were designed, implemented and operated effectively.</p>



<p>The Bank appropriates 10% of net revenues from jointly financed financing, which is then transferred to the investment risk fund in accordance with Central Bank of Jordan regulations.</p> <p>Judgment is applied on the inputs of impairment measurement process including the customer's risk of default, valuation of collaterals and the determination of the default date, and accordingly calculating the expected credit loss starting from the date thereof.</p>	<p>In addition, we performed procedures to evaluate the following:</p> <ul style="list-style-type: none"> - Appropriateness of the bank's staging. - Appropriateness of determining Exposure at Default, including the consideration of repayments in the cash flows and the resultant arithmetical calculations - Appropriateness of the PD, EAD, LGD and EIR used for different exposures at different stages. - Appropriateness and objectivity of the internal rating. - Soundness and mathematical integrity of the ECL Model. - For exposures moved between stages, we have checked the appropriateness of the Bank's determination of significant increase in credit risk and the resultant basis for classification of exposures into various stages. We also checked the timely identification of exposures with a significant deterioration in credit quality. - For exposures determined to be individually impaired we re-performed the ECL calculation we also obtained an understanding of the latest developments in the counterparty's situation of the latest developments in estimate of future cash flows, current financial position any rescheduling or restructuring agreements. <p>We inspected legal agreements and supporting documentation to confirm the existence and legal right to collateral.</p> <p>We assessed collateral valuation techniques against the group's valuation guidelines.</p> <p>We have recalculated the amounts transferred to the investment risks fund in accordance with Central Bank of Jordan regulations.</p> <p>We also assessed whether the consolidated financial statement disclosures appropriately reflect the requirements of the Accounting and Auditing Organization for Islamic Financial Institutions (AAIOFI).</p>
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**Other information included in the Group's 2018 annual report.**

Other information consists of the information included in the annual report, other than the consolidated financial statements and our auditor's report thereon. Management is responsible for the other information. The Group's 2018 annual report is expected to be made available to us after the date of the auditor's report.

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 Islamic Shari'a rules and principles as determined by the Shari'a Supervisory Board of the Bank and in accordance with the Financial Accounting Standards as issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI), 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 Group'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 Group's or to cease operations, or has no realistic alternative but to do so.

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



Auditor's 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 auditor's 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 the Financial Accounting Standards as issued by the Accounting and Auditing Organization for Islamic Financial Institutions (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 Financial Accounting Standards as issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI), 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 Group's internal control.
- 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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's report. However, future events or conditions may cause the Group 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 to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

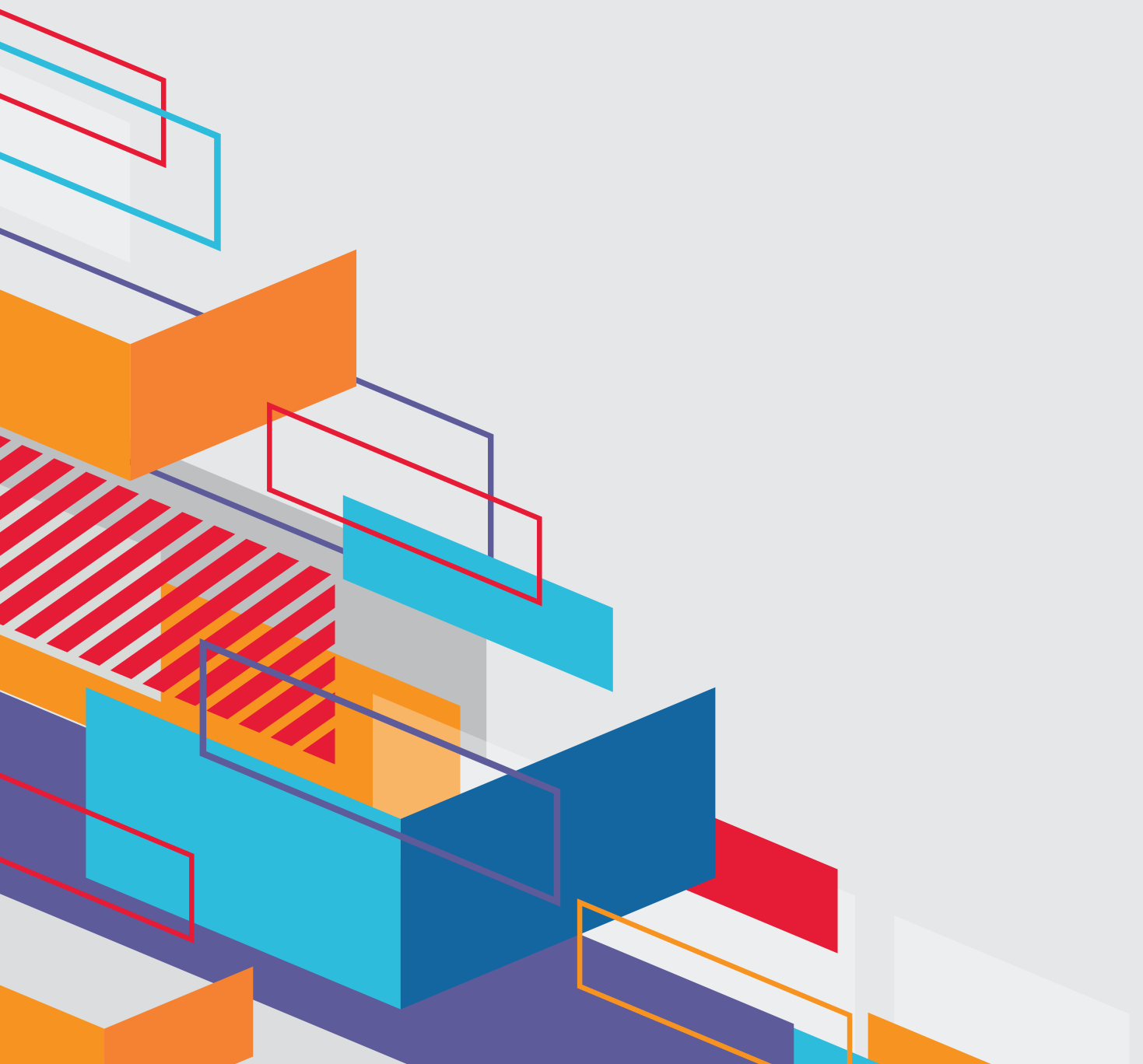
From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period, and are therefore the key audit matters. We describe these matters in our auditor's report, unless law 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 reasonable be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

The Group maintains proper books of accounts which are in agreement with the consolidated financial statements

The partner in charge of the audit resulting in this auditor's report was Mohammad Ibrahim Al-Karaki; license number 882.

Amman – Jordan
6 February 2019





Consolidated Financial Statements

31 December 2018

Jordan Islamic Bank

Public Shareholding Company

Amman – Jordan

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Statement (A): Consolidated Statement of Financial Position As at 31 December, 2018

Description	Notes	31 December 2018	31 December 2017
		JD	JD
Assets			
Cash and balances with central banks	4	876,086,318	1,138,666,950
Balances at banks and financial institutions	5	93,915,490	54,124,633
Investment accounts at banks and financial institutions	6	17,642,298	21,979,000
Deferred sales receivables and other receivables –Net	7	2,053,781,286	2,021,613,041
Ijarah Muntahia Bittamleek assets – Net	8	605,801,762	590,844,435
Financing - Net	9	32,703,789	30,980,357
Financial assets at fair value through owner's equity – self financed	10	10,692,694	10,528,825
Financial assets at fair value through joint investment accounts holders' equity	11	36,594,760	37,384,155
Financial assets at amortized cost	12	191,673,379	78,108,807
Investments in associates	13	8,355,201	8,383,116
Investments in real estate	14	126,379,861	120,212,403
Al Qard Al Hasan – Net	15	11,725,757	8,997,535
Property and equipment- Net	16	83,311,212	78,028,966
Intangible assets	18	2,299,136	1,548,078
Other assets	19	9,679,267	10,217,365
Total Assets		4,160,642,210	4,211,617,666

Liabilities, Joint Investment Accounts Holders' Equity, Non-controlling interests and Owner's Equity

Liabilities			
Due to banks and financial institutions	20	8,241,356	5,012,040
Customers' current and on demand accounts	21	1,076,008,070	1,127,717,067
Cash margins	22	45,210,218	47,906,977
Accounts payable	23	400,227	812,999
Other provisions	24	13,987,106	6,750,000
Income tax provision	25	22,459,373	23,760,966
Deferred tax liabilities	26B	843,026	650,528
Other liabilities	27	25,206,770	19,369,671
Total Liabilities		1,192,356,146	1,231,980,248

The accompanying notes from (1) to (70) represent an integral part of these consolidated financial statements and should be read with them.

Description	Notes	31 December 2018	31 December 2017
		JD	JD
Joint investment accounts holders' equity			
Unrestricted investment accounts	28A	2,508,970,280	2,534,960,630
Investment accounts holders' reserve in subsidiaries and associates	28B	18,144,902	17,634,860
Fair value reserve - net	29A	7,111,635	7,683,848
Provision for contingent liabilities	29E	1,042,517	-
Deferred tax liabilities	26A	4,358,744	4,137,456
Total joint investment accounts holders' equity		2,539,628,078	2,564,416,794
Non-controlling interests	28B	153,866	165,487
Total joint investment accounts holders' equity and non-controlling interests		2,539,781,944	2,564,582,281
Investment risk fund	30B	31,654,580	36,350,487
Income tax provision of investment risk fund	30	3,455,761	3,746,032
Equity			
Owner's equity			
Paid-in capital	31	180,000,000	180,000,000
Statutory reserve	32	84,018,397	76,471,380
Voluntary reserve	32	38,234,085	30,701,752
General banking risks reserve	32	-	1,000,000
Fair value reserve	29B	1,375,464	1,208,122
Retained earnings	33	89,765,833	85,577,364
Total Owner's Equity		393,393,779	374,958,618
Total Liabilities, Joint Investment Accounts Holders' Equity, Non-Controlling Interests and Owner's Equity		4,160,642,210	4,211,617,666
Accounts Managed for Others:			
Restricted investments	55	35,574,317	30,967,389
Al Wakala Bi Al Istithmar (Investments Portfolio)	56	358,148,482	376,477,843
Al Wakala Bi Al Istithmar	57	63,215,370	46,562,499

The accompanying notes from (1) to (70) represent an integral part of these consolidated financial statements and should be read with them.

Statement (B): Consolidated Income statement For the Year Ended December 31, 2018

Description	Notes	31 December 2018	31 December 2017
		JD	JD
Deferred sales revenues	34	138,792,646	141,057,074
Financing revenues	35	442,805	433,116
Gain from financial assets at fair value through joint investment accounts holders' equity	36	918,795	995,614
Gain from financial assets at amortized cost	37	3,740,043	2,895,290
Dividends from subsidiaries and associates	38	1,252,026	86,760
Revenues from investments in real estate	39	1,511,676	797,170
Revenues from leased and Ijarah Muntahia Bittamleek assets	40	43,075,593	43,535,584
Revenues from other investments	41	2,024,904	1,429,855
Revenues of joint investment accounts		191,758,488	191,230,463
Net income of subsidiaries	42	2,038,994	2,447,991
Share of profit from investments in associates		602,678	722,110
Total revenues of joint investment accounts		194,400,160	194,400,564
Share of unrestricted investment accounts holders'	43	(51,628,569)	(53,554,642)
Share of investment accounts holders' from income of subsidiaries		(2,034,088)	(2,440,386)
Share of non-controlling interests from income of subsidiaries		(4,906)	(7,605)
Share of profit from investments in associates		(602,678)	(722,110)
Share of investment risk fund	30	(19,175,849)	(19,123,046)
Bank's share of the joint investment accounts revenues as Mudarib and Rab Mal	44	120,954,070	118,552,775
Bank's self-financed revenues	45	25,964	26,213
Bank's share of restricted investments revenues as Mudarib	46	222,187	2,349,375
Bank's share of restricted investments revenues as Wakeel	46	3,276,373	2,473,446
Banking services revenues	47	19,097,286	19,646,690
Foreign currency gain	48	1,567,093	2,035,964
Other income	49	1,907,853	1,886,036
Gross income		147,050,826	146,970,499
Employees expenses	50	(40,818,032)	(37,392,734)
Depreciation and amortization	17	(7,453,939)	(7,736,280)
Other expenses	51	(22,549,850)	(20,652,730)
Expected credit loss –self	15	(300,000)	-
Other provisions	52	(525,000)	(250,000)
Total expenses		(71,646,821)	(66,031,744)
Profit before income tax		75,404,005	80,938,755
Income tax	25	(25,596,078)	(26,799,702)
Profit after income tax		49,807,927	54,139,053
Basic Earnings per Share for the Year	53	JD/Fils	JD/Fils
		0/277	0/301

The accompanying notes from (1) to (70) represent an integral part of these consolidated financial statements and should be read with them.

Statement (C):

Consolidated Statement of Other Comprehensive Income For the Year Ended December 31, 2018

Description	31 December 2018	31 December 2017
	JD	JD
Profit after income tax	49,807,927	54,139,053
Other comprehensive income items, net after tax:		
Change in fair value reserve of financial assets – Net	167,342	599,803
Total comprehensive income for the year	49,975,269	54,738,856

The accompanying notes from (1) to (70) represent an integral part of these consolidated financial statements and should be read with them.

Statement (D): Consolidated Statement of Changes in Owner's Equity For the Year Ended 31 December, 2018

For the year ended 31 December 2018	Paid-in capital		Statutory reserve		Voluntary reserve		General banking risk reserve*		Fair value reserve**		Retained earnings		Total	
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Balance at 1 January 2018	180,000,000	76,471,380	30,701,752	1,000,000	1,208,122	85,577,364	374,958,618							
Effect of adoption of IFRS 9	-	-	-	-	-	(4,540,108)	(4,540,108)							
Transfer from General Banking Risk Reserve	-	-	-	(1,000,000)	-	1,000,000	-							
Balance after adoption of IFRS 9	180,000,000	76,471,380	30,701,752	-	1,208,122	82,037,256	370,418,510							
Profit for the year after tax	-	-	-	-	-	49,807,927	49,807,927							
Change in fair value reserve	-	-	-	-	167,342	-	167,342							
Total comprehensive income for the year after tax	-	-	-	-	167,342	49,807,927	49,975,269							
Capital increase	-	-	-	-	-	-	-							
Transferred to (from) reserves	-	7,547,017	7,532,333	-	-	(15,079,350)	-							
Dividends***	-	-	-	-	-	(27,000,000)	(27,000,000)							
Balance at 31 December 2018	180,000,000	84,018,397	38,234,085	-	1,375,464	89,765,833	393,393,779							

* Central Bank of Jordan issued regulations No. (13/2018) dated 6 June 2018. In which it requested the transfer of the general banking risk reserve balance (calculated in accordance with the Central Bank regulations) to the retained earnings to offset the effect of implementing IFRS (9) on the opening balance as of 1 January 2018. The regulation also instructs that the balance of general banking reserve should be restricted and may not be distributed as dividends to the shareholders or used for any other purposes without prior approval from the Central Bank of Jordan amounting to JD 1 million

** The fair value reserve balance of JD 1,375,464 as at 31 December 2018 is restricted from use.

*** On 26 April 2018, the General Assembly approved the distribution of cash dividends of JD 27 million, representing 15% of the paid in capital of JD 180 million from the retained earnings.

The accompanying notes from (1) to (70) represent an integral part of these consolidated financial statements and should be read with them.

For the year ended 31 December 2017	Paid-in capital		Statutory reserve	Voluntary reserve	General banking risk reserve*	Fair value reserve**	Retained earnings		Total
	JD	JD					JD	JD	
Balance at 1 January 2017	150,000,000	68,370,796	22,617,024	1,000,000	608,319	100,123,623	342,719,762		
Profit for the year after tax	-	-	-	-	-	54,139,053	54,139,053		
Change in fair value reserve	-	-	-	-	599,803	-	599,803		
Total comprehensive income for the year after tax	-	-	-	-	599,803	54,139,053	54,738,856		
Capital increase	30,000,000	-	-	-	-	(30,000,000)	-		
Transferred to (from) reserves	-	8,100,584	8,084,728	-	-	(16,185,312)	-		
Dividends***	-	-	-	-	-	(22,500,000)	(22,500,000)		
Balance at 31 December 2017	180,000,000	76,471,380	30,701,752	1,000,000	1,208,122	85,577,364	374,958,618		

* The general banking risks reserves amounting to JD 1,000,000 as at 31 December 2017 is restricted from use without prior approval of the Central Bank of Jordan.

** The fair value reserve balance of JD 1,208,122 as at 31 December 2017 is restricted from use.

*** On 26 April 2017, the General Assembly approved on the distribution of cash dividends of JD 22.5 million, representing 15% of the paid in capital of JD 150 million and share dividends of JD 30 million, representing 20% of the capital through retained earnings.

The accompanying notes from (1) to (70) represent an integral part of these consolidated financial statements and should be read with them.

Statement (E): Consolidated Statement of Cash Flows For the Year Ended December 31, 2018

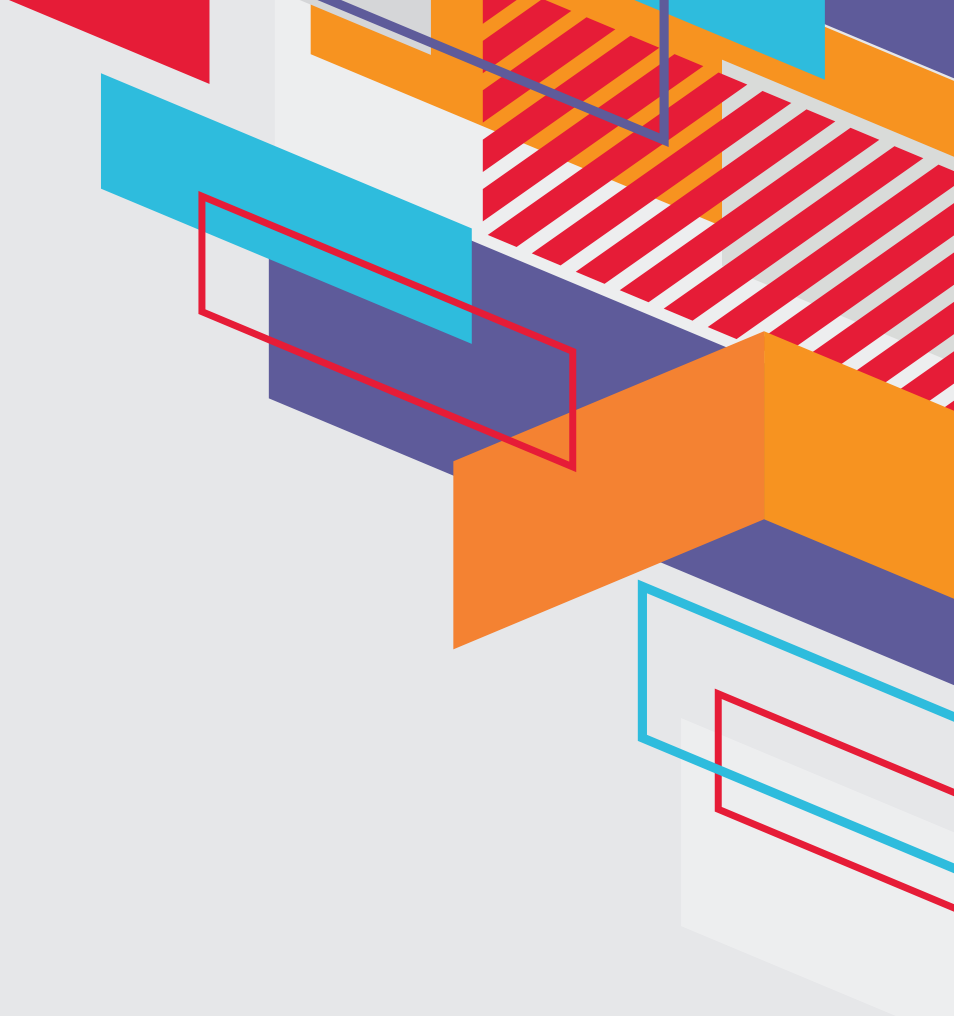
Description	Notes	31 December	31 December
		2018	2017
		JD	JD
Cash flows from Operating Activities			
Profit before tax		75,404,005	80,938,755
Adjustments to non-cash items:			
Depreciation and amortization		7,453,939	7,736,280
Investment risk fund		(4,986,178)	9,824,158
Expected credit loss for assets- self		300,000	-
Employees' vacation provision		150,000	250,000
Employees' end of services provision		300,000	-
Provision of repossessed real estate		-	(3,090)
Impairment provision of repossessed real estate		881,329	271,983
Expected credit loss for financial assets		1,532,641	1,818,373
Provisions for contingent liabilities and litigations		75,000	-
Gain on sale of property and equipment		(6,348)	(24,453)
Effect of exchange rate on cash and cash equivalents		(858,242)	(1,244,309)
Profit before change in assets and liabilities		80,246,146	99,567,697
Change in assets and liabilities			
Decrease (increase) in investment accounts at banks and financial institutions maturing after 3 months		4,266,000	(4,254,000)
(Increase) decrease in deferred sales receivables and other receivables		(32,168,323)	22,875,468
Increase in financing		(1,725,917)	(916,331)
Increase in Ijarah Muntahia Bittamleek assets		(14,957,327)	(24,899,896)
Increase in Al Qard Al Hasan		(782,959)	(1,030,684)
Decrease (increase) in other assets		538,098	(781,595)
Decrease in customers' current and on demand accounts		(51,708,997)	(71,617,625)
Decrease in accounts payable		(412,772)	(349,407)
Decrease in cash margins		(2,696,759)	(12,229)
Increase in other liabilities		5,837,054	3,918,925
Net change in assets and liabilities		(93,811,902)	(77,067,374)
Net cash flows (used in) from operating activities before income tax		(13,565,756)	22,500,323
Income tax paid	25	(26,897,671)	(28,463,980)
Net cash flows used in operating activities		(40,463,427)	(5,963,657)
Cash flows from Investing Activities			
Proceeds from sale of financial assets at fair value through owner's equity - self		400,000	-
Purchase of financial assets at fair value through owner's equity - self		(204,029)	(2,061,909)
Proceeds from sale of financial assets at fair value through joint investment accounts holders' equity		2,562,815	3,593,432
Purchase of financial assets at fair value through joint investment account holders' equity		(3,433,805)	(5,128,678)
Purchase of financial assets at amortized cost - net		(122,226,436)	(27,439,000)
Proceeds from sale of financial assets at amortized cost - net		7,129,224	2,064,200
Proceeds from sale of investment in associates		-	22,295
Proceeds from sale of real estate investments		1,811,479	2,910,734
Purchase of real estate investments		(7,550,762)	(16,673,615)
Proceeds from sale of property and equipment		7,724	28,272
Purchase of property and equipment		(11,986,236)	(13,000,927)
Purchase of intangible assets		(1,502,383)	(654,000)
Net cash flows used in investing activities		(134,992,409)	(56,339,196)
Cash flows from Financing Activities			
(Decrease) increase in unrestricted investment accounts holders' equity		(24,421,497)	147,666,028
Dividends paid		(27,000,000)	(22,500,000)
Net cash flow (used in) from financing activities		(51,421,497)	125,166,028
Net (decrease) increase in cash and cash equivalents		(226,877,333)	62,863,175
Effect of exchange rate on cash and cash equivalents		858,242	1,244,309
Cash and cash equivalents at the beginning of the year	54	1,187,779,543	1,123,672,059
Cash and cash equivalents at the end of the year	54	961,760,452	1,187,779,543

The accompanying notes from (1) to (70) represent an integral part of these consolidated financial statements and should be read with them.

Statement (F): Consolidated Statement of Sources and Uses of Al Qard Al Hasan Fund
For the Year Ended December 31, 2018

Description	31 December 2018	31 December 2017
	JD	JD
Balance at the beginning of the year	13,497,535	12,466,851
Sources of the Fund:		
Sources the Bank is authorized to use	(11,367,227)	(10,852,602)
Sources from outside the Bank	(2,255,054)	(1,725,402)
Total sources of the fund for the year	(13,622,281)	(12,578,004)
Uses of the Fund:		
Education	2,561,155	2,091,502
Medical treatment	858,680	988,755
Marriage	621,980	327,370
Overdraft accounts	7,948,562	7,875,209
Social advances for the Bank's employees	2,414,863	2,325,852
Total uses for the year	14,405,240	13,608,688
Balance at the end of the year	14,280,494	13,497,535
Less: expected credit loss provision – self financed	(2,554,737)	(4,500,000)
Balance at the end of the year - net	11,725,757	8,997,535

The accompanying notes from (1) to (70) represent an integral part of these consolidated financial statements and should be read with them.



Notes to the Consolidated Financial Statements

1. General Information

Jordan Islamic Bank ("the Bank") was established as a Jordanian public shareholding company on 28 November 1978 pursuant to the provisions of the companies law No. (12) of 1964. Head office is located in Amman.

The Bank offers banking, financial, and investment services on an interest-free basis in compliance with the rules and principles of the Islamic Shari'a through its head office, 76 branches and 29 banking offices in the Kingdom as well as its subsidiaries. The Bank's transactions are governed by the applicable Bank's Law.

Jordan Islamic Bank shares are listed on the Amman Stock Exchange – Jordan.

The consolidated financial statements were authorized for issue by the Bank's Board of Directors in their meeting No. (1) held on 6th of February 2019 and it is subject to the approval of the General Assembly and the Central Bank of Jordan.

The Bank's Shari'a Supervisory Board reviewed the consolidated financial statements on its meeting No. (1/2019) held on 28 January 2019 and issued their annual report thereon.

According to the Bank's articles of association and in compliance with the principles and rules of the Islamic Shari'a and the general Banks' Laws, the Bank has appointed the Shari'a Supervisory Board which constitutes of four members according to the shareholder's General Assembly decision. The opinion of Shari'a Supervisory Board shall be binding to the Bank, and it is responsible for monitoring the Bank's activities and operations in terms of compliance with Shari'a principles and is responsible for furnishing a Shari'a opinion on the format of contracts necessary to undertake the Bank's activities, and issue an annual report for the shareholder's General Assembly.

2. Significant Accounting Policies

Basis of preparation of the financial statements:

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

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

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

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

Investment risks fund is used to cover the impairment in financing and investments accounts funded by the unrestricted investments accounts.

The term unrestricted investment accounts, wherever mentioned, refers to joint investment accounts.

Basis of consolidation of the financial statements:

- The consolidated financial statements comprise the financial statements of the Bank and its subsidiaries financed from the Bank's funds and the joint investment funds and subject to the Bank's control. Control exists when the Bank has power to govern the financial and operational policies of subsidiaries in order to obtain benefit from their activities. All intra-company transactions, balances, revenues and expenses are eliminated.
- The financial statements of subsidiaries are prepared for the same reporting period as the Bank, using consistent accounting policies.
- The results of subsidiaries operations are consolidated in the consolidated income statement from the acquisition date, being the date the Bank obtains control over subsidiaries. The results of operations for disposed subsidiaries shall be consolidated within 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 represent the portion not owned by the Bank or by the unrestricted investment accounts of the subsidiaries owner's equity.
- Investments in subsidiaries are accounted for at cost when the Bank issues separate financial statements.

The Bank has the following subsidiaries as at 31 December 2018:

Company name	Paid-in capital	Bank's ownership percentage	Nature of business	Country of incorporation	Acquisition date
	JD				
Al Omariah Schools Company Ltd.	12,825,000	99.4%	Education	Amman	1987
Al Samaha Financing and Investment Company Ltd.	12,000,000	100%	Financing	Amman	1998
Future Applied Computer Technology Company Ltd.	5,000,000	100%	Services	Amman	1998
Sanabel Al-Khair for Financial Investments Company Ltd.	5,000,000	100%	Brokerage	Amman	2005

- The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the preparation of the Bank's consolidated financial statements for the year ended 31 December 2017, except for the adoption of the following new standards effective as of 1 January 2018:

IFRS 9 Financial Instruments

In conformity with Central Bank of Jordan regulation No. (13/2018) dated 6 June 2018 regarding the application of IFRS (9) for Islamic Banks, the expected credit loss is to be applied. The remaining aspects are subject to the requirements of Islamic Accounting Standard No. (25) until the issuance of the Islamic Accounting Standard No. (30).

The Bank has adopted IFRS (9) (2014) Financial Instruments on the required effective date 1st January 2018, the date on which the Bank has assessed the requirements of the new expected credit loss impairment model, hedge accounting, and the revised guidance on the classification and measurement requirements of financial instruments. The Bank had previously implemented the first phase of IFRS (9) (classification and measurement) as issued during 2009, The date of initial implementation of the first phase of IFRS (9) was 1 January 2011, by implementing the Islamic Accounting Standard No.(25) – Investments in Sukuk, Shares and Similar Instruments.

The standard has been applied retrospectively and, in line with IFRS (9) (Financial Instruments), comparative amounts have not been restated. The impact of the adoption of IFRS (9) as at 1st January 2018 has been recognised in retained earnings. The standard eliminates the use of IAS (39) incurred loss impairment model approach, uses the revised hedge accounting framework, and the revised guidance on the classification and measurement requirements.

1. Qualitative Disclosures

Definition of default and management measures:

The existence of an outstanding customer receivable for 90 days or more, customers with clear indicating factors towards default or bankruptcy, a late payment exceeding 90 days or more of profit and / or principals by the issuer of the financial instrument, banks in which our bank holds exposures at defaults.

The Bank monitors the outstanding receivables and collection occurs through the specified departments, each according to its practice. The Bank analyzes the reason for default and review the cash flows of the customers, and if necessary restructures or reschedules customer installments. Finally, The Bank will seek necessary legal action through a court to collect outstanding receivables.

Internal credit rating system:

The Bank owns an internal credit rating system, to raise the quality of the facilities granting process, the customer creditworthiness rating depends on the qualitative operating and quantitative financial criteria presented.

Purpose of the internal credit rating system:

- Improving the decision of granting facilities through the reliance on the internal credit rating system.
- Calculating the customers probability of default (PD).
- Matching credit facility pricing to risk of exposure.
- Measuring the credit risk at customer and credit portfolio level.
- Improve credit portfolio credit through setting limits on facilities according to the internal credit rating.
- Monitor credit portfolio through the internal credit rating system.

Internal credit rating system mechanism:

- The classification process occurs with obtaining the customers principal data such as financial statements and qualitative information.
- Ensuring at least an annual update of customer data and quarterly update of customer facilities granted.

Expected credit loss (ECL) calculation for financial instruments:

The reliance of the international credit rating agencies classification was used to calculate the financial instruments probability of default. Expected credit loss was calculated based on the markets best practice, as the geographical distribution, economic sector and capital structure of the issuer for the financial instrument is considered in the calculation.

The governance of IFRS 9 implementation:

1. Board of Directors responsibilities

- Accepting of the methodology for applying the standard.
- Adopting a business model in which the objectives and bases of acquisition and classification of financial instruments are defined.
- Ensuring the existence and application of effective internal control systems through which the roles of the relevant parties are determined.
- Ensure that the required infrastructure (such as human resource systems) are available to ensure implementation of the standard.

2. Executive Management responsibilities

- Preparation of the methodology for applying the standard in accordance with the requirements of the regulatory bodies.
- Preparation of the business model according to the Bank's strategic plan.
- Ensure adherence to the approved methodology for applying the standard.
- Supervision over the systems used in applying the standard.
- Monitor the expected credit losses and ensure adequacy of provision.
- Preparing the required reports for related parties.

Definition, calculation and monitoring Probability of Default (PD), Exposure At Default (EAD) and Loss Given Default (LGD):

1. Probability of Default (PD) calculation:

- Probability of default (PD): The percentage of probability that the customer will default or fail on installment payments or obligations as they fall due within the next 12 months.
- The probability of default for the individual portfolio is calculated according to the quantitative and qualitative data of the customers generated by the internal rating system or by the external credit rating agencies.
- The probability of default (PD) for the collective portfolio is calculated according to the analysis of the historical data customer and its correlation with the economic variables.

2. Exposure At Default (EAD) calculation:

- The total amount the Bank is exposed to at the time of default.
- Basis of contractual cash flows and facility maturity dates.
- The expected cash flows of financial instruments such as Sukuk.
- The value of contingent liabilities is determined by the maturity date without the application of the Credit Conversion Factor (CCF).

3. Loss Given Default (LGD) calculation:

- Loss Given default (LGD): is the amount of loss if the customer fails to repay.
- The Loss Given Default was calculated by considering the amount of collateral in lieu of facilities granted, reduced by specified rates set by Central Bank of Jordan in accordance with instructions No. (47/2009) for the calculation of impairment provision and general bank risk reserve.

Factors for significant changes in credit risk for calculating the expected credit losses:

- The significant increase in credit risk is determined by comparing the current customer rating with the rating on the grant date using relative staging rules, which determines the number of degrees of decline required for classifying the accounts under Stage 2 or 3 at the date of initial granting.

Policy for identifying the common elements on which the credit risk and expected credit loss are measured on a collective basis.

- Common elements were determined based on the historical analysis with economic factors and specifications of the customers and then taking the elements that have significant impact of default.

Key Economic factors used in the calculation of the Expected Credit Loss (ECL):

- Indicators vary according to the portfolio type the specific characteristics of the customers in the portfolio.

Used scenarios:

Based on the Gross Nominal Product and Amman Stock exchange, three scenarios were assumed for calculating expected credit losses:

Scenario	Weighting
Scenario with high economic growth	30%
Basic scenario	40%
Scenario with low economic growth	30%

2. Quantitative Disclosures

The impact of IFRS 9 application on beginning balances retained earning as at 1 January 2018 was as follows:

Description	Amount as of 31 December 2017		Reclassified amount	Expected Credit Loss		Balance as of 1 January 2018 after the Application of IFRS (9)		Reclassification Effect of application	Effected financial position items
	JD	JD		JD	JD	JD	JD		
Cash and balances with Central Banks	1,138,666,950	-	-	-	1,138,666,950	-	-	-	-
Balances at banks and financial institutions	54,124,633	-	-	(39,284)	54,085,349	-	-	-	-
Investment accounts at banks and financial institutions	21,979,000	-	-	(158,204)	21,820,796	-	-	-	-
Deferred sales receivables and other receivables – Net	2,021,613,041	-	-	(7,333,096)	2,014,279,945	-	-	-	-
Ijarah Muntahia Bittamleek assets – Net	590,844,435	-	-	-	590,844,435	-	-	-	-
Financing – Net	30,980,357	-	-	(403,955)	30,576,402	-	-	-	-
Financial assets at fair value through owner's equity – Self financed	10,528,825	-	-	-	10,528,825	-	-	-	-
Financial assets at fair value through investment accounts holder's equity – joint	37,384,155	(14,975,071)	-	-	22,409,084	-	-	-	-
Financial assets at amortized cost	78,108,807	14,974,007	(2,309,576)	(2,309,576)	90,773,238	(2,309,576)	(2,309,576)	-	-
Investments in associates	8,383,116	-	-	-	8,383,116	-	-	-	-
Investment in real estate	120,212,403	-	-	-	120,212,403	-	-	-	-
Al Qard Al Hasan – Net	8,997,535	-	-	2,297,083	11,294,618	-	-	-	-
Property and equipment – Net	78,028,966	-	-	-	78,028,966	-	-	-	-
Intangible assets	1,548,078	-	-	-	1,548,078	-	-	-	-
Other assets	10,217,365	-	-	-	10,217,365	-	-	-	-
Guarantees	110,757,863	-	-	(5,318,270)	110,757,863	-	-	-	-
Unutilized Limits-Self	77,137,026	-	-	(1,428,968)	77,137,026	-	-	-	-
Unutilized Limits-Joint	115,786,180	-	-	(555,682)	115,786,180	-	-	-	-
Utilized Letter of Credits-Self	28,773,584	-	-	(50,669)	28,773,584	-	-	-	-
Utilized Letter of Credits-Joint	16,375,488	-	-	(26,233)	16,375,488	-	-	-	-

The opening balance of provisions after application of IFRS 9 is as follow

Description	Current Provision	Recalculation difference	Balance in accordance with IFRS 9
	JD	JD	JD
Cash and balances with Central Banks	-	-	-
Balances and investment accounts at banks and financial institutions	-	(197,488)	(197,488)
Deferred Sales Receivables and financing	(76,304,746)	(7,737,051)	(84,041,797)
Financial assets at amortized cost	(1,818,373)	(2,309,576)	(4,127,949)
Al Qard Al Hasan	(4,500,000)	2,297,083	(2,202,917)
Guarantees	-	(5,318,270)	(5,318,270)
Letter of Credits	-	(76,902)	(76,902)
Unutilized Limits (self and joint)	-	(1,984,650)	(1,984,650)

Effect of application of IFRS 9 on retained earnings :

Description	Effect on retained earnings
	JD
Retained earnings as of 31 December 2017	85,577,364
General banking risk reserve	1,000,000
Effects of IFRS (9) adoption	(4,540,108)
Balance at the beginning of the year (Adjusted)	82,037,256
Profit after tax	49,807,927
Transferred to reserves	(15,079,350)
Dividends	(27,000,000)
Balance at end of the year	89,765,833

Segment Information:

- Business segment represents a group of assets and operations of the Bank that are engaged together in providing products or services that are subject to risks and rewards different from those related to other business sectors, and are measured in accordance with the reports used by the General Manager and operating decision maker of the Bank.
- Geographical segments are associated to products and services in a specific economic environment subject to risks and rewards different from those sectors operating in other economic environments.

Basis of distributing joint investments profit between owner's equity, unrestricted investment accounts holders' , restricted investments accounts holders' and Wakalah Bi Al Istithmar accounts holders' (Investment portfolio):

- 10 % shall be distributed to the investment risks fund pursuant to Article (55) of the Jordanian Banks Law (2017: 10 %).
- The Bank's share as Mudarib was allocated at 45% for Jordanian Dinars and 50% for foreign currencies total joint investments profit (2017: 44.3 % for Jordanian Dinars, 50 % for foreign currencies).
- The remaining balance was distributed between the unrestricted investment accounts and the Bank's invested funds, each according to its percentage of contribution, taking into consideration that the priority for funds investment relates to the unrestricted investment accounts holders'.
- The Bank waived a portion of its share as Mudarib and/or Rab Mal, to improve the overall share of profits distributed to all/some of the joint investments account holders'.
- Joint investment accounts share in the results of the investment earnings which are distributed to all investors each by its percentage of participation and conditions of the account agreement signed the Bank and the investor.
- Joint investment accounts participate in the profit as follows:
 - 40% of the annual average balance of saving accounts.
 - 70% of the annual average balance of notice accounts.
 - 90% of the minimum balance of term deposit accounts.
- The Bank bears all administrative expenses except for the insurance expense of Ijarah Muntahia Bittamleek assets which are allocated to the joint investment accounts profit.
- The Bank's fees as agent (wakeel) was deducted at a rate of 0.36% instead of 1.5% of the Al Wakala Bi Al Istithmar account's capital (investment portfolio) as at 30 June 2018, and at the rate of 1.3% instead of 1.5% as at 31 December 2018. The general percentage of profits distributed to the Al Wakala Bi Al Istithmar accounts holders' was 3.67% as at 30 June 2018 and 4% as at 31 December 2018.
- Profit was distributed to Al Wakala Bi Al Istithmar (Investment Portfolio) accounts holders' after deducting the Bank's fees as agent (wakeel).
- The Bank waived a portion of its share as a Mudarib/ fund owner (Rab Mal) to improve the overall profit rate distributed amongst some joint investment accounts holders', approximately amounting to JD 2 million.
- The Bank waived a portion of its share as agent (Wakeel) and its share in the annual net profit increase of 3.5% after deducting the income tax on dividends distributed under the prospectus on 31 December 2018 to improve the overall share of profits distributed to all of the Al Wakala Bi Al Istithmar account holders' (Investments Portfolios), approximately amounting to JD 2.7 million and to some of the Al Wakala Bi Al Istithmar account holders' (Investments Portfolios) approximately amounting to JD 466 thousand.
- Restricted investment accounts are managed through Mudaraba contracts.
- Bank's share as Mudarib was deducted at rates between 7.7% to 25% of restricted investment accounts in Jordanian Dinars profit and at a rate of 40% of restricted investment accounts in foreign currencies profit. Additionally, general profit rate distributed to restricted investment accounts in Jordanian dinars was 2% and to foreign currencies restricted investments accounts was 0.9% as at 31 December 2018 (2017 : 2%, 0.6%) respectively.

- Profit was distributed after deducting the Bank's share as Mudarib on the restricted investment accounts each according to its contribution percentage.

Shari'a non-compliant revenues, gains, expenses and losses:

- The Bank recognizes these amounts in a separate account within the other liabilities and shall be distributed to charitable activities as determined by the Shari'a Supervisory Board.

Zakah :

- The responsibility of Zakah payment rests on the shareholders, unrestricted and restricted investment accounts holders' and participants in Al Wakala Bi Al Istithmar (Investments Portfolio) upon the fulfilment of Zakah required conditions.

Deferred sales receivables:

1- Murabaha Contracts:

- **Murabaha:** is selling a commodity for the same purchase price plus an agreed predetermined profit margin computed based on a percentage of the price or fixed amount, and it represent one of Boy'ou Amanah types that depends on disclosing the purchase price or cost.
- **Murabaha to the purchase orderer:** is the transaction whereby the Bank sells a commodity to its customer (purchase orderer) with a markup on its purchase price (or cost) after identifying that increment (Murabaha profit). It's also called Banking Murabaha.
- The Bank applies the commitment to the promise principle in Murabaha to the purchase orderers contracts in accordance with the standards issued by Accounting and Auditing Organization for Islamic Financial Institutions.
- Deferred sales profit (by which the buyer will pay a lump sum price that matures at a future date or instalments paid at various subsequent dates) is recognized through the proportional allocation of this profit to the future financial periods until the maturity date of the contract, regardless whether the payment is settled or not.
- Deferred sales receivables are recognized when the transaction takes place at its face value, and are measured at the end of the financial period on the basis of the net realizable expected cash value, which is the amounts owed by customers at the end of the financial period less expected credit loss.

2- Istisna'a contracts:

- **Istisna'a:** is a sale contract between Al-Mustasni' (the buyer) and Al-Sani' (the seller) whereby Al-Sani' based on the order of Al-Mustasni' under takes to have manufactured or otherwise acquire a prescribed commodity (Al- Masnoo') upon delivery in return for an agreed upon price and method of settlement, whether at the time of contracting, by instalments or deferred to specific future time. It's a condition that Al- Sani' provide the material and/or labor of Al - Masnoo'.
- **Parallel Istisna'a:** is conducting two separate contracts, one with the customer in which the Bank represents Al-Sani' and the other with Al-Sani' (contractor) in which the Bank represent Al- Mustasni'. Profit is achieved through the price difference in the two contracts, in most cases one contract is immediately effective (with Al-Sani') and the second is deferred (with the customer).
- Istisna'a costs include direct and indirect costs of the Istisna'a activities that can be allocated on objective basis for certain contracts. General and administrative expenses, marketing expenses, and

research and development costs shall not be included in Istisna'a costs.

- Istisna'a costs incurred during the financial period, as well as pre-contract costs shall be recognized in Istisna'a in progress account in (Istisna'a) or in Istisna'a cost account (in Parallel Istisna'a).
- In cases where Al-Mustasni' (the buyer) fails to settle the agreed upon price in full and agree to make repayment through instalments during the execution of the contract or after the completion of the contract, deferred profit shall be recognized and offset against Istisna'a receivables balance in the Bank's statement of financial position. This treatment shall be applied whether the percentage of completion method or completed contract method is used in recognising Istisna'a revenues. Deferred profit recognized shall be allocated over the future financial periods whereby each financial period shall carry its portion of profit irrespective of whether cash is received or not.
- Istisna'a contracts are presented in the total amounts paid by the Bank since contract inception, while parallel Istisna'a contracts are presented in the net contractual value. impairment provision is calculated as expected credit loss with forward looking characteristics in relation to obligors and financial environment.
- Any additional costs paid by the Bank in Parallel Istisna'a as a result of breaching the contractual obligations are recognized as losses in the consolidated income statement and shall not be recognized in the calculation of the Istisna'a costs account.
- In case the bank retains Al- Masnoo', the asset is measured at the lower of expected realizable cash value or cost. Any difference between these values shall be recognized in consolidated income statement for period in which it was occurred.

Assets available for deferred sale:

- This item represent assets acquired by the Bank for the purpose of selling these assets on a deferred basis (installments). This type of selling assets is also called installment-bargain sale to distinguish it from Murabaha to the purchase orderer.
- At contract inception, the assets available for deferred sale shall be recognized and measured at cost (purchase price and any direct expenses related to acquisition of the assets).
- Assets available for deferred sales shall be revaluated at fair value at the end of the financial period, the change in the value, if any shall be measured as the difference between the book value and the fair value. Unrealized profits (losses) shall be recognized in the fair value reserve account.
- Profits of the deferred sales shall be recognized on an accrual basis and proportionally allocated over the period of the contract. Profits related to future financial periods shall be recognized in deferred sales profit account.
- Deferred sales receivables shall be recognized at contract inception and measured at their face value (contracted value).

Musharaka financing:

- is providing funds by the bank and its clients whereby each party contributes funds in equal or varying degrees to establish a new project or share in an existing one, whereby each of the parties becomes an owner of the capital on a permanent or declining basis and shall have its due share of profits. Losses are allocated to each party in proportion of its contributed capital and it is not permissible to stipulate otherwise. Musharka is divided into Constant Musharaka and Diminishing Musharaka Muntahia Bittamleek.
- Bank's share in Musharaka capital is recognized when it is paid to the managing partner or made available in the Musharaka account and is measured at the amounts paid (monetary) or at fair value (non-monetary). Any difference in the fair value of the non-monetary item and its book value at the time of contracting shall be recognized as profit or loss.
- Bank's share in the Constant Musharaka capital shall be measured at the end of the financial period at historical cost. Bank's share in Diminishing Musharaka capital shall be measured at the end of a financial period at historical cost net of the historical cost of any share sold at agreed upon fair value. Differences between these values shall be recognized as profit or loss in the consolidated income statement.
- Bank's profit or loss share in Musharaka financing transactions initiated and ended during the financial period is recognized after liquidation. However, if Musharaka continues for more than one financial period, Bank's share of profits is recognized upon realization through partial or full settlement between the Bank and the partner for that period to the extent profits are being distributed; Bank's share of losses for a financial period shall be recognized in its accounts for that period to the extent such losses are being deducted from Bank's share of the Musharaka capital.
- Losses incurred due to the partner's misconduct or negligence is borne by the partner and shall be recognized as receivables.
- At the end of the financial period, the financed assets shall be recognized at the lower of the cost or expected realizable cash value, and the difference shall be recognized as financing impairment provision.
- Non-performing deferred sales profit shall be suspended in accordance with Central Bank of Jordan regulations.
- Deferred sales receivables and finances funded by unrestricted investment accounts are written-off in case of unsuccessful collection procedures within the investment risk fund account (except for receivables granted/financed and written-off during the same year which is charged to investment revenues account within the consolidated financial statements). Collected amounts from receivables/finances previously written-off are added to the investment risk fund (except for amounts charged to the investment revenues within the consolidated income statement).
- Deferred sale receivables and facilities funded by the bank's self funds whereby an expected credit loss is allocated to, shall be written-off through deduction from the provision in case of unsuccessful collection procedures. Any surplus in the gross provision, if any shall be transferred to the consolidated income statement, and the amounts collected from previously written off receivables/facilities shall be added to revenues.

Financial assets at fair value through profit or loss:

- Financial assets at fair value through profit or loss, are those purchased with the intent to resell in the near future to generate gains as a result of changes in market prices of such investments.
- They are initially recognized at the fair value of consideration given (transaction costs are recorded in the consolidated income statement) and subsequently re-measured at fair value. All realized and unrealized gains or losses are transferred to the consolidated income statement including any gains or losses resulting from the translation of such assets held in foreign currencies to the functional currency.
- Profits realized and dividends received are recorded in the consolidated income statement.

Financial assets at fair value through owner's equity– self financed:

- These assets represent investments in equity instruments funded by the Bank's self funds in order to hold them in the long term.
- These assets are initially recognized at fair value plus acquisition expenses, and subsequently measured at fair value. The change in fair value is presented in the fair value reserve within owner's equity.
- Gains and losses resulting from the sale of these assets is recognized within the retained earnings in accordance with Central Bank of Jordan regulations.
- Any impairment loss in the value of these assets shall be recognized within the consolidated income statement.
- Impairment losses previously recognized in the consolidated income statement can be retrieved if it is objectively evidenced that the increase in the fair value occurred in the period subsequent to the recording of impairment losses through the fair value reserve within the shareholders' equity.
- Gains derived from these financial assets is recognized within the consolidated income statement at the date of distribution.
- Gains and losses resulting from foreign currency translation differences for these assets are recognized within the fair value reserve.
- Financial assets which fair value cannot be determined reliably are stated at cost, and tested for impairment at the end of each financial period and any impairment is recognized in the consolidated income statement, and cannot be retrieved in subsequent periods.

Financial assets at fair value through joint investment account holders' equity:

- These assets represent investments in equity instruments and funded by joint investments accounts in order to hold them in the long term.
- These assets are initially recognized at fair value plus acquisition expenses, and subsequently measured at fair value. The change in fair value is presented in the fair value reserve within joint investment account holders' equity.
- Gains and losses resulting from the sale of these assets and impairment losses is recognized within the consolidated income statement including amounts previously recognized in joint investments accounts holders' equity.

- The impairment losses previously recognized in the consolidated income statement can be retrieved if it is objectively evidenced that the increase in the fair value occurred in the period subsequent to the recording of impairment losses through the fair value reserve within the joint investment accounts.
- Gains derived from these financial assets is recognized within the consolidated income statement at the date of distribution.
- Gains and losses resulting from foreign currency translation differences for these assets are recognized within the fair value reserve.
- Financial assets which fair value cannot be determined reliably are stated at cost, and tested for impairment at the end of each financial period and any impairment is recognized in the consolidated income statement, and cannot be retrieved in subsequent periods.

Financial assets at amortized cost:

- This item represent financial assets invested based on contractual cash flows and is not held for trading or recognized as financial assets at fair value through income statement. Cash flows constituting of variable or constant return on the outstanding principal amount and profit.
- These instruments are initially measured at cost plus acquisition expenses.
- These assets are measured using the effective profit method at the end of financial period. All gains and losses arising from amortization process are recognized in the consolidated income statement.
- Financial assets at amortized cost book value are reduced by the expected credit loss and are recognized within the consolidated income statement (in case the investment is self-financed) and within investment risk fund (in case the investment is jointly financed).

Investments in associates:

- An associate is an entity in which the Bank has significant influence over its financial and operating policies and is not controlled by the Bank, where the Bank hold a rate between 20% to 50% of the voting rights.
- The Bank's investment in associates is accounted for using the equity method of accounting.
- In case of preparing the Bank's separate financial statements, the investment in associates is presented at fair value.

Ijarah and Ijarah Muntahia Bittamleek:

- Ijarah is the transfer of ownership of the right to benefit of using an asset for a consideration and is divided into:
 - **Operating Ijarah:** is Ijarah contract that do not end up with the transfer of ownership of leased assets to the lessee.
 - **Ijarah Muntahia Bittamleek:** is Ijarah contract that end up with the transfer of ownership of the leased assets to the lessee and might take more than one form in accordance with the Financial Accounting Standard issued by the Accounting and Auditing Organization for Islamic Financial Institutions.
- Assets acquired for Ijarah shall be recognized upon acquisition at historical cost including all expenditures necessary to bring the asset to its intended use. Leased assets are depreciated according to the depreciation policy used by the Bank.

- When the recoverable amount from assets acquired for Ijarah is lower than its carrying amount, the assets are written down to its recoverable amount, and an impairment is recognized in the consolidated income statement.
- Ijarah revenues shall be allocated proportionately to the financial periods of the Ijarah contract.
- Maintenance expenses incurred in relation to the leased assets are recognized when incurred.

Investments in real estate:

- This item represent a property held to earn periodical income or for capital appreciation or both.
- Investments in real estate held for use shall be recognized either at cost model or at 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. Fair value is measured for investments in real estate “held for use” under fair value model, any unrealized gains arising from the change in the fair value of investment in real estate shall be recognized in the fair value reserve.
- Any unrealized losses resulting from the revaluation of the fair value of investments in real estate carried using fair value model shall be recognized in the fair value reserve, to the extent of the available balance of this reserve. In case such losses exceed the available balance, the unrealized losses shall be recognized in the consolidated income statement.
- In cases where unrealized losses has been recognized in previous financial periods and unrealized gains were achieved during subsequent periods, unrealized gains shall be recognized in the consolidated income statement to the extent of previously recognized losses in the consolidated income statement, any surplus shall be recognized in the fair value reserve.
- The realized profits or losses resulting from the sale of any investment in real estate shall be measured at the difference between the book value and net proceeds from the sale. The resulting profit or loss together with any related available balance in the fair value reserve shall be recognized in the in the consolidated income statement.
- If either 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 carried at the lower of its carrying value or fair value less costs to sell, and any adjustments differences shall be recognized in the consolidated income statement. Investments in real estate “held for sale” are not depreciated.
- Investments in real estate shall be classified as “held for sale” if they are expected to be sold within 12 months from the acquisition date. If the investments were not sold within this period, it shall be reclassified as mentioned above.
- The Bank recognizes all its investments in real estate “held-for-use” in accordance with the fair value model.

Joint investment risks fund:

The Bank appropriates at least 10% of the joint investments profit achieved during the period, this percentage increases based on the Central Bank of Jordan regulations, the amended percentage is applicable at beginning of the subsequent year.

The balance of investment risk fund revolves to Zakah fund after covering all expenses and losses for which the fund was established for. Thus, the investors do not have any rights in the amounts deducted and accumulated in the investment risk fund, as these amounts are allocated to cover the losses of the joint investment operations.

- Losses incurred in joint investment operations that were initiated and ended during the same year will be covered from the profits of other joint investment operations of the same year, if losses exceeded profits in the same year, they will be covered from the investment risk fund.
- If joint investment operations were initiated and continued from preceding years, and the results of these investment operations were determined in a specific year to be losses, such losses shall be covered from the investment risks fund.

Fair value of financial assets:

- Closing prices (purchasing assets/selling liabilities) on the date of consolidated financial statements in active markets represents the fair value of quoted financial instruments. In the absence of quoted prices or when there is no active market, fair value is normally based on comparison with the current market value of a highly similar financial instruments.
- When the fair value of an investment cannot be reliably measured, it is stated at cost after the writing down any impairment.

Fair value of non-financial assets measured at fair value:

Market prices represent the fair value for non-financial assets at the date of consolidated financial statements (when active markets of such assets are available). In cases where market prices are not available, they are assessed on the date of consolidated financial statements by taking average value of three assessments of experienced and certified parties.

Depreciation:

A. Depreciation of assets available for investment

- Assets available for investment shall be depreciated in accordance with the Bank’s adopted policy for the investment in these assets. These assets shall be depreciated over its useful life using straight-line basis.

B. Property and Equipment

- Property and equipment are measured at cost less accumulated depreciation and any impairment. Depreciation is calculated (except for lands) using the straight-line method over their estimated useful lives when property and equipment are ready for use

Item	Depreciation rate
Buildings	2%
Equipment, furniture and fixtures	5%-20%
Vehicles	15%
Computers	35%

- The useful lives of property and equipment are reviewed annually. If expected useful lives vary from the estimated ones; the change in estimate is adjusted prospectively.

- The carrying values of property and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amounts, the assets are written down to their recoverable amount, and the impairment is recorded in the consolidated income statement.

Intangible assets:

- Intangible assets are classified based on the assessment of their useful lives to definite and indefinite. Intangible assets with definite lives are amortized over the useful economic life, and amortization is recognized in the consolidated income statement, while intangible assets with indefinite useful lives are assessed for impairment at the date of consolidated financial statements and any impairment in their value is recorded in the consolidated income statement.
- Intangible assets arising from the Bank’s operations are not capitalized and are recorded in the consolidated income statement for the same year.
- Any indications of impairment of intangible assets are reviewed at the date of consolidated financial statements; in addition, the useful lives of these assets are reviewed annually. If expected useful lives vary from the estimated ones; the change in estimate is adjusted prospectively.

Item	Amortization rate
Software	50%

Repossessed assets by the bank against debts:

- Repossessed assets are presented in the consolidated statement of financial position within investments in real estate at fair value.

Provisions:

- Provisions are recognized when the Bank has a present obligation (legal or constructive) at the date of the consolidated financial statements arising from a past event and the costs to settle the obligation are both probable and able to be reliably measured.

End of service indemnity provision

- End of service indemnity provision shall be calculated pursuant to the provisions of the labor law and the Bank’s bylaws.

Employees’ vacation provision

- Employees’ vacation provision shall be calculated pursuant to the Bank’s bylaws, and shall be calculated in accordance with the accrual basis.

Income tax:

- Tax expense comprises current taxes and deferred taxes.
- Current tax is calculated based on taxable profits, which may differ from accounting profits published in the consolidated financial statements. Accounting profits may include non-taxable profits or non-deductible expenses which may be exempted in the subsequent financial years.

- The Bank calculates a provision for income tax in accordance with Income Tax Law No. (34) of 2014, and the International Accounting Standard No. (12), which requires recognition of deferred taxes arising from timing difference in fair value reserve, which may result in deferred tax liabilities.
- Deferred tax is the amounts expected to be paid or received as a result of temporary timing differences at the consolidated financial statements date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on laws that have been enacted or substantially enacted at the reporting date.
- The carrying values of deferred income tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

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 a 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 customers:

- This item represent the accounts managed by the Bank on behalf of its customers and shall not be recognized as part of the Bank's assets. Charges and commissions of managing these accounts shall be recognized in the consolidated income statement.

Offsetting:

- Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position only when there is a legally enforceable right to set off the recognized amounts and the Bank intends to either settle on a net basis, or to realize the asset and settle the liability simultaneously.

Revenues and expenses recognition:

- Revenues and expenses are recognized based on accrual basis except for revenue on non-performing deferred sales and non-performing facilities which transferred to the revenue in suspense account and not recognized within the consolidated income statement.
- The commissions shall be recognized as revenues when service is rendered, and the dividends of companies' stocks shall be recognized upon realization (approved by the General Assembly of Shareholders).

Trade date accounting:

- Sale or purchase of financial assets is recognized at the trade date (the date that the Bank commits to purchase or sell the asset).

Foreign Currencies:

- Transactions in foreign currencies during the year shall be recorded at the prevailing exchange rate at the date of the transaction (Al Taqabud).
- Monetary assets and liabilities in foreign currencies are translated to the functional currencies at the rates of exchange prevailing at the consolidated statement of financial position date as published by the Central Bank of Jordan.
- Non-monetary assets and liabilities in foreign currencies carried at fair value are translated at the date in which the fair value was determined.
- Any gains or losses are recognized within the consolidated income statement.
- Translation gains or losses on non-monetary items carried at fair value (such as shares) are recognized within the fair value reserve.

Cash and cash equivalents:

- Cash and cash equivalents consists of cash and balances with central banks and balances at banks and financial institutions with a maturity of three months, net of due to banks and financial institutions that matures within three months and restricted balances.

3. Use of estimates

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

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

- Impairment provision of deferred sales receivables and financing: in determining impairment of financial assets, judgment is required in the estimation of the amount and timing of future cash flows as well as an assessment of whether the credit risk on the financial assets has increased significantly since initial recognition and incorporation of forward looking information in the measurement of ECL. the Bank appropriate 10% of joint investments accounts net revenues and are transfer it to the investment risk fund in accordance with the provisions of Article (55) of the Banks Law and compared with provisions as required by the Central Bank of Jordan.
- Income tax provision: the fiscal year is charged with its related income tax according to the laws and accounting standards. Also, the deferred tax assets and liabilities as well as the required tax provision are estimated and recorded.
- Management periodically revaluates the financial assets carried at cost in order to assess any impairment. Impairment on financial assets is allocated in accordance to the financing party.
- A provision is set for the lawsuits raised against the Bank. This provision is based to an adequate legal study prepared by the Bank’s legal advisor. Moreover, the study highlights potential risks that the Bank may encounter in the future. Such legal assessments are reviewed periodically.

4. Cash and balances with central banks

This item consists of the following:

Description	31 December 2018	31 December 2017
	JD	JD
Cash in vaults	159,304,752	136,043,532
Balances at the Central Bank of Jordan:		
Current accounts	470,144,768	751,127,150
Statutory cash reserve	246,636,798	251,496,268
Total balances at the Central Bank of Jordan	716,781,566	1,002,623,418
Total	876,086,318	1,138,666,950

- In compliance with Islamic Shari'a rules and the Bank's Articles of Association and bylaws, the Bank does not earn any interest on balances and current accounts held with the Central Bank of Jordan.
- Amounts of JD 22,479,102 and JD 24,530,369 were deducted as at 31 December 2018 and as at 31 December 2017 respectively, which represent cash balances for accounts managed on behalf of others.
- There are no balances maturing within more than three months as at 31 December 2018 and 31 December 2017.
- There were no restricted balances except for the statutory cash reserve as at 31 December 2018 and 31 December 2017.

5. Balances at banks and financial institutions

This item consists of the following:

Description	Local banks and financial institutions		Foreign banks and financial institutions		Total	
	31 December 2018	31 December 2017	31 December 2018	31 December 2017	31 December 2018	31 December 2017
	JD	JD	JD	JD	JD	JD
Current and on demand accounts	1,560	1,560	41,572,535	40,948,938	41,574,095	40,950,498
Less: provision for expected credit loss	-	-	(70,702)	-	(70,702)	-
Total Current and on demand accounts	1,560	1,560	41,501,833	40,948,938	41,503,393	40,950,498
Unrestricted accounts maturing within 3 months or less	-	-	52,431,501	13,174,135	52,431,501	13,174,135
Less: expected credit loss	-	-	(19,404)	-	(19,404)	-
Total Unrestricted accounts	-	-	52,412,097	13,174,135	52,412,097	13,174,135
Total	1,560	1,560	93,913,930	54,123,073	93,915,490	54,124,633

- In compliance with Islamic Shari'a rules and the Bank's Articles of Association bylaws, the Bank does not earn any interest on current and on demand accounts at local and foreign banks and financial institutions.
- There were no restricted balances at the local and foreign banks and financial institutions as at 31 December 2018 and 31 December 2017.

6. Investment accounts at banks and financial institutions

This item consists of the following:

Description	Foreign banks and financial institutions	
	31 December 2018	31 December 2017
	JD	JD
Maturing within (9-12) months	-	4,254,000
Maturing within more than one year	17,725,000	17,725,000
Less: expected credit loss	(82,702)	-
Total	17,642,298	21,979,000

- There were no restricted balances at the foreign banks and financial institutions as at 31 December 2018 and 31 December 2017.

A. Cumulative movement on balances and accounts with banks and financial institutions as of 31 December 2018:

Description	Stage 1 Individual	Stage 2 Individual	Stage 3	Total
	JD	JD	JD	JD
Beginning balance	76,103,633	-	-	76,103,633
New balances and accounts during the year	48,801,098	-	-	48,801,098
Balances and accounts paid	(13,174,135)	-	-	(13,174,135)
Transferred to stage 1	-	-	-	-
Transferred to stage 2	-	-	-	-
Transferred to stage 3	-	-	-	-
Adjustments	-	-	-	-
Written off Balances and accounts	-	-	-	-
Adjustments from Exchange rates effect	-	-	-	-
Ending balance	111,730,596	-	-	111,730,596

B. Cumulative movement on the expected credit loss for banks and financial institutions as of 31 December 2018:

Description	Stage 1 Individual	Stage 2 Individual	Stage 3	Total
	JD	JD	JD	JD
Beginning balance (Adjusted)	197,488	-	-	197,488
Expected credit loss on New balances and accounts during the year	18,881	-	-	18,881
Expected credit loss recovered from balances and accounts paid	(43,561)	-	-	(43,561)
Transferred to stage 1	-	-	-	-
Transferred to stage 2	-	-	-	-
Transferred to stage 3	-	-	-	-
Impact on ending balance provision due to change in staging classification	-	-	-	-
Adjustments	-	-	-	-
Written off Balances and accounts	-	-	-	-
Adjustments from exchange rates effect	-	-	-	-
Ending balance	172,808	-	-	172,808

7. Deferred sales receivables and other receivables –Net

This item consists of the following:

Description	Joint		Self		Total	
	31 December 2018	31 December 2017	31 December 2018	31 December 2017	31 December 2018	31 December 2017
	JD	JD	JD	JD	JD	JD
Individuals (Retail):						
Murabaha to the purchase orderer	686,314,870	709,556,824	-	-	686,314,870	709,556,824
Deferred sales	6,307,089	5,814,695	-	-	6,307,089	5,814,695
Ijarah Mawsoofa Bil Thimma	4,337,505	3,330,486	-	-	4,337,505	3,330,486
Ijarah Muntahia Bittamleek receivables	5,346,892	4,313,190	-	-	5,346,892	4,313,190
Istisna'a	320,000	-	-	-	320,000	-
Customers' receivables	4,461,335	3,794,198	4,699,616	4,513,391	9,160,951	8,307,589
Real estate financing	482,224,820	478,320,883	150,000	200,000	482,374,820	478,520,883
Corporate:						
International Murabaha	62,535,408	24,801,372	-	-	62,535,408	24,801,372
Istisna'a	11,175,144	7,542,974	-	-	11,175,144	7,542,974
Murabaha to the purchase orderer	379,980,825	366,215,885	-	-	379,980,825	366,215,885
Deferred sales	9,533	-	-	-	9,533	-
Ijarah Muntahia Bittamleek receivables	258,460	-	-	-	258,460	-
Small and Medium Enterprises (SMEs):						
Murabaha to the purchase orderer	153,554,195	149,330,645	-	-	153,554,195	149,330,645
Customers' receivables	-	-	2,220,946	1,780,687	2,220,946	1,780,687
Deferred sales	31,240	-	-	-	31,240	-
Government and public sector	601,486,612	558,885,066	9,380	146,920	601,495,992	559,031,986
Total	2,398,343,928	2,311,906,218	7,079,942	6,640,998	2,405,423,870	2,318,547,216
Less: deferred revenues*	(241,676,931)	(209,119,776)	(12,000)	(20,000)	(241,688,931)	(209,139,776)
Less: suspended revenues**	(11,380,096)	(11,702,334)	-	-	(11,380,096)	(11,702,334)
Less: deferred mutual insurance***	(5,919,469)	-	-	-	(5,919,469)	-
Less: provision for expected credit loss	(92,013,250)	(75,451,305)	(640,838)	(640,760)	(92,654,088)	(76,092,065)
Net deferred sales and other receivables	2,047,354,182	2,015,632,803	6,427,104	5,980,238	2,053,781,286	2,021,613,041

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

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

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

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

For the year ended 31 December 2018	Retail	Real estate financing	Large corporates	Small & Medium Enterprises	Government & public sector	Total
	JD	JD	JD	JD	JD	JD
Balance at beginning of the year	640,760	-	-	-	-	640,760
Transfer to during the year	2,563	-	-	-	-	2,563
Used during the year (write-offs)	-	-	-	-	-	-
Balance at the end of the year	643,323	-	-	-	-	643,323

As at 31 December 2018	Retail	Real estate financing	Large corporates	Small & Medium Enterprises	Government & public sector	Total
	JD	JD	JD	JD	JD	JD
Expected credit loss of non-performing receivables on individual customer basis	284,257	-	-	-	-	284,257
Expected credit loss of watch list receivables based on individual customer basis	267,330	-	-	-	-	267,330
Expected credit loss of watch list receivables on portfolio basis	91,736	-	-	-	-	91,736
Balance at the end of the year	643,323	-	-	-	-	643,323

For the year ended 31 December 2017	Retail	Real estate financing	Large corporates	Small & Medium Enterprises	Government & public sector	Total
	JD	JD	JD	JD	JD	JD
Balance at beginning of the year	650,000	-	-	-	-	650,000
Transfer to during the year	-	-	-	-	-	-
Used during the year (write-offs)	(9,240)	-	-	-	-	(9,240)
Balance at the end of the year	640,760	-	-	-	-	640,760

As at 31 December 2017	Retail	Real estate financing	Large corporates	Small & Medium Enterprises	Government & public sector	Total
	JD	JD	JD	JD	JD	JD
Expected credit loss of non-performing receivables on individual customer basis	288,007	-	-	-	-	288,007
Expected credit loss of watch list receivables based on individual customer basis	258,114	-	-	-	-	258,114
Expected credit loss of watch list receivables on portfolio basis	94,639	-	-	-	-	94,639
Balance at the end of the year	640,760	-	-	-	-	640,760

- There are no provisions no longer required as a result of settlement or repayment transferred to other receivables, financing, and Ijarah as at 31 December 2018 and 31 December 2017.

Movements on the deferred sales receivables were as follows:

For the year ended 31 December 2018	Deferred sales receivables	Deferred revenues
	JD	JD
Balance at the beginning of the year	5,814,695	462,371
Additions	5,180,335	424,229
Disposals	(4,647,168)	(356,026)
Balance at the end of the year	6,347,862	530,574

Movements on the suspended revenues were as follows:

Description	Joint				
	31 December 2018				
	Retail	Real estate financing	Large corporates	Small & Medium Enterprises	Total
	JD	JD	JD	JD	JD
Balance at the beginning of the year	2,820,964	4,140,350	2,890,168	1,850,852	11,702,334
Add: suspended revenues during the year	2,944,325	185,993	367,492	419,578	3,917,388
Less: revenue in suspense reversed to income	(384,991)	(1,892,252)	(838,863)	(391,512)	(3,507,618)
Less: suspended revenues written off	(307,607)	-	(123,333)	(301,068)	(732,008)
Balance at the end of the year	5,072,691	2,434,091	2,295,464	1,577,850	11,380,096

Description	Joint				
	31 December 2017				
	Retail	Real estate financing	Large corporates	Small & Medium Enterprises	Total
	JD	JD	JD	JD	JD
Balance at the beginning of the year	2,536,469	3,442,334	2,792,514	1,829,793	10,601,110
Add: suspended revenues during the year	1,263,682	1,714,989	1,391,245	911,612	5,281,528
Less: revenue in suspense reversed to income	(798,085)	(620,073)	(1,293,591)	(711,250)	(3,422,999)
Less: suspended revenues written off	(181,102)	(396,900)	-	(179,303)	(757,305)
Balance at the end of the year	2,820,964	4,140,350	2,890,168	1,850,852	11,702,334

8. Ijarah Muntahia Bittamleek assets- Net

This item consists of the following:

Description	Joint		
	31 December 2018		
	Cost	Accumulated Depreciation	Net Book Value
	JD	JD	JD
Ijarah Muntahia Bittamleek assets - real estate	788,709,559	(182,907,797)	605,801,762

Description	Joint		
	31 December 2017		
	Cost	Accumulated Depreciation	Net Book Value
	JD	JD	JD
Ijarah Muntahia Bittamleek assets - real estate	771,862,142	(181,017,707)	590,844,435

- The accrued Ijarah installments amounted to JD 5,605,352 as at 31 December 2018 (2017: JD 4,313,190) were included in deferred sales receivables and other receivables (Note 7).

9. Financing – Net

This item consists of the following:

Description	Joint		Self		Total	
	31 December 2018	31 December 2017	31 December 2018	31 December 2017	31 December 2018	31 December 2017
	JD	JD	JD	JD	JD	JD
Individuals (Retail):						
Diminishing Musharaka	31,041,161	30,098,937	256,148	282,101	31,297,309	30,381,038
Corporate						
Musharaka	2,112,320	812,000	-	-	2,112,320	812,000
Total	33,153,481	30,910,937	256,148	282,101	33,409,629	31,193,038
Less: expected credit loss provision	(703,355)	(212,681)	(2,485)	-	(705,840)	(212,681)
Net Financing	32,450,126	30,698,256	253,663	282,101	32,703,789	30,980,357

- Non-performing deferred sales receivables, Ijarah Muntahia Bittamleek receivables, other receivables, financing and Al Qard Al Hasan amounted to JD 113,149,841 as at 31 December 2018, representing 4.62 % of deferred sales receivable, Ijarah Muntahia Bittamleek receivables, other receivables, financing and Al Qard Al Hasan balance compared to JD 105,387,265 as at 31 December 2017, representing 4.46 % of the utilized balance.

- Non-performing deferred sales receivables, Ijarah Muntahia Bittamleek receivables, other receivables, financing and Al Qard Al Hasan after deducting suspended revenues amounted to JD 102,842,456 as at 31 December 2018, representing 4.21 % of deferred sales, Ijarah Muntahia Bittamleek receivables, other receivables, financing and Al Qard Al Hasan balance, compared to JD 94,757,588 as at 31 December 2017, representing 4.03 % of the utilized balance.
- Deferred sales, other receivables, and financing granted to and guaranteed by the Government of Jordan amounted to JD 604,491,076 as at 31 December 2018, representing 24.76 % of deferred sales, other receivables and financing balance, compared to JD 562,027,070 as at 31 December 2017, representing 23.90 % of the utilized balance.

A. Cumulative movement on direct facilities as of 31 December 2018:

Description	Stage 1		Stage 2		Stage 3	Total
	Individual	Collective	Individual	Collective		
	JD	JD	JD	JD	JD	JD
Balance at the beginning of the year	705,716,391	638,987,899	650,299,780	26,495,310	120,896,299	2,142,395,679
New facilities during the year	429,367,219	591,183,441	16,980,230	6,250,194	6,262,450	1,050,043,534
Settled facilities	(321,510,887)	(315,970,129)	(306,600,645)	(6,323,700)	(40,661,125)	(991,066,486)
Transferred to stage 1	114,494,855	14,659,652	(114,494,855)	(12,231,692)	(2,427,960)	-
Transferred to stage 2	(131,588,485)	(21,396,510)	135,310,923	23,103,459	(5,429,387)	-
Transferred to stage 3	(9,579,410)	(18,204,379)	(26,221,681)	(7,951,267)	61,956,737	-
Adjustments	-	-	-	-	-	-
Written off facilities	-	-	-	-	(7,247,230)	(7,247,230)
Adjustments from exchange rates effect	-	-	-	-	-	-
Balance at the end of the year	786,899,683	889,259,974	355,273,752	29,342,304	133,349,784	2,194,125,497

B. Cumulative movement on the expected credit loss for direct facilities as of 31 December 2018:

Description	Corporate		SMEs		Individuals		Real estate financing		Government and public sector		Total
	JD		JD		JD		JD		JD		JD
Balance at the beginning of the year	16,487,271		16,299,890		30,842,908		9,474,552		-		73,104,621
Expected credit loss on the new facilities during the year	14,392,057		1,490,235		5,502,711		5,970,890		-		27,355,893
Expected credit loss recovered from facilities paid	(6,946,717)		(4,250,960)		(8,914,552)		(4,257,945)		-		(24,370,174)
Transferred to stage 1	-		-		-		-		-		-
Transferred to stage 2	-		-		-		-		-		-
Transferred to stage 3	-		-		-		-		-		-
Impact on ending balance provision due to change in staging classification	-		-		-		-		-		-
Adjustments	-		-		-		-		-		-
Written off facilities	(3,107,432)		(650,890)		(791,450)		-		-		(4,549,772)
Adjustments from exchange rates effect	-		-		-		-		-		-
Balance at the end of the year	20,825,179		12,888,275		26,639,617		11,187,497		-		71,540,568
Reallocated:											
Individual level provision	20,825,179		9,501,867		7,366,000		4,136,294		-		41,829,340
Collective level provision	-		3,386,408		19,273,617		7,051,203		-		29,711,228

10. Financial assets at fair value through owner's equity – self financed

This item consists of the following:

Description	31 December 2018	31 December 2017
	JD	JD
Quoted financial assets		
Companies shares	2,911,479	2,523,375
Total financial assets – quoted	2,911,479	2,523,375
Unquoted financial assets		
Companies shares	1,781,215	1,605,450
Al Wakala Bi Al Istithmar (investment portfolio)	6,000,000	6,400,000
Total financial assets - unquoted	7,781,215	8,005,450
Total financial assets at fair value through owner's equity – self financed	10,692,694	10,528,825

- Financial assets stated at cost, as their fair value cannot be reliably measured amounted to JD 6,000,000 as at 31 December 2018 compared to JD 6,400,000 as at 31 December 2017.

11. Financial assets at fair value through joint investment accounts holders' equity - joint

This item consists of the following:

Description	31 December 2018	31 December 2017
	JD	JD
Quoted financial assets:		
Companies shares	19,746,863	21,956,512
Total quoted financial assets	19,746,863	21,956,512
Unquoted financial assets:		
Companies shares	4,638,897	2,568,643
Islamic banks portfolio	709,000	709,000
Al Wakala Bi Al Istithmar (investment portfolio)	11,500,000	12,150,000
Total unquoted financial assets	16,847,897	15,427,643
Total financial assets at fair value through joint investment accounts holders' equity - joint	36,594,760	37,384,155

- Financial assets stated at cost, as their fair value cannot be reliably measured amounted to JD 16,847,897 as at 31 December 2018 compared to JD 15,427,643 at of 31 December 2017.

12. Financial assets at amortized cost

This item consists of the following:

Description	31 December 2018	31 December 2017
	JD	JD
Quoted financial assets		
Islamic Sukuk	9,908,984	9,908,984
Provision for expected credit loss for financial assets	(1,453,352)	-
Total quoted financial assets	8,455,632	9,908,984
Unquoted financial assets		
Islamic Sukuk	178,682,600	67,743,300
Islamic banks portfolio	6,432,809	2,274,896
Total unquoted financial assets	185,115,409	70,018,196
Provision for expected credit loss for financial assets	(1,897,662)	(1,818,373)
Net unquoted financial assets	183,217,747	68,199,823
Total Financial Assets at amortized cost	191,673,379	78,108,807

- Islamic Sukuk rate of return ranges between 2.8% - 5.47% payable on a semi-annual basis, with a maturity of 5 years.
- Islamic Sukuk in US Dollars rate of return ranges between 6.5 % - 10.5 % payable on an annual basis, with a maturity of 7 years.
- The Bank has amended the Business Model as Islamic banks and Islamic Sukuks have been reclassified from Financial Assets at Fair Value through Investment Account Holder's Equity – Joint amounting to JD 16,793,444 as at 1 January 2018 to financial assets at amortized cost. In accordance with the instructions of the Central Bank of Jordan No. (13/2018) dated 6 June 2018.

A. Cumulative movement on financial investments as of 31 December 2018:

Description	Stage 1 Individual	Stage 2 Individual	Stage 3	Total
	JD	JD	JD	JD
Fair value at the beginning of the year	71,018,989	7,090,000	1,818,191	79,927,180
New investments during the year	121,769,913	-	-	121,769,913
Matured investments	(6,672,700)	-	-	(6,672,700)
Change in fair value	-	-	-	-
Transferred to stage 1	-	-	-	-
Transferred to stage 2	-	-	-	-
Transferred to stage 3	-	-	-	-
Adjustments	-	-	-	-
Written off investments	-	-	-	-
Adjustments from exchange rates effect	-	-	-	-
Balance at the end of the year	186,116,202	7,090,000	1,818,191	195,024,393

B. Cumulative movement on the expected credit loss provision for financial investments as of 31 December 2018:

Description	Stage 1 Individual	Stage 2 Individual	Stage 3	Total
	JD	JD	JD	JD
Balance at the beginning of the year	111,060	2,198,698	1,818,191	4,127,949
Expected credit loss on new investments during the year	60,521	-	-	60,521
Expected credit loss recovered from matured investments	(69,997)	-	-	(69,997)
Transferred to stage 1	-	-	-	-
Transferred to stage 2	-	-	-	-
Transferred to stage 3	-	-	-	-
Adjustments	-	(767,459)	-	(767,459)
Written off investments	-	-	-	-
Adjustments from exchange rates effect	-	-	-	-
Balance at the end of the year	101,584	1,431,239	1,818,191	3,351,014

13. Investments in associates

This item consists of the following:

Company Name	Joint								
	Country of incorporation	Percentage of ownership %	Nature of activity	Date of preparing financial statements	Acquisition date	Cost		Value under equity method	
						31 December 2018	31 December 2017	31 December 2018	31 December 2017
					JD	JD	JD	JD	JD
Jordan Center for International Trading Co.	Jordan	28.4	Commercial	31 December.	1983	1,070,507	1,070,507	1,582,596	1,587,853
Islamic Insurance Co.	Jordan	33.3	Insurance	31 December.	1995	4,625,908	4,625,908	6,772,605	6,795,263
Total associates						5,696,415	5,696,415	8,355,201	8,383,116

- Investments in associates - joint are measured using equity method. Fair value of these investments as at 31 December 2018 amounted to JD 6,847,730 compared to JD 8,055,860 as at 31 December 2017.

14. Investments in real estate

This item consists of the following:

Description	Joint	
	31 December 2018	31 December 2017
	JD	JD
Investments in real estate *	127,806,724	120,757,937
Provision for repossessed investments in real estate **	(12,363)	(12,363)
Impairment provision for repossessed investments in real estate	(1,414,500)	(533,171)
Net Assets	126,379,861	120,212,403

* Investments in real estate are presented at fair value, with a book value (cost) of JD 114,991,862 as at 31 December 2018 compared to JD 109,252,579 as at 31 December 2017.

** Impairment for repossessed investments in real estate was provided for starting from 1 January 2016 according to the Central Bank of Jordan letter No. (10/1/2510) dated 14 February 2017 by charging 10% annually until the impairment provision reaches 50% of investment in real estate value. According to subsequent Central Bank of Jordan circular No. (10/1/16607) dated 17 December 2017, it was decided to suspend the prior circular for the year 2018, and to continue to recognize such provision starting from the year 2019.

15. Al Qard Al Hasan - Net

This item consists of the following:

Description	31 December 2018	31 December 2017
	JD	JD
Al Qard Al Hasan	14,280,494	13,497,535
Less: provision for expected credit loss - self*	(2,554,737)	(4,500,000)
Al Qard Al Hasan - Net	11,725,757	8,997,535

* Movements on assets expected credit loss - self were as follows:

Description	Beginning balance	Appropriated during the year	Used during the year	Transferred during the year	Transferred to revenues	Ending balance
	JD	JD	JD	JD	JD	JD
31 December 2018						
Expected credit loss-Self	4,500,000	300,000	-	(2,245,263)	-	2,554,737
Total	4,500,000	300,000	-	(2,245,263)	-	2,554,737
31 December 2017						
Expected credit loss-Self	4,500,000	-	-	-	-	4,500,000
Total	4,500,000	-	-	-	-	4,500,000

16. Property and equipment - Net

This item consists of the following:

Description	31 December 2018					
	Land	Buildings	Equipment, Furniture and Fixtures	Vehicles	Computers	Total
	JD	JD	JD	JD	JD	JD
Cost						
Beginning balance	30,217,226	33,417,223	49,711,346	2,333,871	15,046,201	130,725,867
Additions	2,078,980	8,386,116	5,468,749	478,052	2,697,151	19,109,048
Disposals	-	(347,525)	(1,056,801)	(352,524)	(2,289,103)	(4,045,953)
Ending balance	32,296,206	41,455,814	54,123,294	2,459,399	15,454,249	145,788,962
Accumulated Depreciation	-	(6,588,002)	(39,559,889)	(1,013,404)	(13,502,368)	(60,663,663)
Depreciation of the year	-	(721,473)	(4,429,676)	(121,665)	(1,429,800)	(6,702,614)
Disposals	-	-	699,570	62,155	2,181,389	2,943,114
Ending Balance	-	(7,309,475)	(43,289,995)	(1,072,914)	(12,750,779)	(64,423,163)
Net book value of property and equipment	32,296,206	34,146,339	10,833,299	1,386,485	2,703,470	81,365,799
Payments on purchase of property and equipment	-	-	999,985	-	613,672	1,613,657
Projects in progress	-	331,756	-	-	-	331,756
Net property and equipment, at the end of the year	32,296,206	34,478,095	11,833,284	1,386,485	3,317,142	83,311,212

Description	31 December 2017					
	Land	Buildings	Equipment, Furniture and Fixtures	Vehicles	Computers	Total
	JD	JD	JD	JD	JD	JD
Cost						
Beginning balance	27,601,454	32,980,721	46,493,640	2,558,545	13,654,762	123,289,122
Additions	2,615,772	887,351	3,344,251	3,231	1,621,117	8,471,722
Disposals	-	(450,849)	(126,545)	(227,905)	(229,678)	(1,034,977)
Ending balance	30,217,226	33,417,223	49,711,346	2,333,871	15,046,201	130,725,867
Accumulated Depreciation	-	(6,025,506)	(35,080,825)	(964,807)	(12,292,777)	(54,363,915)
Depreciation of the year	-	(562,496)	(4,515,437)	(86,820)	(1,436,769)	(6,601,522)
Disposals	-	-	36,373	38,223	227,178	301,774
Ending Balance	-	(6,588,002)	(39,559,889)	(1,013,404)	(13,502,368)	(60,663,663)
Net book value of property and equipment	30,217,226	26,829,221	10,151,457	1,320,467	1,543,833	70,062,204
Payments on purchase of property and equipment	-	-	1,441,074	-	531,290	1,972,364
Projects in Progress	-	5,994,398	-	-	-	5,994,398
Net property and equipment at the end of the year	30,217,226	32,823,619	11,592,531	1,320,467	2,075,123	78,028,966

- Fully depreciated property and equipment amounted to JD 51,366,220 as at 31 December 2018 compared to JD 42,674,628 as at 31 December 2017.

17. Depreciation and amortization

This item consists of the following:

Description	31 December 2018	31 December 2017
	JD	JD
Property and equipment depreciation	6,702,614	6,601,522
Intangible assets amortization	751,325	1,134,758
Total	7,453,939	7,736,280

18. Intangible assets

This item consists of the following:

Description	Computer systems and softwares	Computer systems and softwares
	31 December 2018	31 December 2017
	JD	JD
Beginning balance	520,471	1,397,651
Additions	760,079	257,578
Amortization	(751,325)	(1,134,758)
Total	529,225	520,471
Payments for softwares purchases	1,769,911	1,027,607
Ending balance	2,299,136	1,548,078

19. Other assets

This item consists of the following:

Description	31 December 2018	31 December 2017
	JD	JD
Accrued revenues	146,637	134,927
Prepaid expenses	297,742	330,653
Temporary debit accounts	4,808,445	4,819,929
Stationery and publications	656,291	534,922
Prepaid rent	751,091	824,112
Stamps	826,791	623,793
Credit card accounts	1,434,322	1,653,925
Settlement guarantee fund deposits	25,000	27,000
Refundable deposits	303,267	329,528
Acceptable notes	124,178	382,319
Others	305,503	556,257
Total	9,679,267	10,217,365

20. Banks and financial institutions accounts

This item consists of the following:

Description	31 December 2018			31 December 2017		
	Inside the Kingdom	Outside the Kingdom	Total	Inside the Kingdom	Outside the Kingdom	Total
	JD	JD	JD	JD	JD	JD
Current and on demand accounts	88,555	8,152,801	8,241,356	88,555	4,923,485	5,012,040
Total	88,555	8,152,801	8,241,356	88,555	4,923,485	5,012,040

21. Customers' current and on demand accounts

This item consists of the following:

Description	31 December 2018				
	Retail	Corporate	Small and Medium Enterprises	Government and public sector	Total
	JD	JD	JD	JD	JD
Current accounts	640,984,406	15,946,995	184,769,776	30,962,143	872,663,320
On demand accounts	201,949,458	2,720	1,392,274	298	203,344,750
Total	842,933,864	15,949,715	186,162,050	30,962,441	1,076,008,070

Description	31 December 2017				
	Retail	Corporate	Small and Medium Enterprises	Government and public sector	Total
	JD	JD	JD	JD	JD
Current accounts	692,017,939	19,137,632	178,312,541	28,112,611	917,580,723
On demand accounts	208,882,486	98,943	1,154,915	-	210,136,344
Total	900,900,425	19,236,575	179,467,456	28,112,611	1,127,717,067

- Government and public sector deposits inside the Kingdom amounted to JD 30,962,441 representing 2.88 % of the total customers' current and on demand accounts as at 31 December 2018 compared to JD 28,112,611 representing 2.49 % as at 31 December 2017.
- Dormant accounts amounted to JD 48,071,967 as of 31 December 2018 compared to JD 48,537,772 as of 31 December 2017.
- The restricted accounts amounted to JD 5,639,774, representing 0.52 % of the total customers' current and on demand accounts as of 31 December 2018 compared to JD 6,722,099 representing 0.60 % as of 31 December 2017 of the total customers' current and on demand accounts.

22. Cash margins

The item consists of the following:

Description	31 December 2018	31 December 2017
	JD	JD
Cash margins against sales receivables, finances and other receivables	13,994,067	16,155,755
Cash margins against indirect facilities	24,172,828	24,688,177
Other margins	7,043,323	7,063,045
Total	45,210,218	47,906,977

23. Accounts payable

The item consists of the following:

Description	31 December 2018	31 December 2017
	JD	JD
Customers' accounts payable	400,227	812,999
Total	400,227	812,999

24. Other provisions

This item consists of the following:

Description	31 December 2018				
	Beginning Balance	Appropriated during the year	Transferred during the year	Utilized during the year	Ending Balance
	JD	JD	JD	JD	JD
End of service indemnity provision	3,500,000	300,000	-	-	3,800,000
Legal case held against bank provision	-	75,000	-	-	75,000
Employees' vacation provision	3,250,000	150,000	-	-	3,400,000
Contingencies provision*	4,540,108	-	2,171,998	-	6,712,106
Total	11,290,108	525,000	2,171,998	-	13,987,106

Description	31 December 2017			
	Beginning Balance	Appropriated during the year	Utilized during the year	Ending Balance
	JD	JD	JD	JD
End of service indemnity provision	3,500,000	-	-	3,500,000
Employees' vacation provision	3,000,000	250,000	-	3,250,000
Total	6,500,000	250,000	-	6,750,000

* Beginning balance represents amounts transferred from retained earnings as a result of IFRS (9) implementation.

25. Income tax provision

A. Bank's income tax provision

Movement on the Bank's income tax provision was as follows:

Description	31 December 2018	31 December 2017
	JD	JD
Beginning balance for the year	23,760,966	25,425,244
Income tax paid	(22,247,035)	(23,095,980)
Income tax expense	25,596,078	26,799,702
Income tax paid for the years 2018, 2017	(4,650,636)	(5,368,000)
Ending balance for the year	22,459,373	23,760,966

B. Income tax expense shown in the consolidated income statement represents the following:

Description	31 December 2018	31 December 2017
	JD	JD
Income tax for the profit of the year	25,596,078	26,799,702
Total	25,596,078	26,799,702

- Income tax provision for the year ended 31 December 2018 was calculated in accordance with the income tax law No. (34) of 2014.
- The Bank obtained final income tax clearance up to the year 2015, and submitted its Income tax declaration for the years 2016 and 2017.
- Al Samaha Funding and Investment Company Ltd., and Sanabel Al-Khair for financial investments Company obtained final income tax clearance up to the years 2014 and 2016. Future Applied Computer Technology Company Ltd obtained final income tax clearance up to the year 2014. Omariah Schools Company Ltd. has obtained final income tax clearance up to 2016, all subsidiaries mentioned have submitted their income tax declaration up to the year 2017.

26. Deferred tax liabilities

This item consists of the following:

Description	31 December 2018					31 December 2017
	Beginning Balance	Amounts released during the year	Additions during the year	Ending 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' equity	315,946	(1,660,429)	-	(1,344,483)	(510,904)	110,581
Investments in real estate	11,505,358	(885,179)	2,194,683	12,814,862	4,869,648	4,026,875
Total	11,821,304	(2,545,608)	2,194,683	11,470,379	4,358,744	4,137,456
B. Deferred tax liabilities – self financed **						
Financial assets at fair value through owner's equity	1,858,650	-	359,840	2,218,490	843,026	650,528
Total	1,858,650	-	359,840	2,218,490	843,026	650,528

* Deferred tax liabilities - joint includes an amount of JD 4,358,744 as at 31 December 2018 compared to JD 4,137,456 as at 31 December 2017 resulting from the profits of evaluating financial and non-financial assets within the fair value reserve of the unrestricted investment accounts holders'.

** Deferred tax liabilities - self financed includes an amount of JD 843,026 as at 31 December 2018 compared to JD 650,528 as at 31 December 2017 resulting from the profits of evaluating financial assets within the fair value reserve of owner's equity.

Movement on deferred tax liabilities was as follows:

26- A. Joint

Description	31 December 2018	31 December 2017
	JD	JD
Beginning Balance	4,137,456	6,036,616
Additions	221,288	-
Disposals	-	(1,899,160)
Ending Balance	4,358,744	4,137,456

26- B. Self

Description	31 December 2018	31 December 2017
	JD	JD
Beginning Balance	650,528	327,556
Additions	192,498	322,972
Ending Balance	843,026	650,528

26- C. Reconciliation between tax profit and accounting profit:

Description	31 December 2018	31 December 2017
	JD	JD
Accounting profit	75,404,005	80,938,755
Non-taxable profit	(3,268,452)	(4,799,199)
Nondeductible expenses	1,022,963	459,592
Taxable profit	73,158,516	76,599,148
Attributable to:		
Bank	73,073,037	76,508,240
Subsidiaries	85,479	90,908
Statutory income tax rate - Bank	35%	35%
Statutory income tax rate - Subsidiaries	24%	24%
Effective income tax rate	35%	33.1%

27. Other liabilities

This item consists of the following:

Description	31 December 2018	31 December 2017
	JD	JD
Accepted cheques	2,434,928	2,349,414
Revenues received in advance	1,769,897	1,824,752
Al Qard Al Hasan Fund	2,255,054	1,725,402
Temporary deposits	733,473	837,793
Miscellaneous credit balances	3,187,982	2,310,889
Cheques against notes payables	4,499,872	4,748,093
Banker's cheques	6,871,191	4,060,896
Others	3,454,373	1,512,432
Total	25,206,770	19,369,671

28. A. Unrestricted investment accounts

This item consists of the following:

Description	31 December 2018					
	Retail	Corporate	Small and Medium Enterprises	Government and public sector	Banks	Total
	JD	JD	JD	JD	JD	JD
Saving accounts	527,628,610	1,248,540	9,913,534	283	7,273,225	546,064,192
Notice accounts	9,420,541	-	9,586,684	591,906	4,353,361	23,952,492
Term accounts	1,739,495,308	5,747,054	115,230,166	26,852,499	-	1,887,325,027
Total	2,276,544,459	6,995,594	134,730,384	27,444,688	11,626,586	2,457,341,711
Depositors' share from Investment returns	47,950,111	147,346	2,848,453	578,059	104,600	51,628,569
Total unrestricted investment accounts	2,324,494,570	7,142,940	137,578,837	28,022,747	11,731,186	2,508,970,280

Description	31 December 2017					
	Retail	Corporate	Small and Medium Enterprises	Government and public sector	Banks	Total
	JD	JD	JD	JD	JD	JD
Saving accounts	528,827,240	500,694	9,046,343	8,292	660,701	539,043,270
Notice accounts	9,435,099	-	5,183,099	16,768,150	-	31,386,348
Term accounts	1,742,127,050	5,641,113	114,447,071	43,761,136	5,000,000	1,910,976,370
Total	2,280,389,389	6,141,807	128,676,513	60,537,578	5,660,701	2,481,405,988
Depositors' share from investment returns	49,303,663	132,790	2,798,424	1,308,866	10,899	53,554,642
Total unrestricted investment accounts	2,329,693,052	6,274,597	131,474,937	61,846,444	5,671,600	2,534,960,630

- Unrestricted investment accounts share of profits is calculated as follows:
 - 40% of the annual average balance of saving accounts.
 - 70% of the annual average balance of notice accounts.
 - 90% of the minimum balance of term accounts.
- Profit percentage for Jordanian Dinars deposits was 3.10 % as at 31 December 2018 compared to 3.20 % as at 31 December 2017, profit percentage of foreign currencies deposits was 1.10 % as at 31 December 2018 compared to 1.04 % as at 31 December 2017.

- Unrestricted investment accounts (Government of Jordan and Public Sector) inside the Kingdom amounted to JD 28,022,747, representing 1.12 % of the total unrestricted investment accounts as at 31 December 2018 compared to JD 61,846,444, representing 2.44 % as of 31 December 2017.
- The withdrawal restricted investment accounts were amounted to JD 4,750,541 representing 0.19 % of the total unrestricted investment accounts as at 31 December 2018 compared to JD 3,978,505, representing 0.16 % as at 31 December 2017.

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

This item consists of the following:

Description	Joint	
	31 December 2018	31 December 2017
	JD	JD
Investment accounts holders' reserve – Subsidiaries	15,486,116	14,948,159
Investment accounts holders' reserve – Associates	2,658,786	2,686,701
Total	18,144,902	17,634,860
Non-Controlling Interests	153,866	165,487

29. Fair value reserve

This item consists of the following:

A. Joint

Description	Joint	
	31 December 2018	31 December 2017
	JD	JD
Financial assets at fair value through joint investment accounts holders' equity reserve	(833,579)	205,365
Investments in real estate reserve	7,945,214	7,478,483
Total	7,111,635	7,683,848

B. Self

Description	Self	
	31 December 2018	31 December 2017
	JD	JD
Financial assets at fair value through owner's equity - self	1,375,464	1,208,122
Total	1,375,464	1,208,122

C. Movement on the fair value reserve for the unrestricted investment accounts holders' equity was as follows:

Description	31 December 2018		
	Financial assets at fair value	Investments in real estate	Total
	JD	JD	JD
Beginning Balance *	315,946	11,505,358	11,821,304
Unrealized (Loss) profits	(1,660,429)	2,194,683	534,254
Deferred tax liabilities	510,904	(4,869,648)	(4,358,744)
Profits transferred to the consolidated income statement	-	(885,179)	(885,179)
Ending Balance	(833,579)	7,945,214	7,111,635

Description	31 December 2017		
	Financial assets at fair value	Investments in real estate	Total
	JD	JD	JD
Beginning Balance *	2,211,454	15,036,019	17,247,473
Unrealized loss	(1,895,508)	(3,457,182)	(5,352,690)
Deferred tax liabilities	(110,581)	(4,026,875)	(4,137,456)
Profits transferred to the consolidated income statement	-	(73,479)	(73,479)
Ending Balance	205,365	7,478,483	7,683,848

* The fair value reserve beginning balance includes the prior year deferred tax liabilities of JD 4,137,456.

D. Movement on the fair value reserve / owner's equity was as follows:

Description	Financial assets at fair value	
	31 December 2018	31 December 2017
	JD	JD
Beginning Balance*	1,858,650	935,875
Unrealized profits	359,840	922,775
Deferred tax liabilities	(843,026)	(650,528)
Ending Balance	1,375,464	1,208,122

* The fair value reserve beginning balance includes the prior year deferred tax liabilities of JD 650,528.

E. Provision for probable contingencies:

Movements on probable contingencies provisions were as follows:

Description	31 December 2018	31 December 2017
	JD	JD
Beginning balance for the year	-	-
Effect of IFRS (9) adoption	581,915	-
Adjusted beginning balance	581,915	-
Movement during the year	460,602	-
Ending Balance for the year	1,042,517	-

30. Investment risk fund:

A. Movement on the investment risk fund was as follows:

Description	31 December 2018	31 December 2017
	JD	JD
Beginning Balance	105,233,556	95,629,553
Add: transferred from investment profits during the year	19,175,849	19,123,046
Tax settlement - Net	(1,515)	22,265
Amounts recovered from prior years losses	1,489,269	420,916
Losses written off during the year*	(6,593,432)	(4,857,404)
Less: tax payments for the years 2018, 2017	(1,412,345)	(1,358,788)
Net accrued income tax**	(3,455,761)	(3,746,032)
Ending Balance	114,435,621	105,233,556

* The losses charged to the fund as at 31 December 2018 represent debt amortization losses at the sum of JD 6,543,067 compared to a sum of JD 4,857,404 as at 31 December 2017. Realized losses from sale of investment in shares as at 31 December 2018 was JD 50,365 in accordance with Article (55) of the Banks Law and the Interpretation issued by the Bureau of Laws Interpretation.

- A percentage of 10 % was deducted from the net realized joint investment profits from different transactions as at 31 December 2018 and transferred to the investment risk fund (2017: 10 %.)
- Investment risk fund balance devolves to the Zakah fund in case of the Bank's liquidation.

** The aforementioned fund income tax item represents:

Description	31 December 2018	31 December 2017
	JD	JD
Beginning balance for the year	3,746,032	652,909
Paid income tax	(3,746,032)	(652,909)
Accrued income tax	4,868,106	5,104,820
Tax payment for the years 2018, 2017	(1,412,345)	(1,358,788)
Ending balance for the year	3,455,761	3,746,032

B. The Investment risk fund balance is distributed as follows:

Description	31 December 2018	31 December 2017
	JD	JD
Ending Balance	114,435,621	105,233,556
Expected credit loss for deferred sales receivables – (Note 7)	88,833,924	73,100,869
Expected credit loss for Ijarah Muntahia Bittamleek receivables – (Note 7)	2,089,881	1,820,617
Expected credit loss for financing – (Note 9)	703,355	212,681
Repossessed investment in real estate – (Note 14)	12,363	12,363
Impairment provision for repossessed investment in real estate – (Note 14)	1,414,500	533,171
Expected credit loss for financial assets – (Note 12)	3,351,014	1,818,373
Expected credit loss for investment accounts – (Note 5,6)	102,106	-
Expected credit loss for probable contingencies – (Note 29/E)	1,042,517	-
Total expected credit loss and impairment provision	97,549,660	77,498,074
Mutual insurance fund share – deferred sales receivables (expected credit loss)	(14,440,599)	(8,417,661)
Mutual insurance fund share – Ijarah Muntahia Bittamleek receivable (expected credit loss)	(328,020)	(197,344)
Remaining Balance *	31,654,580	36,350,487

* The remaining undistributed balance is related to the joint investment accounts.

- Income tax of the investment risk fund was settled up to the year 2015 and income tax return was filed for the year 2016,2017. Declared tax was settled in accordance with the related Shari'a Fatwa.

C. Mutual Insurance Fund

Movement on the mutual insurance fund was as follows:

Description	31 December 2018	31 December 2017
	JD	JD
Beginning balance	80,887,125	73,711,297
Add: profits for the years 2017 and 2016	2,139,556	1,981,015
Add: insurance premiums collected during the year	1,148,010	14,806,862
Add: amounts recovered from prior years losses	39,737	42,614
Less: insurance premiums paid during the year	(4,422,911)	(4,208,919)
Less: tax payments for the years 2017, 2018	-	(709,438)
Less: income tax fund for the years 2017 and 2016	(3,513,547)	(4,180,404)
Less: fund's committee members remunerations	(16,000)	(16,000)
Less: consulting fees	(13,340)	(1,740)
Less: Insurance paid for the dissolution of contracts before 1 January 2018	(222,440)	-
Less: losses written off during the year	(653,798)	(538,162)
Ending balance	75,372,392	80,887,125

- The mutual insurance fund was established based on Article (54) - paragraph (D/3) of the Banks Law No. (28) for the year 2000.
- Prior approval of the Central Bank of Jordan must be obtained in case of any changes to the mutual insurance fund policies.
- In case of discontinuing the mutual insurance fund for any reason, the Board of Directors shall determine the way of spending the fund's sources for charity.
- The Central Bank of Jordan approved considering the Mutual Insurance Fund as mitigating risk exposure according to its letter No. (10/1/12160) dated 9 October 2014.
- Compensation payment for the subscriber is made from the Fund as determined by the Bank from the subscriber's outstanding debt insured in Murabaha or in any other form of deferred sales or as determined by the Bank from the debt and/or the remaining amount from the Ijarah asset in the following cases:
 - Death of subscriber.
 - The subscriber's physical disability, fully or partially.
 - The subscriber's insolvency due to lack of income sources for at least one year, without having an assets or possessing the leased estate to settle his debt and has no opportunity to obtain income source in the upcoming year that enable the debtor to settle his debt or to continue in the finance lease.

Mutual insurance fund balance is allocated as follows:

Description	31 December 2018	31 December 2017
	JD	JD
Ending balance	75,372,392	80,887,125
Expected credit loss for deferred sales receivables	(14,440,599)	(8,417,661)
Expected credit loss for Ijarah Muntahia Bittamleek receivables	(328,020)	(197,344)
Excess of mutual insurance fund	60,603,773	72,272,120

- The expected credit loss of deferred sales receivables and Ijarah Muntahia Bittamleek receivables included in the mutual insurance fund was computed starting from 31 December 2014 in accordance to the approval of the Central Bank of Jordan.
- As of the beginning of 2018, the group has applied the accrual basis instead of cash basis with regards to insurance premiums received from subscribers, additionally, it was approved to increase the ceiling of coverage to become JD 150 thousand instead of JD 100 thousand.
- Mutual insurance fund covers financing granted by Bank (financing granted from joint investment account and Al Wakala Bi Al Istithmar accounts (investments portfolio)).

C. Subsidiaries expected credit loss provision

Description	31 December 2018	31 December 2017
	JD	JD
Al Samaha Funding and Investment Company Ltd. - (Note 7)	485,327	81,514
Al Omariah Schools Company Ltd. - (Note 7)	604,118	448,305
Total	1,089,445	529,819

31. Paid-In Capital:

- The authorized and paid-in capital amounted to JD 180 million as at 31 December 2018 (2017: JD 180 million) consisting of 180 million shares (2017: 180 million shares).

32. Reserves:

Statutory reserve:

The accumulated amounts in this account represent the transferred 10% of annual profits before taxes during the current and previous years, in accordance with Banks Law. This reserve is not available for distribution to shareholders.

Voluntary reserve:

The accumulated amounts in this account represent the transferred 20% of annual profits before taxes during the current and previous years and is used for purposes determined by the Board of Directors. General Assembly is entitled to fully or partially distribute the reserve as dividends.

Restricted reserves are as follows:

Description	JD	Nature of Restriction
Statutory reserve	84,018,397	Banks Law

33. Retained earnings

The item consists of the following:

Description	31 December 2018	31 December 2017
	JD	JD
Balance at the beginning of the year	85,577,364	100,123,623
Effect of adoption of IFRS 9	(4,540,108)	
Transfer from General Banking Risk Reserve	1,000,000	
Balance after adoption of IFRS 9	82,037,256	100,123,623
Profit after income tax	49,807,927	54,139,053
Transferred to statutory reserve	(7,547,017)	(8,100,584)
Transferred to voluntary reserve	(7,532,333)	(8,084,728)
Dividends distributed to shareholders	(27,000,000)	(22,500,000)
Transferred to capital increase	-	(30,000,000)
Balance at the end of the year	89,765,833	85,577,364

Proposed Dividends

Proposed cash dividends to be distributed to shareholders for the year 2018 is 15 % of the paid-in capital with an amount of JD 27 million (2017: 15% of the paid-in capital with amount of JD 27 million). Proposed stock dividends to be distributed amounted to 11.11% of the paid-in capital subjected to the approval of the Central Bank of Jordan.

34. Deferred sales revenues

This item consists of the following:

Description	Joint		Self-financed		Total	
	31 December 2018	31 December 2017	31 December 2018	31 December 2017	31 December 2018	31 December 2017
	JD	JD	JD	JD	JD	JD
Individuals (Retail):						
Murabaha to the purchase orderer	50,852,499	53,372,815	-	-	50,852,499	53,372,815
Deferred sales	533,958	456,238	-	-	533,958	456,238
Ijarah Mawsoofa Bil Thimma	319,196	252,611	-	-	319,196	252,611
Real Estate Financing	36,582,571	36,731,385	8,000	10,000	36,590,571	36,741,385
Corporate:						
International Murabaha	732,223	123,473	-	-	732,223	123,473
Istisna'a	68,340	331,267	-	-	68,340	331,267
Murabaha to the purchase orderer	17,469,611	16,602,898	-	-	17,469,611	16,602,898
Deferred sales	275	-	-	-	275	-
Small and Medium Enterprises:						
Murabaha to the purchase orderer	8,416,820	8,385,298	-	-	8,416,820	8,385,298
Deferred sales	1,788	-	-	-	1,788	-
Government and public sector	23,815,365	24,801,089	-	-	23,815,365	24,801,089
Total	138,792,646	141,057,074	8,000	10,000	138,800,646	141,067,074

35. Financing revenues

This item consists of the following:

Description	Joint		Self-financed		Total	
	31 December 2018	31 December 2017	31 December 2018	31 December 2017	31 December 2018	31 December 2017
	JD	JD	JD	JD	JD	JD
Individuals (Retail):						
Diminishing Musharaka	442,805	427,616	4,580	3,737	447,385	431,353
Small & Medium Enterprises:						
Diminishing Musharaka	-	5,500	-	-	-	5,500
Total	442,805	433,116	4,580	3,737	447,385	436,853

36. Gain from financial assets at fair value through the joint investment accounts holders' equity

This item consists of the following:

Description	Joint	
	31 December 2018	31 December 2017
	JD	JD
Dividends income	918,795	995,614
Total	918,795	995,614

37. Gain from financial assets at amortized cost

The item consists of the following:

Description	Joint	
	31 December 2018	31 December 2017
	JD	JD
Islamic Sukuk	3,704,657	2,809,042
Islamic banks portfolio revenues	35,386	86,248
Total	3,740,043	2,895,290

38. Dividends from subsidiaries and associates

This item consists of the following:

Description	Ownership percentage	Distribution percentage	Distributed dividends	
			31 December 2018	31 December 2017
			JD	JD
Subsidiaries				
Al Omariah Schools Company Ltd	99.4	6.0	765,266	-
Associates				
Jordanian Center for International Trading Co.	28.4	9.0	86,760	86,760
Islamic Insurance Co.	33.3	8.0	400,000	-
Total			1,252,026	86,760

39. Revenues from investments in real estate

This item consists of the following:

Description	Joint	
	31 December 2018	31 December 2017
	JD	JD
Realized gain from investments in real estate	1,511,676	797,170
Total	1,511,676	797,170

40. Revenues from leased and Ijarah Muntahia Bittamleek assets

This item consists of the following:

Description	Joint	
	31 December 2018	31 December 2017
	JD	JD
Ijarah Muntahia Bittamleek	43,075,593	43,535,584
Total	43,075,593	43,535,584

41. Revenues from other investments

The item consists of the following:

Description	31 December 2018	31 December 2017
	JD	JD
Revenues from investment deposits at Islamic financial institutions	2,024,904	1,429,855
Total	2,024,904	1,429,855

42. Net income of subsidiaries

This item consists of the following:

Description	31 December 2018	31 December 2017
	JD	JD
Revenues		
School installments and transportation	10,085,865	10,193,213
Profit from financial assets	-	7,800
Al Wakala Bi Al Istithmar (Investment portfolio)	276,890	225,032
Finance revenues	1,389,156	1,233,091
Projects revenues	2,347,123	1,843,608
Other revenues	376,691	446,190
Total Revenues	14,475,725	13,948,934
Expenses		
Administrative expenses	(9,826,523)	(9,840,593)
Depreciation	(1,048,911)	(1,043,820)
Provision for expected credit loss	(17,143)	(16,806)
Other expenses	(1,544,154)	(599,724)
Total expenses	(12,436,731)	(11,500,943)
Net income	2,038,994	2,447,991

43. Share of unrestricted investment accounts holders'

This item consists of the following:

Description	31 December 2018	31 December 2017
	JD	JD
Banks and financial institutions	104,600	10,899
Customers:		
Saving accounts	5,330,900	6,767,104
Notice accounts	543,300	638,983
Term accounts	45,649,769	46,137,656
Total	51,628,569	53,554,642

44. Bank's share of the joint investment accounts revenues as Mudarib and Rab Mal

The item consists of the following:

Description	31 December 2018	31 December 2017
	JD	JD
Bank's share as Mudarib	86,494,507	84,958,387
Bank's share as Fund owner (Rab Mal)	34,459,563	33,594,388
Total	120,954,070	118,552,775

45. Bank's self- financed revenues

This item consists of the following:

Description	31 December 2018	31 December 2017
	JD	JD
Deferred sales revenues – (Note 34)	8,000	10,000
Financing revenues – (Note 35)	4,580	3,737
Dividend from financial assets at the fair value through owner's equity	13,384	12,476
Total	25,964	26,213

46. Bank's share of restricted investment revenues as Mudarib and Wakeel

This item consists of the following:

Description	Wakeel	Mudarib	Wakeel	Mudarib
	31 December 2018		31 December 2017	
	JD	JD	JD	JD
Restricted investment revenues	-	1,263,897	-	831,688
Less: Share of restricted investment accounts holders'	-	(1,041,710)	-	(694,554)
Net	-	222,187	-	137,134
Al Wakala Bi Al Istithmar profits	1,928,179	-	383,085	-
Less: share of Al Wakala Bi Al Istithmar accounts holders'	(1,205,112)	-	(239,664)	-
Net	723,067	-	143,421	-
Muqarada bonds profits (Investment portfolio)				8,848,964
Less: share of Muqarada bonds accounts holders' (Investment portfolio)	-	-	-	(6,636,723)
Net	-	-	-	2,212,241
Al Wakala Bi Al Istithmar profits (Investment portfolio)	18,837,521	-	9,366,411	-
Less: share of Al Wakala Bi Al Istithmar accounts holders' (Investment portfolio)	(16,284,215)	-	(7,036,386)	-
Net	2,553,306	-	2,330,025	-
Total	3,276,373	222,187	2,473,446	2,349,375

47. Banking services revenues

This item consists of the following:

Description	31 December 2018	31 December 2017
	JD	JD
Letters of credit commissions	703,782	716,914
Guarantees commissions	2,691,319	2,534,260
Collection bills commission	466,120	473,756
Transfers commission	675,938	620,941
Salary transfer commission	4,387,276	4,163,117
Returned cheques commission	1,542,844	2,699,695
Account management commission	960,105	1,320,390
Cheques books commission	299,592	336,104
Foreign currencies cash deposits commission	83,825	90,539
Brokerage commission	288,033	308,907
Cheques collection commission	103,743	117,472
Credit cards commission	5,012,065	4,405,236
Other commissions	1,882,644	1,859,359
Total	19,097,286	19,646,690

48. Foreign currency gain

This item consists of the following:

Description	Self	
	31 December 2018	31 December 2017
	JD	JD
Resulting from trading	708,851	791,655
Resulting from valuation	858,242	1,244,309
Total	1,567,093	2,035,964

49. Other incomes

The item consists of the following:

Description	31 December 2018	31 December 2017
	JD	JD
Rents	71,692	71,668
Bonded revenues	380,207	597,038
Postage and telephone	371,640	350,734
Safe box leasing	237,081	196,230
Others	847,233	670,366
Total	1,907,853	1,886,036

50. Employees expenses

This item consists of the following:

Description	31 December 2018	31 December 2017
	JD	JD
Salaries, benefits and allowances	31,594,370	29,604,092
Bank's contribution in Social Security	3,739,606	3,545,291
Medical expenses	3,106,973	2,726,603
Training expenses	225,514	241,326
Per diem	169,102	187,700
Meals	156,208	133,480
End of service benefits	1,588,907	743,398
Takaful insurance	237,352	210,844
Total	40,818,032	37,392,734

51. Other expenses

This item consists of the following:

Description	31 December 2018	31 December 2017
	JD	JD
Postage and telephone	1,512,894	1,408,565
Printings and stationery	1,404,867	1,294,190
System maintenance and licenses	3,381,436	2,389,810
Credit Cards	2,151,266	1,718,919
Rent	2,062,320	1,696,585
Water, electricity and heating	1,844,315	2,292,607
Repair, maintenance and cleaning	1,781,583	1,442,527
Insurance premiums	809,082	708,297
Travel and transportation	1,183,072	1,162,892
Legal and consulting fees	383,103	231,840
Professional fees	113,770	146,460
Subscriptions and memberships	723,343	701,519
Donations	1,032,074	880,124
Licenses, governmental fees and taxes	839,395	982,452
Hospitality	180,592	148,704
Advertising and promotion	1,582,011	1,727,862
Saving accounts rewards	144,650	148,530
Board committees remunerations	84,000	82,600
Master card and visa accounts rewards	235,166	223,464
Board members remunerations	66,160	67,080
Investor protection fund	9,991	9,027
Overdraft accounts coverage	237,068	487,551
Others	787,692	701,125
Total	22,549,850	20,652,730

52. Other provisions

The item consists of the following:

Description	31 December 2018	31 December 2017
	JD	JD
End of service indemnity provision	300,000	-
Legal cases held against bank provision	75,000	-
Employees' vacation provision	150,000	250,000
Total	525,000	250,000

53. Basic earnings per share (EPS)

The item consists of the following:

Description	31 December 2018	31 December 2017
Profit for the year after income tax (JD)	49,807,927	54,139,053
Weighted average number of shares	180,000,000	180,000,000
Basic earnings per share (JD/ Fils)	0.277	0.301

54. Cash and cash equivalents

This item consists of the following:

Description	31 December 2018	31 December 2017
	JD	JD
Cash and balances with Central Banks maturing within 3 months	876,086,318	1,138,666,950
Add: Balances at banks and financial institutions maturing within 3 months	93,915,490	54,124,633
Less: Accounts for banks and financial institutions maturing within 3 months	(8,241,356)	(5,012,040)
Total	961,760,452	1,187,779,543

55. Restricted investments

This item consists of the following:

Description	Real estate trading		International Murabaha		Deferred sales receivables		Ijarah Muntahia Bittamleek		Cash balances		Total	
	31 December 2018	31 December 2017	31 December 2018	31 December 2017	31 December 2018	31 December 2017	31 December 2018	31 December 2017	31 December 2018	31 December 2017	31 December 2018	31 December 2017
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Beginning balance	311,641	311,641	18,117,602	19,553,637	4,275,619	3,449,193	8,022,560	2,732,810	841,341	507,228	31,568,763	26,554,509
Deposits	-	-	2,089,331	1,381,182	2,180,535	2,802,745	6,066,261	5,294,956	6,888,627	2,685,714	17,224,754	12,164,597
Withdrawals	-	-	(5,939,509)	(2,938,678)	(450,654)	(2,105,607)	(2,849,557)	(449,011)	(3,797,612)	(2,351,601)	(13,037,332)	(7,844,897)
Investment profits	-	-	243,854	180,446	315,501	158,069	704,542	493,173	-	-	1,263,897	831,688
Bank's fees as Mudarib	-	-	(107,169)	(58,985)	(36,721)	(28,781)	(78,297)	(49,368)	-	-	(222,187)	(137,134)
Ending balance	311,641	311,641	14,404,109	18,117,602	6,284,280	4,275,619	11,865,509	8,022,560	3,932,356	841,341	36,797,895	31,568,763
Less: deferred profits	-	-	-	-	(965,346)	(601,374)	-	-	-	-	(965,346)	(601,374)
Less: Mutual Insurance fund	-	-	-	-	(258,232)	-	-	-	-	-	(258,232)	-
Ending balance, Net	311,641	311,641	14,404,109	18,117,602	5,060,702	3,674,245	11,865,509	8,022,560	3,932,356	841,341	35,574,317	30,967,389

56. Al Wakala Bi Al Istithmar (Investments Portfolio)

This item consists of the following:

Description	Financial assets		Real estate investments		Deferred sales receivables		Ijarah Muntahia Bittamleek		Cash balances		Total	
	31 December 2018	31 December 2017	31 December 2018	31 December 2017	31 December 2018	31 December 2017	31 December 2018	31 December 2017	31 December 2018	31 December 2017	31 December 2018	31 December 2017
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Beginning balance	34,195,155	35,944,191	35,307,948	30,493,756	267,062,292	218,311,879	58,256,202	60,943,361	19,816,958	85,046,785	414,638,555	430,739,972
Number of investment units at beginning of the year	-	-	-	-	-	-	-	-	-	-	703,169	791,140
Value of investment units at beginning of the year	-	-	-	-	-	-	-	-	-	-	351,584,500	395,570,000
Deposits	195,169	221,640	375,040	4,752,991	52,364,179	70,918,026	6,438,187	5,106,476	117,438,348	88,984,762	176,810,923	169,983,895
Withdrawals	(1,500,300)	(94,177)	(471,103)	-	(79,200,928)	(29,044,955)	(10,179,632)	(9,767,976)	(122,506,500)	(154,214,589)	(213,858,463)	(193,121,697)
Investment profits (losses)	(2,033,050)	(1,654,859)	329,626	259,163	16,223,494	8,407,253	4,317,451	2,354,853	-	-	18,837,521	9,366,410
Bank's Fees as Wakeel	(36,548)	(221,640)	(65,925)	(197,962)	(1,946,715)	(1,529,911)	(504,118)	(380,512)	-	-	(2,553,306)	(2,330,025)
Total	30,820,426	34,195,155	35,475,586	35,307,948	254,502,322	267,062,292	58,328,090	58,256,202	14,748,806	19,816,958	393,875,230	414,638,555
Less: deferred portfolio profits	-	-	-	-	(27,328,217)	(30,574,154)	-	-	-	-	(27,328,217)	(30,574,154)
Less: Deferred mutual insurance	-	-	-	-	(692,166)	-	-	-	-	-	(692,166)	-
Less: investment risk provision	-	-	-	-	(7706,365)	(7,586,558)	-	-	-	-	(7,706,365)	(7,586,558)
Ending balance, Net	30,820,426	34,195,155	35,475,586	35,307,948	218,775,574	228,901,580	58,328,090	58,256,202	14,748,806	19,816,958	358,148,482	376,477,843
Number of investment units at end of year	-	-	-	-	-	-	-	-	-	-	703,169	743,424
Value of investment units at end of year	-	-	-	-	-	-	-	-	-	-	351,584,500	371,712,000
Profit reserve	1,963,542	-	2,826,233	3,097,798	-	-	-	-	-	-	1,963,542	3,097,798
Real estate valuation reserve	-	-	1,732,207	1,668,045	-	-	-	-	-	-	1,732,207	1,668,045
Deferred tax liabilities	-	-	42,000	-	-	-	-	-	-	-	42,000	-
Other liability	-	-	4,600,440	4,765,843	-	-	-	-	-	-	358,148,482	376,477,843
Ending balance	1,963,542	-	4,600,440	4,765,843	-	-	-	-	-	-	358,148,482	376,477,843

57. Al Wakala Bi Al Istithmar

This item consists of the following:

Description	31 December 2018	31 December 2017
	JD	JD
Al Wakala Bi Al Istithmar accounts – Baraka Group	43,820,455	30,866,592
Al Wakala Bi Al Istithmar accounts – Central Bank of Jordan	18,108,306	15,088,407
Wakala Bi Al Istithmar accounts – Islamic Insurance Company	1,286,609	607,500
Total	63,215,370	46,562,499

- Wakala investments accounts represent cash amounts deposited at the Bank that are managed and invested in accordance with Islamic Shari'a compliant investment modes agreed upon with the Muwakkil in exchange of a lump sum or percentage of the invested funds mentioned in Wakala contract. Any losses incurred shall be borne by the Muwakkil unless arising from the Bank's (Wakeel) negligence or misconduct.
- The Bank's fee is 1% - 1.25% annually.

58. Related parties transactions

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

Company Name	Ownership	Paid - in Capital	
		31 December 2018	31 December 2017
		JD	JD
Al Omariah Schools Company Ltd.	99.4%	12,825,000	12,825,000
Al Samaha Funding and Investment Company Ltd.	100%	12,000,000	12,000,000
Future Applied Computer Technology Company Ltd.	100%	5,000,000	5,000,000
Sanabel Al-Khair for Financial Investments Company Ltd.	100%	5,000,000	5,000,000

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

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

Description	Related parties				Total	
	Parent Company	Associates	Subsidiaries	Board members and Senior Executive management	31 December 2018	31 December 2017
	JD	JD	JD	JD	JD	JD
Consolidated statement of financial position items:						
Deferred sales receivables	-	1,684,933	124,332	8,112,302	9,921,567	8,640,763
Financing of employees housing/ Musharaka	-	-	-	1,493,978	1,493,978	1,102,934
Musharaka financing	-	-	-	1,437,300	1,437,300	612,000
Deposits	103,367	6,645,277	4,421,245	1,547,542	12,717,431	14,827,998
Off consolidated statement of financial position items:						
Guarantees and Letters of credit	-	17,480	856,625	1,966,649	2,840,754	3,089,853
Consolidated income statement items:						
Paid expenses	-	4,923,588	2,070,936	3,800,390	10,794,914	8,112,060
Received revenues	-	109,560	24,411	180,080	314,051	285,914
Paid Profits	-	137,110	11,134	12,642	160,886	79,463

- Murabaha rate on granted financing ranged between 4% - 5.5% annually as at 31 December 2018 (2017: 4% - 5.5%).
- Musharaka profit rate of financing granted to the employees ranged between 2% - 4.8% annually as at 31 December 2018 (2017: 2% - 4.8%).
- Guarantees commission rate ranged between 1% - 4% annually as at 31 December 2018 (2017: 1% - 4%). Letters of credit commission rate ranged between 1/4% - 3/8% quarterly as at 31 December 2018 (2017: 1/4% - 3/8% quarterly).

C. Summary of the Bank's senior executive management benefits (salaries, remuneration and other benefits) were as follows:

Description	31 December 2018	31 December 2017
	JD	JD
Salaries, remunerations and transportation	3,273,462	2,324,280
End of service benefits	212,896	118,787
Total	3,486,358	2,443,067

59. Fair value of financial instruments

- The Bank uses the following order of valuation methods and alternatives to determine and present the fair value of the financial instruments:
 - Level 1 - Quoted market prices in active markets for identical assets or liabilities.
 - Level 2 - Valuation techniques for which the inputs are significant to the fair value measurement is directly or indirectly observable.
 - Level 3 - Valuation techniques for which the inputs are significant to the fair value measurement is unobservable.

The table below illustrate the analysis of the financial instruments measured at fair value according to the aforementioned order:

31 December 2018	First Level	Second Level	Third Level	Total
Financial assets at fair value through joint investment accounts holders' equity	JD	JD	JD	JD
Financial instruments	19,746,863	-	-	19,746,863

31 December 2017	First Level	Second Level	Third Level	Total
Financial assets at fair value through joint investment accounts holders' equity	JD	JD	JD	JD
Financial instruments	21,956,512	-	-	21,956,512

60. Fair value of financial assets and liabilities not measured at fair value in the consolidated financial statements

As disclosed in notes (10 and 11) to the consolidated financial statements, the financial instruments includes unquoted financial assets amount to JD 22,847,897 which are stated at cost as the Bank cannot reliably determine its fair value. No indication of impairment exist.

61. Risk Management

The Bank undertakes the risk management function through a comprehensive risk management framework approved by the Bank's Board of Directors. The goal of risk management is to establish a safe business environment in order to pursue the Bank's strategic objectives by achieving the following:

1. Maintaining adequate capital against risks.
2. Preserving assets quality.
3. Maintaining appropriate liquidity levels.
4. Effective internal control system.
5. Effective reporting system.

Quantitative and qualitative disclosures:

1. Credit risk:

- Credit risk is the risk arising from the borrower inability and/or unwillingness to meet its obligations including principal and profit as they come due.
- The Bank's credit risk management policy comprises of the following:
 1. Determining a credit risk management strategy.
 2. Determining the acceptable level of credit risk.
 3. Determining the credit limits and maximum level of credit concentration.

Limits of Acceptable risk:

Our Bank determines the acceptable level of risks and is approved by the Board of Directors, and the actual level is monitored and compared to the acceptable level of risk on regular intervals and is considered one of the most important elements of governance in the risk management process, and is in line with the business model adopted by our Bank.

4. Determining credit risk mitigating techniques and credit concentrations, which include the following:
 - Diversification of credit facilities among various economic sectors.
 - Setting a clear credit and investment limits that are consistent with Central Bank of Jordan regulations.
 - Usage of various credit risk mitigating techniques.
 - Setting a credit authority matrix.
5. Credit approval, monitoring, and follow up:

The credit application is prepared by the business department whereas the credit department performs a due diligence analysis. The credit application is then presented to the authorized credit committee for approval to ensure the achievement of segregation of duties.

Corporates, Small and Medium Enterprises (SMEs) and high net worth individuals are evaluated through internal credit rating system "Moody's", which is a two dimensions rating system: Obligor Risk Rating (ORR) and Facility Risk Rating (FRR).

Obligor Risk Rating (ORR) represents the credit worthiness of a customer which reflects the Probability of Default (PD).

Facility Risk Rating (FRR) represents the quality of credit risk mitigating techniques provided by the customer, which reflects the Loss Given Default (LGD).

1. Credit risk exposure (net of impairment provision and expected credit loss, deferred and suspended revenues, and before collaterals and other risk mitigation factors)

Description	Joint		Self-financed	
	31 December 2018	31 December 2017	31 December 2018	31 December 2017
	JD	JD	JD	JD
Items within the consolidated statement of financial position:				
Balances with central banks	-	-	716,781,566	1,002,623,418
Balances with banks and banking institutions	52,412,097	13,174,135	41,503,393	40,950,498
Investment accounts with banks and financial Institutions	17,642,298	21,979,000	-	-
Deferred sales receivables and other receivables:				
Individuals	598,698,943	625,126,459	12,385,356	9,537,756
Real estate	384,168,659	388,907,787	137,922	180,000
Companies:				
Corporate	408,360,661	355,476,296	99,673	49,774
Small and Medium Enterprises (SMEs)	128,452,109	124,865,361	2,525,446	2,068,239
Government and public sector	527,673,810	521,256,900	3,004,464	3,142,004
Financing Musharaka:				
Individuals	-	-	44,085	44,085
Real estates	30,337,806	29,886,256	209,578	238,016
Corporate	2,112,320	812,000	-	-
Off consolidated statement of financial position items:				
Guarantees	-	-	116,550,843	110,757,863
Letters of credit	13,226,229	17,375,489	9,414,522	24,122,621
Acceptances	-	-	3,308,413	3,650,962
Unutilized limits-direct	109,094,793	115,786,180	-	-
Unutilized limits-indirect	-	-	70,352,098	77,137,026
Total	2,272,179,725	2,214,645,863	976,317,359	1,274,502,262

Collaterals and other credit Risk Mitigation Techniques against Credit Exposures:

- The quantity and quality of the required collaterals depends on the credit risk assessment of the counterparty. It is also possible to adjust or reduce the risk exposure related to the debtor, concerned party or any other obligor using the credit risk mitigation techniques applicable in the Islamic banks. These include (asset mortgage, third party guarantee, earnest money, cash margins, and shares mortgage).

Credit Risk Mitigation Techniques against Credit Exposure in the aforementioned table were as follows:

- Cash margins
- Bank guarantees
- Real estate collaterals
- Vehicles and machinery mortgages

2- Credit exposures of deferred sales receivables and other receivables and financing are distributed according to the risk degree as illustrated in following table:

31 December 2018	Joint										Self-financed													
	Individuals		Real estate financing		Companies		Government and public sector		Banks and other financial institutions		Total		Individuals		Real estate financing		Companies		Government and public sector		Banks and other financial institutions		Total	
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Low risk	2,224,901	-	62,535,408	1,008,521	601,486,612	-	70,156,501	-	667,255,442	-	-	-	-	-	-	-	-	-	3,004,464	-	-	716,781,566	719,786,030	
Acceptable risk	648,619,576	441,745,693	359,985,895	119,874,012	-	-	-	-	1,640,381,677	8,539,462	362,063	109,979	2,533,479	-	-	-	-	-	-	-	-	41,574,095	53,119,078	
Due: *																								
Up to 30 days	27,134	2,838	-	11,822	-	-	-	-	41,794	143	-	-	-	-	-	-	-	-	-	-	-	-	143	
From 31 to 60 Days	802,875	1,508,711	3,481,613	1,032,499	-	-	-	-	6,825,698	20,714	-	-	-	-	-	-	-	-	-	-	-	-	20,714	
Watch list	22,105,105	30,502,651	18,552,795	12,404,374	-	-	-	-	83,564,925	4,369,162	-	-	-	-	-	-	-	-	-	-	-	-	4,369,162	
Non performing:																								
Sub standard	3,300,042	2,046,499	-	956,065	-	-	-	-	6,302,606	162,476	-	-	-	-	-	-	-	-	-	-	-	-	162,476	
Doubtful	3,957,846	2,084,768	-	884,448	-	-	-	-	6,927,062	361,728	-	-	-	-	-	-	-	-	-	-	-	-	361,728	
Loss	26,880,221	36,886,370	14,997,592	18,458,015	-	-	-	-	97,222,198	2,173,771	-	-	-	-	-	-	-	-	-	-	-	-	2,173,771	
Total	707,087,691	513,265,981	456,071,690	153,585,435	601,486,612	-	70,156,501	-	2,501,653,910	15,606,599	362,063	109,979	2,533,479	3,004,464	-	-	-	-	-	-	-	758,355,661	779,972,245	
Less: deferred revenues	73,380,909	62,878,355	24,182,871	7,421,994	73,812,802	-	-	-	241,676,931	-	12,000	-	-	-	-	-	-	-	-	-	-	-	12,000	
Less:suspended revenues	5,072,691	2,434,091	2,295,464	1,577,850	-	-	-	-	11,380,096	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Defferd mutual insurance	3,921,451	1,998,018	-	-	-	-	-	-	5,919,469	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Less:Expected credit loss	26,013,697	31,449,052	19,120,374	16,133,482	-	-	102,106	-	92,818,711	3,177,158	2,563	10,306	8,033	-	-	-	-	-	-	-	-	70,702	3,268,762	
Net	598,698,943	414,506,465	410,472,981	128,452,109	527,673,810	70,054,395	2,149,858,703	12,429,441	347,500	99,673	2,525,446	3,004,464	758,284,959	776,691,483										

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

31 December 2017	Joint								Self-financed							
	Individuals		Real estate financing		Companies		Government and public sector	Banks and other financial institutions	Total	Individuals	Real estate financing	Companies		Government and public sector	Banks and other financial institutions	Total
	JD	JD	JD	JD	Corporate	SMEs						Corporate	SMEs			
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Low risk	2,103,627	-	24,801,372	1,795,519	558,885,066	-	-	587,585,584	-	-	-	-	3,142,004	1,002,623,418	1,005,765,422	
Acceptable risk	674,543,218	447,119,538	335,344,189	112,173,201	-	35,153,135	1,604,333,281	9,729,134	438,016	49,774	2,068,239	-	40,950,498	53,235,661		
Due: *																
Up to 30 days	49,342	31,120	6,932	5,541	-	-	92,935	200	-	-	-	-	-	-	200	
From 31 to 60 Days	811,040	1,344,692	3,422,443	1,167,074	-	-	6,745,249	3,329	-	-	-	-	-	-	3,329	
Watch list	21,485,238	26,158,832	21,380,824	14,417,719	-	-	83,442,613	2,215,013	-	-	-	-	-	-	2,215,013	
Non performing:																
Sub standard	3,270,685	1,566,129	-	228,950	-	-	5,065,764	254,932	-	-	-	-	-	-	254,932	
Doubtful	3,462,646	3,244,166	-	1,682,696	-	-	8,389,508	567,129	-	-	-	-	-	-	567,129	
Loss	21,943,979	30,331,155	17,845,846	19,032,560	-	-	89,153,540	1,956,393	-	-	-	-	-	-	1,956,393	
Total	726,809,393	508,419,820	399,372,231	149,330,645	558,885,066	35,153,135	2,377,970,290	14,722,601	438,016	49,774	2,068,239	3,142,004	1,043,573,916	1,063,994,550		
Less: deferred revenues	78,716,149	63,026,740	22,793,149	6,955,572	37,628,166	-	209,119,776	-	20,000	-	-	-	-	-	20,000	
Less:suspended revenues	2,820,964	4,140,350	2,890,168	1,850,852	-	-	11,702,334	-	-	-	-	-	-	-	-	
Less: Expected credit loss	20,145,821	22,458,687	17,400,618	15,658,860	-	-	75,663,986	5,140,760	-	-	-	-	-	-	5,140,760	
Net	625,126,459	418,794,043	356,288,296	124,865,361	521,256,900	35,153,135	2,081,484,194	9,581,841	418,016	49,774	2,068,239	3,142,004	1,043,573,916	1,058,833,790		

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

The below table illustrates the distribution of the fair value of collaterals against deferred sales receivables, other receivables, and financing:

31 December 2018	Joint						Self – financed													
	Individuals		Real estate financing		Companies		Government and public sector		Total		Individuals	Real estate financing	Companies		Government and public sector	Total				
	JD	JD	JD	JD	Corporate	SMEs	JD	JD	JD	JD			Corporate	SMEs			JD	JD	JD	JD
Collaterals against:																				
Low risk	2,224,901	-	62,535,408	1,008,521	601,486,612	667,255,442	-	-	-	-	-	-	-	-	3,004,464	3,004,464				
Acceptable risk	365,054,827	244,558,051	160,415,615	75,338,082	-	845,366,575	4,557,405	362,063												4,919,468
Watch list	22,449,583	15,219,431	7,324,176	10,655,142	-	55,648,332	3,045,400													3,045,400
Non performing:																				
Substandard	2,701,551	1,583,022	-	699,876	-	4,984,449	2,643													2,643
Doubtful	3,229,499	906,587	-	787,837	-	4,923,923	4,224													4,224
Loss	23,127,404	23,041,253	11,759,291	13,166,369	-	71,094,317	27,492													27,492
Total	418,787,765	285,308,344	242,034,490	101,655,827	601,486,612	1,649,273,038	7,637,164	362,063							3,004,464	11,003,691				
Of which :																				
Cash margins	2,224,901	-	-	1,008,521	-	3,233,422	-													-
Acceptable bank guarantees	-	-	62,535,408	-	-	62,535,408	-													-
Real estate	114,277,446	277,931,950	164,407,570	87,263,705	-	643,880,671	1,416,330	362,063							-	35,000	-	-	-	1,813,393
Traded shares	-	-	1,340,734	-	-	1,340,734	5,343,012								-	-	-	-	-	5,343,012
Vehicles and machinery	302,285,418	7,376,394	13,750,778	13,383,601	-	336,796,191	877,822								-	-	-	-	-	877,822

31 December 2017	Joint						Self – financed													
	Individuals		Real estate financing		Companies		Government and public sector		Total		Individuals		Real estate financing		Companies		Government and public sector		Total	
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Collaterals against:																				
Low risk	2,103,627	-	24,801,372	1,795,519	558,885,066	587,585,584	-	-	-	-	-	-	-	-	-	-	-	3,142,004	-	3,142,004
Acceptable risk	397,152,022	264,696,101	193,631,422	81,812,495	-	937,292,040	6,624,424	438,016	-	-	-	-	-	-	-	-	-	-	-	7,062,440
Watch list	21,663,642	16,827,370	17,507,949	13,340,943	-	69,339,904	79,865	-	-	-	-	-	-	-	-	-	-	-	-	114,865
Non performing:																				
Substandard	1,950,636	934,039	-	136,546	-	3,021,221	40,908	-	-	-	-	-	-	-	-	-	-	-	-	40,908
Doubtful	2,410,789	2,258,677	-	1,171,539	-	5,841,005	84,114	-	-	-	-	-	-	-	-	-	-	-	-	84,114
Loss	18,743,426	25,907,323	15,243,010	16,256,640	-	76,150,399	195,990	-	-	-	-	-	-	-	-	-	-	-	-	195,990
Total	444,024,142	310,623,510	251,183,753	114,513,682	558,885,066	1,679,230,153	7,025,301	438,016	-	-	-	-	-	-	-	-	-	-	-	10,640,321
Of which :																				
Cash margins	2,103,627	-	-	1,795,519	-	3,899,146	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Acceptable bank guarantees	-	-	24,801,372	-	-	24,801,372	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Real estate	132,879,247	290,856,267	218,969,179	101,075,756	-	743,780,449	1,574,033	438,016	-	-	-	-	-	-	-	-	-	-	-	2,047,049
Traded shares	-	-	1,027,235	-	-	1,027,235	4,518,650	-	-	-	-	-	-	-	-	-	-	-	-	4,518,650
Vehicles and machinery	309,041,268	19,767,243	6,385,967	11,642,407	-	346,836,885	932,618	-	-	-	-	-	-	-	-	-	-	-	-	932,618

Scheduled deferred sales receivables and other receivables and financing:

These represent receivables/facilities which have been classified as non performing and were set aside in terms of the non performing receivables/facilities in accordance with a legal scheduling agreement and re-classified as watch list or performing receivables/facilities with total amount of JD 29,240,352 as at 31 December 2018 against JD 36,466,382 as at 31 December 2017.

Restructured deferred sales receivables and other receivables and financing:

Restructuring means rearranging receivables/facilities in terms of amending the instalments or extending the term of receivables/facilities, deferring some instalments or extending the grace period, etc. and reclassifying these receivables/facilities as watch list with total of JD 2,855,662 as at 31 December 2018 against JD 2,158,775 as at 31 December 2017.

Sukuk:

The following table illustrate Sukuk rating presented within the financial assets at fair value through the joint investment accounts holders' equity and financial assets at amortized cost according to external rating agencies:

31 December 2018

Rating	Credit rating agency	Financial assets at amortized cost	Total
		JD	JD
A	S&P	4,591,742	4,591,742
B-	S&P	178,626,005	178,626,005
B+	S&P	2,788,008	2,788,008
CCC-	S&P	5,667,624	5,667,624
Total		191,673,379	191,673,379

31 December 2017

Rating	Credit rating agency	Financial assets at amortized cost	Total
		JD	JD
A	S&P	456,523	456,523
B+	S&P	67,743,300	67,743,300
BB-	S&P	2,811,185	2,811,185
CCC+	S&P	7,097,799	7,097,799
Total		78,108,807	78,108,807

3- Concentration of credit exposures according to geographical area was as follows:

Description	Inside the Kingdom	Other Middle East Countries	Europe	Asia*	America	Other Countries	Total
	JD	JD	JD	JD	JD	JD	JD
Balances with central banks	716,781,566	-	-	-	-	-	716,781,566
Balances at banks and financial institutions	1,560	46,402,508	16,018,062	797,793	-	30,695,567	93,915,490
Joint investment accounts at banks and financial institutions	-	17,642,298	-	-	-	-	17,642,298
Deferred sales and other receivables and financing:							
Individuals	611,128,384	-	-	-	-	-	611,128,384
Real estate financing	414,853,965	-	-	-	-	-	414,853,965
Companies:							
Corporate	348,037,246	51,410,584	11,124,824	-	-	-	410,572,654
Small and Medium Enterprises (SMEs)	130,977,555	-	-	-	-	-	130,977,555
Government and public sector	530,678,274	-	-	-	-	-	530,678,274
Sukuk:							
Within financial assets at amortized cost	173,009,567	18,663,812	-	-	-	-	191,673,379
Total as at 31December 2018	2,925,468,117	134,119,202	27,142,886	797,793	-	30,695,567	3,118,223,565
Total as at 31 December 2017	3,102,549,339	60,136,191	26,488,252	711,226	-	28,086,324	3,217,971,332

* Except for Middle East Countries

4- Concentration of credit exposures according to economic sector was as follows:

Description	Financial		Industrial		Commercial		Real estate		Agriculture		Shares		Individuals		Government and public sector		Total		
	JD		JD		JD		JD		JD		JD		JD		JD		JD		
Balances with central banks	-		-		-		-		-		-		-		716,781,566		716,781,566		716,781,566
Balances at banks and financial institutions	93,915,490		-		-		-		-		-		-		-		-		93,915,490
Investment accounts at banks and financial institutions	17,642,298		-		-		-		-		-		-		-		-		17,642,298
Deferred sales and other receivables and financing	-		126,984,539		404,379,733		414,853,965		25,468,983		-		595,845,338		530,678,274		-		2,098,210,832
Sukuk:																			
Within financial assets at amortized cost	-		-		191,673,379		-		-		-		-		-		-		191,673,379
Total as at 31 December 2018	111,557,788		126,984,539		596,053,112		414,853,965		25,468,983		-		595,845,338		1,247,459,840		-		3,118,223,565
Total as at 31 December 2017	76,103,633		110,188,327		437,542,427		419,212,059		28,042,890		-		619,859,674		1,527,022,322		-		3,217,971,332

2. Liquidity Risks

Liquidity risk is defined as the Bank's inability to provide the required liquidity to cover its obligations at their respective due dates. Bank manage such risks throughout the following:

1. Analyze liquidity (maturity gaps).
2. Maintaining reasonable liquidity to cover outgoing cash flows.
3. Diversifying sources of financing.
4. Establishing the Assets and Liabilities committee .
5. Distribution of financing among various sectors and geographical areas to mitigate concentration risk.
6. Liquidity management is based on natural and emergency circumstances including using and analyzing assets and various financial ratios maturities.

First: The below table summarizes the maturity profile of the Bank's liabilities based on contractual undiscounted repayment obligations at the date of the consolidated financial statements:

31 December 2018	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:								
Due to banks and financial institutions	8,241,356	-	-	-	-	-	-	8,241,356
Customers' current accounts	399,416,878	154,522,806	122,242,564	89,962,322	92,959,050	216,904,450	-	1,076,008,070
Cash margins	12,010,782	5,472,796	4,956,132	4,719,351	5,415,347	12,635,810	-	45,210,218
Other provisions	-	-	-	-	-	-	15,029,623	15,029,623
Income tax provision	8,983,749	-	13,475,624	-	-	-	-	22,459,373
Deferred tax liabilities	249,092	-	-	973,930	1,460,894	-	2,517,854	5,201,770
Investment risk fund	1,382,304	-	2,073,457	-	-	-	31,654,580	35,110,341
Other liabilities	19,854,683	6,756,610	1,769,897	11,798,342	2,383,564	-	8,300,438	50,863,534
Unrestricted investment accounts holders' equity	304,981,852	216,042,939	257,086,934	336,269,413	418,376,742	976,212,400	153,866	2,509,124,146
Total	755,120,696	382,795,151	401,604,608	443,723,358	520,595,597	1,205,752,660	57,656,361	3,767,248,431
Total assets (according to expected maturity date)	1,171,868,413	155,473,261	212,828,177	476,394,012	883,674,137	1,077,485,043	182,919,167	4,160,642,210

31 December 2017	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:								
Due to banks and financial institutions	5,012,040	-	-	-	-	-	-	5,012,040
Customers' current accounts	418,549,125	161,761,818	127,930,306	94,098,794	97,613,107	227,763,917	-	1,127,717,067
Cash margins	12,275,203	5,703,808	5,235,944	5,091,195	5,880,248	13,720,579	-	47,906,977
Other provisions	-	-	-	-	-	-	6,750,000	6,750,000
Income tax provision	9,504,386	-	14,256,580	-	-	-	-	23,760,966
Deferred tax liabilities	570,738	-	-	805,375	1,208,063	-	2,203,116	4,787,292
Investment risk fund	1,498,413	-	2,247,619	-	-	-	36,350,487	40,096,519
Other liabilities	17,441,584	6,311,095	1,824,752	9,481,624	2,243,545	-	8,199,470	45,502,070
Unrestricted investment accounts holders' equity	301,080,476	218,171,695	260,141,099	340,857,758	424,412,880	990,296,720	165,489	2,535,126,117
Total	765,931,965	391,948,416	411,636,300	450,334,746	531,357,843	1,231,781,216	53,668,562	3,836,659,048
Total assets (according to expected maturity date)	1,385,285,782	175,081,466	208,190,377	483,836,480	983,742,909	816,709,567	158,771,085	4,211,617,666

Second: Off consolidated financial position items:

Description	31 December 2018	31 December 2017
	Up to one year	Up to one year
	JD	JD
Letters of credit and acceptances	25,949,164	45,149,072
Guarantees	116,550,843	110,757,863
Unutilized limits-direct	109,094,793	115,786,180
Unutilized limits-Indirect	70,352,098	77,137,026
Capital liabilities	3,870,308	3,317,507
Total	325,817,206	352,147,648

3. Market Risks:

- Market risk is the risk of loss resulting from fluctuations in the market price, which relates to equity instruments in the trading book, exchange rates, market rate of return, commodity and inventory prices, the Bank seeks to mitigate these risks throughout the following:
 1. Diversifying and distributing investments among various sectors and geographical areas.
 2. Analyzing rate of returns trends and expected exchange rates and investments.
 3. Establishing limits to investments on the level of the country, currency, market, instrument and counter party.
 4. Adapting the currency positions in accordance with Central Bank of Jordan regulations.
- The Bank is using the sensitivity analysis to assess the market risks for each type of risk in addition to Value at Risk "VaR" to assess the change in equity price risk.

A. Rate of return risks

- Rate of return risk results from the decline in the rate of return on investments compared to the local market increase in the rate of return “interest” and the Bank’s inability to increase the rate of return on granted facilities with fixed rate of return (Murabaha).
- The Bank manages these risks through out the following:
 1. Managing the rate of return gaps and cost of assets and liabilities according to various maturity dates.
 2. Studying the investments return trends.

Currency	31 December 2018			
	Change (increase) in rate of return (1%)	Sensitivity (profits and losses)	Owner’s equity sensitivity	Investment accounts holders’ equity sensitivity
	JD	JD	JD	JD
Jordanian Dinar	7,148,966	-	4,509,300	2,639,666

Currency	31 December 2018			
	Change (decrease) in rate of return (1%)	Sensitivity (profits and losses)	Owner’s equity sensitivity	Investment accounts holders’ equity sensitivity
	JD	JD	JD	JD
Jordanian Dinar	(7,148,966)	-	(4,509,300)	(2,639,666)

Currency	31 December 2017			
	Change (increase) in rate of return (1%)	Sensitivity (profits and losses)	Owner’s equity sensitivity	Investment accounts holders’ equity sensitivity
	JD	JD	JD	JD
Jordanian Dinar	7,066,306	-	4,380,736	2,685,570

Currency	31 December 2017			
	Change (decrease) in rate of return (1%)	Sensitivity (profits and losses)	Owner’s equity sensitivity	Investment accounts holders’ equity sensitivity
	JD	JD	JD	JD
Jordanian Dinar	(7,066,306)	-	(4,380,736)	(2,685,570)

B. Foreign currency risks

Foreign currency risk is the risk arising from the change in the foreign currency prices that the bank maintains. Foreign currencies are managed on the basis of spot trading and foreign currencies positions are monitored on a daily basis against the approved limit for each currency, since the Bank's policy in managing foreign currencies, is to clear customer's current positions and cover required positions according to customer's needs.

Bank's investment policy stipulate that the maximum limit of the foreign currencies positions shall not exceed 15% of the total owner's equity or 50% of the bank's total liabilities in foreign currencies, whichever is greater (at a maximum limit of 5% of the owner's equity for each currency except for US Dollars) in order to cover the customers' needs in terms of letters of credit, transfers and bills under collection and not for speculation or trading purposes.

Currency	31 December 2018			
	Net Position	Change in the exchange rate (5%)	Impact on profits and losses	Impact on owner's equity
USD	26,864,145	-	-	-
Euro	200,097	10,005	6,503	3,397
GBP	43,870	2,194	1,426	-
JPY	10,941	547	356	-
Other Currencies	1,614,614	80,731	52,475	-

Currency	31 December 2017			
	Net Position	Change in the exchange rate (5%)	Impact on profits and losses	Impact on owner's equity
USD	11,033,029	-	-	-
Euro	175,364	8,768	5,699	1,390
GBP	116,145	5,807	3,775	-
JPY	18,021	901	586	-
Other Currencies	320,833	16,042	10,427	-

Concentration of foreign currency risks:

	31 December 2018						
	USD	Euro	GBP	JPY	Others	Total	
Assets:							
Cash and balances with central banks	143,946,367	3,270,502	2,503,037	-	973,873	150,693,779	
Cash at banks and financial institutions	78,027,913	12,508,504	879,637	70,073	2,518,191	94,004,318	
Investment accounts at banks and financial institutions	17,725,000	-	-	-	-	17,725,000	
Deferred sales receivables and other receivables	60,361,916	3,741,728	1,045,519	-	3,880,941	69,030,104	
Financial assets at fair value through the owner's equity – self financed	821,758	81,886	-	-	-	903,644	
Financial assets at fair value through joint investment accounts holders' equity	1,545,620	-	-	-	-	1,545,620	
Financial assets at amortized cost	22,013,793	-	-	-	-	22,013,793	
Other assets	154,264	-	-	-	-	154,264	
Total Assets	324,596,631	19,602,620	4,428,193	70,073	7,373,005	356,070,522	
Liabilities:							
Due to banks and financial institutions	3,949,088	43,679	-	-	7,319	4,000,086	
Cash margins	4,007,034	137,090	9,356	-	-	4,153,480	
Current accounts	57,466,714	4,623,672	1,426,381	104	1,177,739	64,694,610	
Unrestricted investment accounts	232,103,348	14,547,582	2,948,586	59,028	4,554,573	254,213,117	
Other liabilities	206,302	50,500	-	-	18,760	275,562	
Total liabilities	297,732,486	19,402,523	4,384,323	59,132	5,758,391	327,336,855	
Net concentration in the consolidated financial position statement - 2018	26,864,145	200,097	43,870	10,941	1,614,614	28,733,667	
Contingent Liabilities – off consolidated statement of financial position – 2018	21,156,222	2,272,915	44,612	-	1,814,675	25,288,424	
31 December 2017							
Total Assets	270,748,043	20,989,105	4,383,592	75,448	7,554,835	303,751,023	
Total Liabilities	259,715,014	20,813,741	4,267,447	57,427	7,234,002	292,087,631	
Net concentration in the consolidated financial position statement – 2017	11,033,029	175,364	116,145	18,021	320,833	11,663,392	
Contingent Liabilities – off consolidated statement of financial position – 2017	28,226,146	2,759,577	-	-	848,710	31,834,433	

C. Equity price risks

- Equity price risks result from a change in the fair value of investments in equity. The Bank seeks to manage these risks through diversifying investments in various geographical areas and economic sectors.

Description	Change in index (5%)	Impact on losses and profits	Impact on owner's equity	Impact on investment account holders' equity
	JD	JD	JD	JD
2018				
Amman Stock Exchange Index	782,780	-	-	508,807
2017				
Amman Stock Exchange Index	542,351	-	521,005	300,307

D. Commodity risks

- Commodity risks arise from the fluctuations in the value of marketable assets. These risks are related to the current and future fluctuations and market values of specific assets. The Bank is exposed to fluctuations of fully paid commodity prices after the commencement of Salam contracts and to the fluctuations in the remaining value of the leased assets at the end of the lease term.

4. Compliance risks

- Compliance risks represents sanctions on matters related to legal or regulatory or financial losses or reputational risks which the Bank might face as a result of non compliance with laws, regulations, standards and proper financial practices. The primary non compliance risks are legal and regulatory sanctions risks, reputational risks, financial losses risks, financial crimes risks, anti-money laundry and fraud and corruption risks.
- The Bank seeks to limit these risks through is Compliance Control Department that is concerned with reviewing the requirements of regulatory bodies and ensuring their application on the Bank's internal procedures and policies throughout setting the compliance strategy and guidelines and establishing the policies related to anti-money laundry and establishing policies and procedures related to laws, regulations, internal and external instructions and holding the necessary training courses.

5. Operational Risks

- Operational risks are the risks of loss arising from inadequacy or failure in internal operations, personnel or systems, or from external events. This includes legal risk and Islamic Shari'a non-compliance risk and excludes strategic and reputational risks. The Bank seeks to limit these risks throughout the following:
 - The existence of documented policies and procedures that mitigates the possibility of such operational risks.
 - Establishing a Business Continuity Plan (BCP) to mitigate exposure and discontinuity incidents faced by the Bank and a recovery plan.

- Legal department reviews all contracts and related documents used by the Bank.
- In coordination with the information security department, internal audit department and the internal control department, the Information Technology department establishes the necessary policies and procedures related to maintaining the information confidentiality in the Bank and managing the access rights to the Bank's systems.

6. Reputational Risks

- Reputational risks is being viewed by the Bank as negative impression on the Bank's reputation which might lead to potential losses in the sources of funding and loss of customers to competitive banks.
- The Bank seeks to limits these risks throughout a set of policies and procedures to enhance the customers' confidence and providing good banking services and maintaining banking confidentiality and avoid undertaking illegal acts or financing unfavorable sectors and provides suitable information security controls.

7. Stress testing

Application methodology:

- Our bank stress testing methodology includes identifying all types of risks our bank may face under stressful conditions, and assessing the Bank's ability to withstand these risks according to stress scenarios.

Role and Integrity of stress tests with risk management governance, risk culture and capital planning:

- The role of the Board of Directors and senior management is to establish test objectives, identify the scenarios required for each type of risk, and assess the results and needed actions based on the results, especially the ones which have an integral role in the decision-making (capital planning).

Scenario selection mechanism, including key assumptions related to macroeconomic variables:

- The Bank carries out sensitivity scenarios analysis determined based on the Central Bank of Jordan instructions in addition to other scenarios based on the assumption and proposal of the Bank to measure the degree of tolerance.

The mechanism of using the tests results in decision making at the appropriate administrative level, including the strategic decisions of the Board of Directors and the senior executive management:

- The Risk Management Department prepares a summary of the results of the stress tests and raises them to the concerned parties, indicating the final impact of the tests within specific grades (low / medium / high) and whom is authorized party to make related decisions.

Governance application of stress tests:

- The Bank identifies parties related to stress testing (Board of Directors / Risk Management Committee, Assets and Liabilities Committee, Risk Management Department, Business and other supervisory departments) and their respective responsibility for achieving complementarity and judgment in carrying out the required tests.

62. Risk management

A. Expected credit losses for the financial period subsequent to 1 January 2018:

Joint	Stage 1		Stage 2		Stage 3	Total
	Individual	Collective	Individual	Collective		
	JD	JD	JD	JD		
Balances and accounts at banks and financial institutions	102,106	-	-	-	-	102,106
Deferred sales receivables, other receivables and Financing	1,003,303	6,531,069	10,538,122	223,565	50,046,450	68,342,509
Financial assets at amortized cost	101,584	-	1,431,239	-	1,818,191	3,351,014
Unutilized Limits	201,872	74,584	682,401	3,797	163,262	1,125,916
Utilized letter of credits	16,583	5,473	57,670	137	-	79,863
Total	1,425,448	6,611,126	12,709,432	227,499	52,027,903	73,001,408

Self	Stage 1		Stage 2		Stage 3	Total
	Individual	Collective	Individual	Collective		
	JD	JD	JD	JD		
Balances and accounts at banks and financial institutions	70,702	-	-	-	-	70,702
Customer receivables and Al Qard Al Hasan	1,678	851,764	17,369	13,301	2,313,948	3,198,060
Guarantees	165,984	286,510	280,968	3,061	4,702,158	5,438,681
Unutilized Limits (Credits, Gurantees)	144,722	529,093	268,488	6,230	261,708	1,210,241
Utilized letter of credits	12,003	9,380	41,602	198	-	63,183
Total	395,089	1,676,747	608,427	22,790	7,277,814	9,980,867

B. Distribution of exposure according to economic sector:

1. Financial instruments total exposure distribution :

Description	Financial		Industrial		Commercial		Real estate		Agriculture		Shares		Individuals		Government and public sector		Others		Total	
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Balances with central banks	716,781,566	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	716,781,566
Balances at banks and financial institutions	41,574,095	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	41,574,095
Investment accounts at banks and financial institutions	70,156,501	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	70,156,501
Credit facilities	62,535,408	113,614,352	320,123,709	447,487,748	27,517,543	-	551,783,740	140,394,103	530,668,894	-	-	-	-	-	-	-	-	-	-	2,194,125,497
Financial assets	22,013,793	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	195,024,393
Within financial assets at fair value through income statement	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Within financial assets at fair value through other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Within financial assets at amortized cost	22,013,793	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	195,024,393
Encumbered financial assets (Debt instruments)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	913,061,363	113,614,352	320,123,709	447,487,748	27,517,543	-	551,783,740	140,394,103	703,679,494	3,217,662,052	-	-	-	-	-	-	-	-	-	3,217,662,052
Guarantees	-	3,106,926	72,113,930	3,422,383	983,326	-	11,205,377	25,718,901	116,550,843	-	-	-	-	-	-	-	-	-	-	-
Letter of credits	-	7,704,923	12,234,878	237,806	918,389	-	3,128,860	1,724,308	25,949,164	-	-	-	-	-	-	-	-	-	-	-
Other liabilities	-	38,573,279	96,613,374	9,979,957	4,878,776	-	4,743,856	24,657,649	179,446,891	-	-	-	-	-	-	-	-	-	-	-
Grand Total	913,061,363	162,999,480	501,085,891	461,127,894	34,298,034	-	570,861,833	192,494,961	703,679,494	3,217,662,052	-	-	-	-	-	-	-	-	-	3,539,608,950

2. Distribution of exposures according to the stages of classification in accordance with IFRS 9:

Description	Stage 1		Stage 2		Stage 3	Total
	Individual	Collective	Individual	Collective		
	JD	JD	JD	JD	JD	JD
Financial	904,152,990	-	7,090,000	-	1,818,373	913,061,363
Industrial	48,870,156	7,887,736	95,098,767	1,016,902	10,125,919	162,999,480
Commercial	182,021,993	90,932,522	160,725,972	6,062,815	61,342,589	501,085,891
Real estate	42,621,364	292,095,252	88,425,126	8,034,473	29,951,679	461,127,894
Agriculture	26,679,793	2,366,525	2,927,672	64,814	2,259,230	34,298,034
Shares	-	-	-	-	-	-
Individuals	23,050,389	511,704,381	3,899,910	16,265,363	15,941,790	570,861,833
Government and public sector	703,679,494	-	-	-	-	703,679,494
Others	84,447,106	-	82,717,534	3,927,841	21,402,480	192,494,961
Total	2,015,523,285	904,986,416	440,884,981	35,372,208	142,842,060	3,539,608,950

C. Distribution of exposure according to geographical sectors:

1. Geographic sector total exposure distribution :

Description	Inside the Kingdom		Other Middle East Countries		Europe		Asia		Africa		America		Other countries		Total	
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Balances with central banks	716,781,566	-	-	-	-	-	-	-	-	-	-	-	-	-	-	716,781,566
Balances at banks and financial institutions	1,559	5,577,680	4,065,690	797,793	435,806	30,695,567	-	-	-	-	-	-	-	-	-	41,574,095
Investment accounts at banks and financial institutions	-	58,138,000	11,952,372	-	66,129	-	-	-	-	-	-	-	-	-	-	70,156,501
Credit facilities	2,131,590,090	51,410,583	11,124,824	-	-	-	-	-	-	-	-	-	-	-	-	2,194,125,497
Financial assets	173,010,601	5,672,000	9,908,984	2,362,194	4,070,614	-	-	-	-	-	-	-	-	-	-	195,024,393
Within financial assets at fair value through income statement	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Within financial assets at fair value through other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Within financial assets at amortized cost	173,010,601	5,672,000	9,908,984	2,362,194	4,070,614	-	-	-	-	-	-	-	-	-	-	195,024,393
Encumbered financial assets (Debt instruments)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total for the year	3,021,383,816	120,798,263	37,051,870	3,159,987	4,572,549	30,695,567	-	-	-	-	-	-	-	-	-	3,217,662,052
Guarantees	116,550,843	-	-	-	-	-	-	-	-	-	-	-	-	-	-	116,550,843
Letter of credits	25,949,164	-	-	-	-	-	-	-	-	-	-	-	-	-	-	25,949,164
Other liabilities	179,446,891	-	-	-	-	-	-	-	-	-	-	-	-	-	-	179,446,891
Grand Total	3,343,330,714	120,798,263	37,051,870	3,159,987	4,572,549	30,695,567	-	-	-	-	-	-	-	-	-	3,539,608,950

2. Distribution of exposures according to the stages of classification in accordance with IFRS 9:

Description	Stage 1		Stage 2		Stage 3	Total
	Individual	Collective	Individual	Collective		
	JD	JD	JD	JD	JD	JD
Inside the Kingdom	1,828,153,422	904,986,416	433,794,981	35,372,208	141,023,687	3,343,330,714
Other Middle East Countries	120,798,263	-	-	-	-	120,798,263
Europe	29,961,870	-	7,090,000	-	-	37,051,870
Asia	3,159,987	-	-	-	-	3,159,987
Africa	2,754,176	-	-	-	1,818,373	4,572,549
America	30,695,567	-	-	-	-	30,695,567
Other countries	-	-	-	-	-	-
Total	2,015,523,285	904,986,416	440,884,981	35,372,208	142,842,060	3,539,608,950

D. Reclassified Credit exposures:

1. Total reclassified credit exposures :

Description	Stage 2		Stage 3		Total reclassified exposures	Reclassified exposures
	Total exposure	Reclassified exposures	Total exposure	Reclassified exposures		
	JD	JD	JD	JD	JD	
Balances with central banks	-	-	-	-	-	-
Balances at banks and financial institutions	-	-	-	-	-	-
Investment accounts at banks and financial institutions	-	-	-	-	-	-
Credit facilities	388,883,436	158,414,383	133,980,979	61,956,738	220,371,121	42%
Financial assets	7,090,000	-	1,818,373	-	-	-
Within financial assets at fair value through income statement	-	-	-	-	-	-
Within financial assets at fair value through other comprehensive income	-	-	-	-	-	-
Within financial assets at amortized cost	7,090,000	-	1,818,373	-	-	-
Encumbered financial assets (Debt instruments)	-	-	-	-	-	-
Other assets	-	-	-	-	-	-
Total	395,973,436	158,414,383	135,799,352	61,956,738	220,371,121	41%
Guarantees	22,003,073	11,297,635	6,257,358	1,815,172	13,112,807	46%
Letter of credits	7,196,924	3,662,424	-	-	3,662,424	51%
Other liabilities	51,083,756	21,376,715	785,350	424,970	21,801,685	42%
Grand Total	476,257,189	194,751,157	142,842,060	64,196,880	258,948,037	42%

2. Expected credit loss for reclassified exposures:

Description	Reclassified exposures			ECL for reclassified exposures				Total
	Total reclassified exposures from stage 2	Total reclassified exposures from stage 3	Total reclassified exposures	Exposures within stage 2		Exposures within stage 3		
	JD	JD	JD	Individual	Collective	Individual	Collective	
Balances with central banks	-	-	-	-	-	-	-	-
Balances at banks and financial institutions	-	-	-	-	-	-	-	-
Investment accounts at banks and financial institutions	-	-	-	-	-	-	-	-
Credit facilities	158,414,383	61,956,738	220,371,121	4,340,127	174,063	15,133,651	9,296,427	28,944,268
Financial assets	-	-	-	-	-	-	-	-
Joint investment accounts holder's equity	-	-	-	-	-	-	-	-
Within financial assets at fair value through other comprehensive income	-	-	-	-	-	-	-	-
Within financial assets at amortized cost	-	-	-	-	-	-	-	-
Encumbered financial assets (Debt instruments)	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-
Total	158,414,383	61,956,738	220,371,121	4,340,127	174,063	15,133,651	9,296,427	28,944,268
Guarantees	11,297,635	1,815,172	13,112,807	100,931	2,259	763,854	305,245	1,172,289
Letter of credits	3,662,424	-	3,662,424	53,030	198	-	-	53,228
Other liabilities	21,376,715	424,970	21,801,685	342,168	7,226	236,025	188,944	774,363
Total	194,751,157	64,196,880	258,948,037	4,836,256	183,746	16,133,530	9,790,616	30,944,148

63. Segment information

A. Information about the Bank's activities

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

Retail accounts:

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

Corporate accounts:

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

Investment in assets:

- This includes investing in real estate and leasing.

Treasury:

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

The below table illustrates the information on the Bank's business sectors distributed according to its activities:

Description	Retail		Corporate		Investment in assets		Treasury		Others		Total	
	JD		JD		JD		JD		JD		31 December 2018	31 December 2017
Total revenues (joint and self financed)	133,331,238		64,782,518		7,607,672		11,410,749		723,067		217,855,244	219,648,187
Net income of subsidiaries and share of profit from investments in associates	-		-		2,641,672		-		-		2,641,672	3,170,101
Investment risk fund share from the revenues of joint investment accounts holders'	(11,331,344)		(6,449,449)		(738,172)		(656,884)		-		(19,175,849)	(19,123,046)
Share of the unrestricted investment accounts and non-controlling interests from the net income of associates	(31,778,037)		(15,371,553)		(4,235,612)		(2,885,039)		-		(54,270,241)	(56,724,743)
Segment results	90,221,857		42,961,516		5,275,560		7,868,826		723,067		147,050,826	146,970,499
Allocated expenses	(45,110,929)		(21,763,476)		(2,777,287)		(1,725,217)		(269,912)		(71,646,821)	(66,031,744)
Profits before tax	45,110,928		21,198,040		2,498,273		6,143,609		453,155		75,404,005	80,938,755
Income tax	(15,746,088)		(7,323,623)		(795,314)		(1,550,286)		(180,767)		(25,596,078)	(26,799,702)
Profit after tax	29,364,840		13,874,417		1,702,959		4,593,323		272,388		49,807,927	54,139,053
Sector assets	1,174,009,253		924,201,579		971,142,456		987,644,106		-		4,056,997,394	4,104,442,606
Investment in associates	-		-		8,355,201		-		-		8,355,201	8,383,116
Unallocated assets	-		-		-		-		95,289,615		95,289,615	98,791,944
Total assets	1,174,009,253		924,201,579		979,497,657		987,644,106		95,289,615		4,160,642,210	4,211,617,666
Segment liabilities	3,167,428,434		417,549,916		-		8,241,356		-		3,593,219,706	3,667,688,673
Unallocated liabilities	-		-		-		-		174,028,725		174,028,725	168,970,375
Total Liabilities	3,167,428,434		417,549,916		-		8,241,356		174,028,725		3,767,248,431	3,836,659,048
Capital expenditures	-		-		-		-		13,488,619		13,488,619	13,654,927
Depreciation and amortization	-		-		-		-		7,453,939		7,453,939	7,736,280

B. Geographical Distribution Information:

- This sector represents the geographical distribution of the Bank's activities. The Bank undertakes its activities primarily inside the Hashemite Kingdom of Jordan.
- The below table illustrate the distribution of the Bank's revenues, assets and capital expenditures according to the geographical area and the internal policy of the Bank based on the method of measurement and as viewed by the General Manager and the chief decision makers:

Description	Inside the Kingdom		Outside the Kingdom		Total	
	31 December 2018	31 December 2017	31 December 2018	31 December 2017	31 December 2018	31 December 2017
	JD	JD	JD	JD	JD	JD
Total revenues	213,656,966	216,787,134	4,198,278	2,861,053	217,855,244	219,648,187
Total assets	3,967,886,762	3,907,867,707	192,755,448	303,749,959	4,160,642,210	4,211,617,666
Capital expenditures	13,488,619	13,654,927	-	-	13,488,619	13,654,927

64. Capital management

- The Bank's capital consists of the paid-in capital, statutory reserve, voluntary reserve, general banking risks reserves, fair value reserves and retained earnings.
- The Bank achieves its capital objectives throughout the following:
 - Achieving a satisfactory return on capital without affecting the financial stability of the Bank and achieving acceptable return on owner's equity.
 - Achieving the required level of capital according to Basel Committee requirements and the supervisory bodies instructions.
 - Providing an adequate capital to expand the granting of financing and large investments in consistency with the Central Bank of Jordan regulations as well as facing any future risks.

* Capital adequacy ratio was calculated as at 31 December 2018 in accordance with Central Bank of Jordan instruction number (72/ 2018) dated 4 February 2018 and in accordance with standard number (15) issued by Islamic Financial Services Board:

Description	31 December 2018	31 December 2017
	Thousands JD	Thousands JD
Common Equity Tier I:	361,187	343,025
Paid-in capital	180,000	180,000
Statutory reserve	84,018	76,471
Voluntary reserve	38,234	30,702
Retained earnings	62,766	58,577
Accumulated change in full fair value	1,007	-
Interim profits after tax, less expected dividends to be distributed.	-	-
50% of Bank's share from investments in banks and other financial institutions capital	-	(247)
50% of Bank's share from investment in insurance companies	-	(930)
Intangible Assets	(2,299)	(1,548)
10% of less of investments in Banks, financial institutions and Takaful companies capital	(494)	-
10% or more of investments in Banks, financial institutions and Takaful companies capital, beyond unified regulatory scope	(2,045)	-
Additional Tier I		
Additional Tier II	13,991	14,941
Fair value reserve of the financial assets at fair value through owners equity	-	546
Bank's share from the fair value reserve of the financial assets at fair value through joint investment accounts holders' equity	-	37
Bank's share from the the investment risks fund surplus	13,991	10,550
General banking risks reserve / self	-	1,000
Bank's share from the general banking risks reserve / joint	-	3,985
50% of the Bank's share from investments in banks' capitals and other financial institutions	-	(247)
50% of the Bank's share from investment in insurance companies	-	(930)
Total regulatory capital	375,178	357,966
Risk Weighted Assets (RWA)	1,646,641	1,556,269
Common Equity Tier I Ratio	21.93%	22.04%
Additional Tier I Ratio	-	-
Tier I Ratio	21.93%	22.04%
Tier II Ratio	0.85%	0.96%
Capital Adequacy Ratio	22.78%	23.00%

- Financial leverage percentage has reached 17.26% as of 31 December 2018.

65. Accounts managed for customers

Accounts managed for customers amounted to JD 456,938,169 as at 31 December 2018 compared to JD 454,007,731 as at 31 December 2017. These accounts are not presented within the Bank's assets and liabilities in the consolidated financial statements.

66. Maturity analysis of assets and liabilities

The table below summarizes the expected maturity of the Bank's assets and liabilities. The maturities of assets and liabilities have been determined according to when they are expected to be recovered or settled.

Description	31 December 2018		
	Within 1 year	More than 1 year	Total
	JD	JD	JD
Assets:			
Cash and balances with central banks	876,086,318	-	876,086,318
Balances at banks and financial institutions	93,915,490	-	93,915,490
Unrestricted investment accounts at banks and financial institutions	-	17,642,298	17,642,298
Deferred sales receivables and other receivables –Net	897,081,915	1,156,699,371	2,053,781,286
Ijarah Muntahia Bittamleek assets – Net	43,167,107	562,634,655	605,801,762
Financing – Net	5,114,799	27,588,990	32,703,789
Financial Assets at fair value through owner's equity – self financed	9,519,518	1,173,176	10,692,694
Financial assets at fair value through– joint investment accounts holders' equity	29,789,320	6,805,440	36,594,760
Financial assets at amortized cost	13,292,179	178,381,200	191,673,379
Investments in associates	6,266,401	2,088,800	8,355,201
Investment in real estate	25,275,972	101,103,889	126,379,861
Al Qard Al Hasan – Net	7,375,577	4,350,180	11,725,757
Property and equipment- Net	-	83,311,212	83,311,212
Intangible assets – Net	-	2,299,136	2,299,136
Other assets	9,679,267	-	9,679,267
Total assets	2,016,563,863	2,144,078,347	4,160,642,210
Liabilities and unrestricted investment accounts holders' equity:			
Due to banks and financial institutions	8,241,356	-	8,241,356
Customers' current and on demand accounts	766,144,570	309,863,500	1,076,008,070
Cash margins	27,159,061	18,051,157	45,210,218
Accounts payable	400,227	-	400,227
Other provisions	-	15,029,623	15,029,623
Income tax provision	22,459,373	-	22,459,373
Deferred tax liabilities	322,424	520,602	843,026
Other liabilities	24,442,317	764,453	25,206,770
Unrestricted investment accounts	1,114,381,138	1,394,589,142	2,508,970,280
Fair value reserve	1,498,805	5,612,830	7,111,635
Investment accounts holders' reserve in subsidiaries and associates	13,838,183	4,306,719	18,144,902
Non-controlling interests	-	153,866	153,866
Investment risks fund	-	31,654,580	31,654,580
Deferred tax liabilities	900,598	3,458,146	4,358,744
Income tax provision of investment risks fund	3,455,761	-	3,455,761
Total liabilities and unrestricted investment accounts holders' equity	1,983,243,813	1,784,004,618	3,767,248,431
Net	33,320,050	360,073,729	393,393,779

Description	31 December 2017		
	Within 1 year	More than 1 year	Total
	JD	JD	JD
Assets:			
Cash and balances with central banks	1,138,666,950	-	1,138,666,950
Balances at banks and financial institutions	54,124,633	-	54,124,633
Unrestricted investment accounts at banks and financial institutions	4,254,000	17,725,000	21,979,000
Deferred sales receivables and other receivables –Net	925,026,687	1,096,586,354	2,021,613,041
Ijarah Muntahia Bittamleek assets – Net	43,940,959	546,903,476	590,844,435
Financing - Net	4,147,964	26,832,393	30,980,357
Financial Assets at fair value through owner's equity – self financed	9,502,891	1,025,934	10,528,825
Financial assets at fair value through– joint investment accounts holders' equity	17,889,952	19,494,203	37,384,155
Financial assets at amortized cost	16,728,577	61,380,230	78,108,807
Investments in associates	-	8,383,116	8,383,116
Investment in real estate	24,042,480	96,169,923	120,212,403
Al Qard Al Hasan – Net	5,090,294	3,907,241	8,997,535
Property and equipment- Net	-	78,028,966	78,028,966
Intangible assets – Net	-	1,548,078	1,548,078
Other assets	8,978,718	1,238,647	10,217,365
Total assets	2,252,394,105	1,959,223,561	4,211,617,666
Liabilities and unrestricted investment accounts holders' equity:			
Due to banks and financial institutions	5,012,040	-	5,012,040
Customers' current and on demand accounts	802,340,044	325,377,023	1,127,717,067
Cash margins	28,306,150	19,600,827	47,906,977
Accounts payable	812,999	-	812,999
Other provisions	-	6,750,000	6,750,000
Income tax provision	23,760,966	-	23,760,966
Deferred tax liabilities	-	650,528	650,528
Other liabilities	18,801,867	567,804	19,369,671
Unrestricted investment accounts	1,120,251,027	1,414,709,603	2,534,960,630
Fair value reserve	2,247,987	5,435,861	7,683,848
Investment accounts holders' reserve in subsidiaries and associates	13,196,202	4,438,658	17,634,860
Non-controlling interests	-	165,487	165,487
Investment risks fund	-	36,350,487	36,350,487
Deferred tax liabilities	1,376,113	2,761,343	4,137,456
Income tax provision of investment risks fund	3,746,032	-	3,746,032
Total liabilities and unrestricted investment accounts holders' equity	2,019,851,427	1,816,807,621	3,836,659,048
Net	232,542,678	142,415,940	374,958,618

67. Contractual Commitments and Contingent Liabilities (Off consolidated statement of financial position)

A. Contingent credit commitments:

Description	31 December 2018	31 December 2017
	JD	JD
Letters of credit	22,640,751	41,498,110
Acceptances	3,308,413	3,650,962
Guarantees:	116,550,843	110,757,863
Payment	36,218,249	35,185,393
Performance	50,780,122	46,648,666
Others	29,552,472	28,923,804
Unutilized Limits/ Direct	109,094,793	115,786,180
Unutilized Limits/ Indirect	70,352,098	77,137,026
Total	321,946,898	348,830,141

B. Contractual commitments:

Description	31 December 2018	31 December 2017
	JD	JD
Property and equipment and softwares contracts	3,870,308	3,317,507
Total	3,870,308	3,317,507

- The above contractual commitments mature within one year.

C. Indirect facilities expected credit loss:

1. Cumulative movement on indirect facilities as of 31 December 2018:

Description	Stage 1		Stage 2		Stage 3	Total
	Collective	Individual	Collective	Individual		
	JD	JD	JD	JD	JD	JD
Balance at the beginning of the year	92,089,619	41,346,779	1,650,287	207,935,613	5,807,843	348,830,141
New exposures during the year	65,734,073	102,148,597	3,690,259	9,122,788	3,177,030	183,872,747
Matured exposures	(76,954,935)	(21,438,028)	(668,621)	(106,467,650)	(5,226,756)	(210,755,990)
Transferred to stage 1	4,470,978	63,106,309	(4,073,672)	(63,106,309)	(397,306)	-
Transferred to stage 2	(1,315,543)	(33,102,608)	1,337,655	34,999,119	(1,918,623)	-
Transferred to stage 3	(863,769)	(601,035)	(173,386)	(962,331)	2,600,521	-
Adjustments	-	-	-	-	-	-
Written off facilities	-	-	-	-	-	-
Adjustments from exchange rates effect	-	-	-	-	-	-
Balance at the end of the year	83,160,423	151,460,014	1,762,522	81,521,230	4,042,709	321,946,898

D. Cumulative movement on the expected credit loss for indirect facilities as of 31 December 2018:

Description	Stage 1		Stage 2		Stage 3	Total
	Collective	Individual	Collective	Individual		
	JD	JD	JD	JD	JD	JD
Balance at the beginning of the year	1,164,621	284,281	10,888	2,809,330	4,272,949	8,542,069
Expected credit loss on exposures during the year	620,155	1,410,250	120,256	540,711	2,859,327	5,550,699
Expected credit loss from matured exposures	(490,182)	(542,362)	(15,945)	(1,649,452)	(3,476,944)	(6,174,885)
Transferred to stage 1	57,290	238,952	(54,527)	(238,952)	(2,763)	-
Transferred to stage 2	(9,587)	(476,715)	9,683	496,129	(19,510)	-
Transferred to stage 3	(437,258)	(373,242)	(56,931)	(626,637)	1,494,068	-
Impact on ending balance provision due to change in staging classification	-	-	-	-	-	-
Adjustments	-	-	-	-	-	-
Written off facilities	-	-	-	-	-	-
Adjustments from exchange rates effect	-	-	-	-	-	-
Balance at the end of the year	905,039	541,164	13,424	1,331,129	5,127,127	7,917,883

68. Lawsuits filed against the Bank

- The lawsuits filed against the Bank (self) amounted to JD 10,369,384 as of 31 December 2018 with required provision of JD 49,166 (provision booked amounted to JD 75,000) compared to JD 10,340,537 as of 31 December 2017 with a provision of JD 10,925. The lawsuits filed against the Bank (joint) as of 31 December 2018 amounted to JD 10,051,818 with a provision of JD 64,261 compared to JD 2,458,474 as of 31 December 2017 with a provision of JD 192,418.
- The Bank's management and its legal advisor believe that any obligations that may arise from the lawsuits against joint investments will be recognized within the investment risk fund, while the lawsuits against the Bank (self) will be covered by the established provision.

69. Recently issued Islamic accounting standards

- Accounting and Auditing Organization for Islamic Financial Institutions (AAIOFI) has issued the Financial Accounting Standard 30 "Impairment, credit losses and onerous commitments". The standard specifies the accounting treatment of impairment and credit losses for financing and investments and onerous commitments in the Islamic financial institutions. The standard's requirements related to credit losses are highly similar to the requirements of International Financial Reporting Standard 9 (IFRS 9). The standard is effective for annual periods beginning on or after 1 January 2020, and early adoption is permitted.
- Both the impairment provision has been calculated in accordance with Central Bank of Jordan instructions No. (47/2009) on 10 December 2009 and the expected credit loss in accordance with IFRS 9, The calculation with the greater provision was considered in stages 2 and 3, and the material impact of the application has been recorded on the condensed consolidated financial statements as at 31 December 2018.

Standards Issued But Not Yet Effective

IFRS 16 Leases

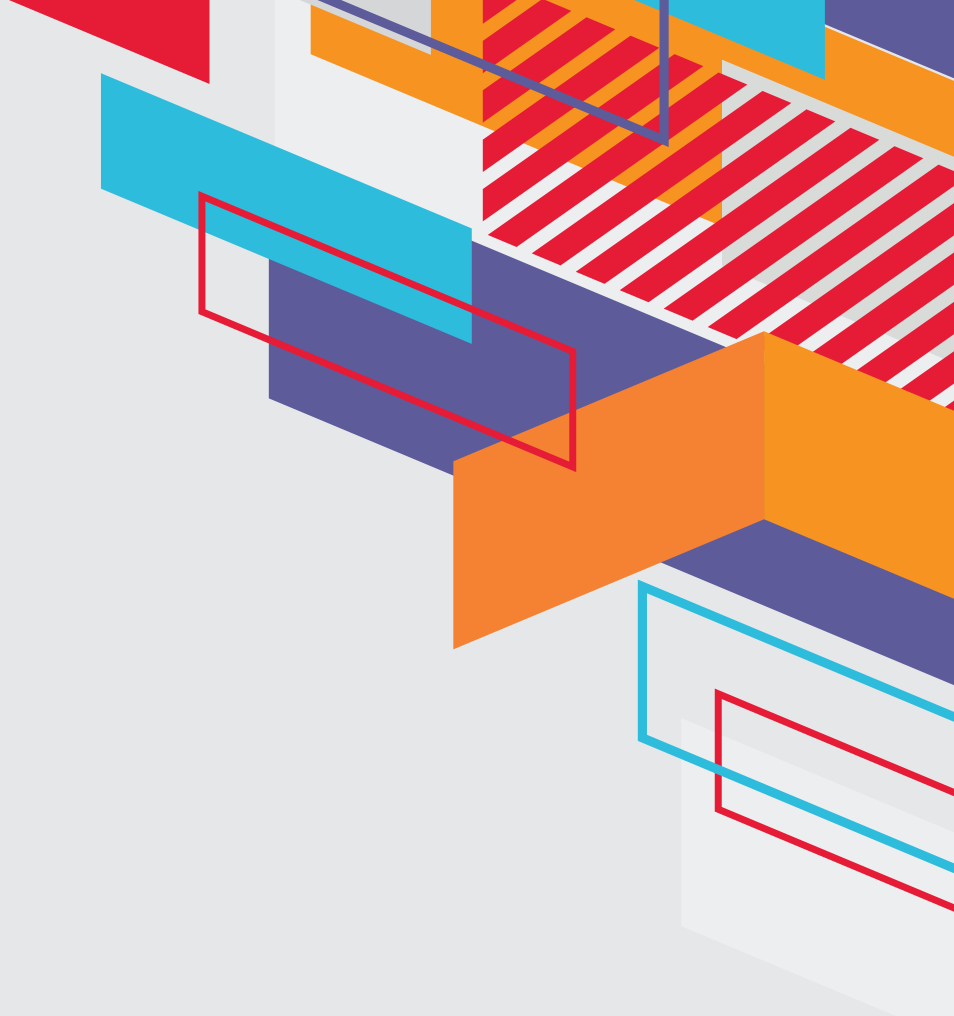
- During January 2016, the IASB issued IFRS (16) "Leases" which sets out the principles for the recognition, measurement, presentation and disclosure of leases.
- IFRS 16 substantially carries forward the lessor accounting requirements in IAS (17). Accordingly, IFRS (16) introduced a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments.
- The new standard will be effective for annual periods beginning on or after 1 January 2019. Early application is permitted.

Transition to IFRS (16)

- The Bank has the option to adopt IFRS (16) retrospectively and restate each prior reporting period presented or using the modified retrospective approach by applying the impact as an adjustment on the opening retained earnings. The Bank will elect to apply the standard to contracts that were previously identified as leases applying IAS (17) and IFRIC (4).
- The Bank will adopt IFRS 16 using the modified retrospective approach during 2018.
- The standard implementation mechanism will be reviewed for IFRS (16), taking into consideration related Central Bank of Jordan instructions.

70. Comparative figures

Some of the 2017 figures were reclassified to correspond with period ended 31 December 2018 presentation with no effect on equity or income for the year 2017.



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

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

Website

www.jordanislamicbank.com

e-mail

jib@islamicbank.com.jo

Contact Centre

Tel: +962 6 5680001

HQ/ Branch	Address	Tel.	Fax	P.O. Box	Postal Code	No. of Employees
Head Office	Culture Street/ Shmaisani / Amman	+962 6 5677377 +962 6 5666325	+962 6 5666326 +962 6 5684755	926225	11190	710
Shmaisani Branch	Culture 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 5692057	926943 921047	11110	31
Zarqa Branch	King Hussein Str. Zarqa	+962 5 3981401 +962 5 3984667	+962 5 3930911	5753	13111	42
Wehdat Branch	Prince Hassan Str./ Amman	+962 6 4744361 +962 6 4778101	+962 6 4789144 +962 6 4751645	16165	11152	30
Irbid Branch/ Baghdad St.	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	27
Aqaba Branch	Al Darb – Princess Haya Circle / Aqaba	+962 3 2014315 +962 3 2014317	+962 3 2014313	1048	77110	24
Ma'adaba Branch	Petra Str./ Ma'adaba	+962 5 3242802 +962 5 3248898	+962 5 3244702	695	17110	27
Sweileh Branch	King Hussein Str./ Sweileh	+962 6 5341563 +962 6 5359879	+962 6 5349461	717	11910	18
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	25
Jerash Branch	King Abdullah St./ Jerash	+962 2 6352652 +962 2 6352653	+962 2 6352654 +962 2 6352264	32	26110	30
Mafraq Branch	King Faisal Str./ Mafraq	+962 2 6231974 +962 2 6230381	+962 2 6232212	68	25110	26
Salt Branch	Al Bayyadah Str./ Salt	+962 5 3553790 +962 5 3557985	+962 5 3553792	1035	19110	18
Tafileh Branch	Municipality Str./ Tafileh	+962 3 2242647 +962 3 2242648	+962 3 2242650	42	66110	22

Branch	Address	Tel.	Fax	P.O. Box	Postal Code	No. of Employees
Al Rawdah Branch	Al Rawdah Str./ Amman	+962 6 5159721 +962 6 5152774	+962 6 5151773	961155	11196	25 (Including the services employees in Alrawda branch)
Rusifeh 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 / AlHashmi Str.	Al-Hashmi Str./ Irbid	+962 2 7279401 +962 2 7276821	+962 2 7279405 +962 2 7276437	501	21101	35
Ajloun Branch	Opposite to the Consumers Corporation / Ajloun	+962 2 6420777 +962 2 6421004	+962 2 6420700	167	26810	26
Al-Weibdeh Branch	Abdali / Opposite to the Vehicles Public Parking Area/ 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	21
Yarmouk St. Branch	Yarmouk Str./ Amman	+962 6 4757161 +962 6 4757162	+962 6 4757169	620823	11162	18

Branch	Address	Tel.	Fax	P.O. Box	Postal Code	No. of Employees
Abu Alanda Branch	Ring Road/ Amman	+962 6 4162001 +962 6 4162973	+962 6 4162971	742	11592	21
Sahab Branch	Behind the vegetable market / Sahab	+962 6 4023801 +962 6 4023804	+962 6 4023803	647	11511	21
Marka Branch	King Abdullah Str./ Amman	+962 6 4889311 +962 6 4894399	+962 6 4886633	340965	11134	25
Mu'tah Branch	University Str./ Mu'tah	+962 3 2370001 +962 3 2370285	+962 3 2371804	50	61621	28
Gwairieh Branch	King Ghazi Str./ Zarqa	+962 5 3930901 +962 5 3930902	+962 5 3930903	150266	13115	16
Ramtha Branch	Banks Str./ Ramtha	+962 2 7380490 +962 2 7380493	+962 2 7380494	546	21410	25
Al-Hashmi AlShamali Branch	Jabal Al Hashmi Al-Shamali / Amman	+962 6 5052111 +962 6 5051117	+962 6 5055114	230693	11123	18
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	20
Al – Baqa'a Branch	Al-Baqa'a Camp / Al-Baqa'a	+962 6 4726333 +962 6 4726335	+962 6 4726334	825	19381	18
Jabal Attaj Branch	Haouz Str./ Amman	+962 6 4752300 +962 6 4755644	+962 6 4752302	410676	11141	18

Branch	Address	Tel.	Fax	P.O. Box	Postal Code	No. of Employees
Kufranja Branch	Main Str./ Kufranja	+962 2 6454501 +962 2 6454609	+962 2 6454510	61	26873	15
Al Nasr 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	24
Tla' Al-Ali Branch	Tla' Al-Ali / Amman	+962 6 5333184 +962 6 5340255	+962 6 5342744	1582	11953	20
Hai Ma'ssoum Branch	Al-Farouq Str./ Zarqa	+962 5 3935401 +962 5 3935418	+962 5 3935427	11897	13118	18
Abdullah Gosheh Str., Branch	Umn Al-Sumaq / Amman	+962 6 5857520 +962 6 5857521	+962 6 5857529	709	11821	18
Irbid Branch/ Eidoun St.	Eidoun / Irbid	+962 2 7254756 +962 2 7254760	+962 2 7254763	620595	21162	22
Wasfi Al-Tal Str., Branch	Wasfi Al-Tal Str./ Amman	+962 6 5528102 +962 6 5528095	+962 6 5528075	961021	11196	24
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	15
Al Jeibiha Branch	Main Street / Amman	+962 6 5344261 +962 6 5344237	+962 6 5344239	874	11941	16
Tareq Branch/ Tabarboor	Shehab Al-Habri Str./ Amman	+962 6 5060436 +962 6 5060541	+962 6 5060548	295	11947	23
Irbid Branch / Palestine Street	Palestine Str./ Irbid	+962 2 7262101 +962 2 7262105	+962 2 7262109	3922	21110	23
Al-Zarqa AlJadeedah Branch	Makka Mukarama Str./ Zarqa	+962 5 3852402 +962 5 3852405	+962 5 3852410	150472	13115	19
Deir Alla Branch	Main Street / Deir Alla	+962 5 3573520 +962 5 3573521	+962 5 3573525	44	18210	17
Al-Sweifeh Branch	Al-Sweifeh / Amman	+962 6 5812226 +962 6 5812227	+962 6 5812029	142643	11844	16
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	16

Branch	Address	Tel.	Fax	P.O. Box	Postal Code	No. of Employees
Khraibt Essouq Branch	Khraibt Essouq / Amman	+962 6 4120846 +962 6 4120928	+962 6 4120894	987	11621	20
Khalda Branch	Amer bin Malek Str./ Amman	+962 6 5545948 +962 6 5536296	+962 6 5542813	4428	11953	15
Al-Shoneh AlShamalieh Branch	Main Street / AlShoneh Al-Shamalieh	+962 2 6580282 +962 2 6580275	+962 2 6580298	15	28110	14
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	15
Al-Dlail Branch	Tareq Complex / Al-Dlail	+962 5 3825179 +962 5 3825180	+962 5 3825181	190	13136	15
Wadi Al Hajar Branch	Zarqa / Highway Street	+962 5 3651990 +962 5 3652304	+962 5 3651034	1927	13110	15
Irbid Branch/ Al Hosn	Al Hosn/ Irbid	+962 2 7012401 +962 2 7012402	+962 2 7012404	357	21510	15
Bawabet 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	15
Islamic Hospital Branch	King Hussein St. Amman	+962 6 5657261 +962 6 5657262	+962 6 5657264	928430	11190	13
Al-Huriah Street Branch	Al-Huriah Street / Al-Muqableen	+962 6 4205617 +962 6 4206259	+962 6 4205769	606	11623	15
Al Yasmin District Branch	Al Yasmin District/ Amman	+962 6 4205413 +962 6 4205347	+962 6 4205386	710068	11117	17
Al Shouneh Al Janoubayeh Branch	King Hussein Bridge Street / Al Shouneh Al Janoubayeh	+962 5 3581173 +962 5 3581175	+962 5 3581194	23	18110	12
Marka Al Janoubieh Branch	Saleh Al Hamalan Street (previously Al Feda'), Marka Al Janoubieh / Amman	+962 6 4900205 +962 6 4900193	+962 6 4900208	420300	11142	15
Jizah Branch	Desert Road – Jizah	+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 Kenanah	Sama Al- Rosan Intersectoin Bani Kenanah / Irbid	+962 2 7585150 +962 2 7585152	+962 2 7585124	25	21129	15

Branch	Address	Tel.	Fax	P.O. Box	Postal Code	No. of Employees
Irbid City Centre Branch	Prince Hasan Str. City Centre/ Irbid	+962 2 6911305 +962 2 6911306	+962 2 6911309	1233	21110	14
Abdoun Branch	Abdoun – North Abdoun neighbourhood – Fawzi Al Qawqji – building No (5)	+962 6 5922782 +962 6 5922645	+962 6 5922834	852745	11185	13
Bawabet Jerash Branch	Main Street - Towards Ajloun City - Opposite Jerash Secondary School For Boys	+962 2 6340115 +962 2 6340122	+962 2 6340130	1003	26110	13
Zarqa Gharbia Branch*	Zarqa – Al Zawahra District - Birin Street - Opposite to Cordoba College (formerly)	+962 5 3924805 +962 2 3924829	+962 5 3924836	5016	13111	-

* Opened on 31/1/2019.

Office	Address	Tel.	Fax	P.O. Box	Postal Code	No. of Employees
Industrial Area Office / Sahab	Industrial City/ Sahab	+962 6 4029720 +962 6 4029722	+962 6 4029725	259	11512	4
C-Twon Office	Amman Mall/ Amman	+962 6 5528394 +962 6 5528395	+962 6 5528397	1582	11953	4
Hettein Camp Office	Hettein Camp Rusaifa	+962 5 3611253 +962 5 3611254	+962 5 3611328	2720	13713	4
Awjan Office	Main St./ Awajan	+962 5 3656663 +962 5 3656664	+962 5 3655029	8545	13162	3
Istiqlal Mall Office	Istiqlal St./ Al Nuzha	+962 6 5683936 +962 6 5683937	+962 6 5683897	922503	11192	3
Al Marj Office	Al Mark/ Al Kerak	+962 3 2341494 +962 3 2341496	+962 3 2341495	14	61112	4
Bsaira Office	Bsira/ Al Tafeila	+962 3 2267082 +962 3 2267087	+962 3 2267105	54	66610	4
Irbid Office/ Al Tayybeh	Al Tayybeh/ Irbid	+962 2 7330039 +962 2 7330041	+962 2 7330456	17	21810	4
Free Zone Office	Gate No. (1) – Free Zone, Zarqa	+962 5 3826739 +962 5 3826762	+962 5 3826741	186	13134	5
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	5
Aqaba Office	Tunisian Baths Street / Aqaba	+962 3 2014665 +962 3 2014687	+962 3 2031706	1048	77110	6

Office	Address	Tel.	Fax	P.O. Box	Postal Code	No. of Employees
Madaba Office	Amman – Madaba west road – Opposite to the Electricity Company / Madaba	+962 5 3241731 +962 5 3241756	+962 5 3241756	695	17110	5
Al Husainiah Office	Al Huseiniyah – South Mazar/ Karak	+962 3 2332709 +962 3 2332711	+962 3 2332712	50	61621	7
Balama Office	Balama – Next to Balama Judicial Department / Mafrqa	+962 2 6203931 +962 2 6203932	+962 2 6203937	185	13125	6
Sameh Mall Office	Martyr Street, Commercial Complex – Areefah Mall / Amman	+962 6 5066236 +962 6 5065730	+962 6 5066779	295	11947	4
Wadi Essir Office	Iraq Al Amir Street – Wadi Essir / Amman	+962 6 5865424 +962 6 5864780	+962 6 5864891	140223	11814	4
Al Madina Al Reyadia 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	6
Shafa Badran Office	Baladyet shafa Badran – Beren road – near Amman playgrounds - Amman	+962 6 5231048 +962 6 5231085	+962 6 5231287	49	11934	5
Al Hassa office	Lewaa Al Hassa- Desert road – near al Istiklalia military institution	+962 3 2277251 +962 3 2277269	+962 3 2277274	55	64610	4
Ain al Basha office	Al Balqa goverenorate – Ain al Basha baladya – opposite to Ain AlBasha kazba – near the light signal (Al Sehia light signal)	+962 6 4726834 +962 6 4726894	+962 6 4726904	77	19384	6
Al Turra Office	Irbid governorate – lewaa Al Ramtha – Al Tarra – the main street – Dewar martyr Moaz Al Kassasba	+962 2 7361090 +962 2 7361094	+962 2 7361096	2	52110	4
Bawabet Al Mafrag office	Al Mafrag governorate – Dr. Khaled Abu Samaka Street – in the direction of Al Al Baiet university	+962 2 6236754 +962 2 6236765	+962 2 6236766	563	25110	5

Office	Address	Tel.	Fax	P.O. Box	Postal Code	No. of Employees
Al Jubiha Office	Capital Governorate - Jubaiha - Abdullah Al Lozi Street - Near Al Jubaiha Municipality Building - Building No. (36)	+962 6 5334043 +962 6 5334016	+962 6 5334597	874	11941	5
Al Rasheed Suburb Office	Capital Governorate - Jubaiha - Al Rasheed Suburb- Akef Al Fayez Street - Next to Omaina Housing - Building No. (70)	+962 6 5150065 +962 6 5150056	+962 6 5159821	961155	11196	6
Al Mazar Al Shamali office *	Irbid Governorate - Northern Mazar Province - Main Street - Near Al-Mazar Al-Kabeer Mosque	+962 2 7034026 +962 2 7034023	+962 2 7034041	8	21610	-
Al-Bonded Office	Sahab Industrial City / Sahab	+962 6 4029727 +962 6 4029728	+962 6 4029729	259	11512	14

* Opened on 30/1/2019.

- The Bank does not have any branches or offices outside the Kingdom.