



البنك العربي الاسلامي الدولي
ISLAMIC INTERNATIONAL ARAB BANK

”ثقة ... أمان ... وإستثمار حلال“



Islamic Coinage ...
Symbols of art and creativity depicting
fourteen centuries of glorious history.





Islamic Coinage ...

Symbols of art and creativity depicting fourteen centuries of glorious history.

The Numismatics Museum - Central Bank of Jordan

The Numismatics Museum exhibits many eras that have passed on Jordan; starting from Greek era – around 400 BC- in addition to civilizations and empires inhabited and ruled the country which was reflected through inscriptions on the coins that was graven at the time of strength and weakness of Jordan and the region around it.

Coinages were used in the early 7th century till the beginning of the 20th Century.

We hereby send our sincere gratitude to his Excellency Dr. Ziad Fareez the governor of Central Bank of Jordan, the team work of Numismatics Museum, and everyone who contribute to enrich this topic within the annual report of the Islamic International Arab Bank for year 2015.



One-Third Gold Dinar – Al-Walid I
886-96 H / 705-715 AD
The Umayyad



البنك العربي الإسلامي الدولي
ISLAMIC INTERNATIONAL ARAB BANK

(Public Shareholding Limited Company)
Amman – Hashemite Kingdom of Jordan

Tel: 569 4901 Fax: 569 4914
P.O. Box 925802, Amman 11190 - Jordan

Our Vision

To be the leading Islamic Banking institution in the Arab world

Our Mission

To achieve leadership in our chosen markets in accordance with Islamic Sharia rules as an organization dedicated to deliver highest quality products and the special services to the customer presented through a highly qualified staff in compliance with the best professional and ethical standards within a motivating environment, supported by advanced technologies and efficient distribution channels to achieve high and advanced financial results.

Our Core Values

- Honesty and decency with ourselves and others.
- Pursuit of excellence and fulfillment of our promises.
- Adherence to the principles and rules of the Islamic Sharia throughout all our operations.
- Belief that there is always a better means and the challenge lies in discovering it.
- Commitment to Corporate Governance.
- Commitment to social responsibility.



Coin minted in Palestine , Arab Byzantine
13-77 H / 9633- 695 AD
Early Islamic Period (Period of Transition)



His Majesty King Abdullah II Bin Al Hussein



**HRH the Crown Prince
Hussein Bin Abdullah II**



Arab Sasanian Coin, minted in Dar Bajrad
Ziyad ibn Abi Suftan (Al Farsi)
13-77-H / 633-695 Ad
Early Islamic Period (Period of Transition)

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Coin minted in Jordan , Arab Byzantine
13-77 H / 9633- 695 AD
Early Islamic Period (Period of Transition)



Gold Dinar , Abd al-Malik ibn Marwan
65-86 H/ 685-705 Ad
The Umayyad



Islamic International Arab Bank (Public Shareholding Limited Co,)

Based on the conclusive verse differentiating between permitted and prohibited "Allah has permitted trading and forbidden usury" & our belief in the prominent message of Islam in economy being founded on equity and participation, and having the essential banking, commercial, investment and finance efficiency supported by distinguished banking expertise, IIAB commenced its banking operations on Shawwal 12, 1418 AH, February 9, 1998, Today, the Islamic International Arab Bank is one of the leading Islamic banking institutions in Jordan and the region.

The Bank was established as a public shareholding company in accordance with the Companies' ACT of 1989; IIAB was registered in the Public Shareholding Companies' Register under No. 327 on March 30, 1997.



Silver Dirham , Abd al-Malik ibn Marwan
65-86 H/ 685-705 Ad
The Umayyad

Allah Almighty says in the Holy Qur'an:

"So ask the people of the message if you do not know"

(Surah Al-Anbya' Verse 7, Surah An-Nahl Verse 43)

His Eminence Dr, Ahmad Hlayel
Committee Chairman

Dr, Ahmad Ayade
Committee Executive Member

His Eminence Shaykh Saed Hejawi
Committee Member

Considering the breadth of the field of Islamic Fiqh, and in light of the many developments and changes of the modern economy and its complexity, in addition to the need for a good judgment and deep honest diligence to understand the Fiqh rules to get the Shariah opinion in financial, transactions, and modern banking issues, the necessity of Shariah Supervisory Committee of The Bank emerged based on the Shariah principle: "who works hard and does it right, is rewarded twice and who works hard and does it wrong, is rewarded once".

The Committee performs a significant role in issuing fatwas based on existing Shariah principles or effort that cope with the contemporary need. The committee approves all the contracts and agreements needed by the Bank with other bodies and institutions before they are accredited, sets an array of Shariah-compliant standards to govern the banking operations and offers consultations in issues presented by other relevant bodies.

The Annual Report of the Sharia Supervisory Committee

For the Financial Period ending on 31/12/2015

Praise be to Allah, Lord of all worlds and may peace and blessings be upon our Prophet who was sent as mercy to the worlds and upon His family and His companions

Dear Shareholders,

May the peace, mercy and blessings of Allah be upon you,

The Shari'a Supervisory Board presents its Annual Report for the financial period ending on 31/12/2015 based on the Bank's Articles of Association.

The responsibility for the Shari'a Supervisory Board is to express an independent opinion and to illustrate the Shari'a compliant ruling in accordance with the controls, provisions and principles of Islamic Shari'a. The responsibility of the implementation of Fatwas and provisions of Islamic Shari'a falls upon the Bank's Management. On this basis and in our opinion:

- The contracts and operations which the Bank has executed during the period ending on 31/12/2015 of which we were apprised, are based on the provisions of Islamic Shari'a through the Management's cooperation with the Shari'a Supervisory Board in realizing the remarks given over certain practical implementations.
- The basis of distribution of dividends to the holders of the joint investment and the Investment Risk Hedge Fund conform to the prescribed rules and principles as per the Bank's Memorandum and Articles of Association and in accordance with the provisions of Islamic Shari'a.

The Shari'a Supervisory Board in cooperation with the Management of the Islamic International Arab Bank, technical and legal personnel operating thereat have studied all the issues presented to it and responded to all queries related thereto and asserted the observation of the Shari'a controls therein.

The Board has, through meetings, has set up the required principles and provisions and whatever mandated processing from all aspects dictated by the banking operation in light of the developments which were manifested through the practical application and in conformity with Shari'a provisions. It has also clarified and developed a number of new banking issues giving the Shari'a ruling therefor.

The Board reviewed the reports prepared by the Internal Shari'a Audit on the Bank's operations as well as the remarks and proposals presented by it and the procedures taken by the Executive Management in their regard. The Board reviewed the Bank's Balance Sheet as at 31/12/2015, Statement of Income for the period ending on 31/12/2015 and the Notes to the Financial Statements on account that they present a comprehensive picture about the Bank's operations which are required to be presented to the concerned entities at the Bank. No violation of Shari'a was apparent to the Board in respect of what has been reviewed by it.

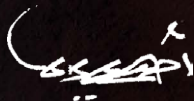
The Board ascertained that all the Bank's investment accounts are sound and have realized profits as at 31/12/2015 and that there was no need to utilize the Investment Risk Hedge Fund to address deferments.

We pray to Allah, Almighty to grant success to the Bank's Management for more success and achievement, thanking them for their kind cooperation and compliance with the provisions of Islamic Shari'a.

This report has been made on Thursday 11th Rabie II, 1437H corresponding to 21/1/2016G.

May the peace, mercy and blessings of Allah be upon you,

His Eminence
Dr, Ahmad Hlayel
Committee Chairman



Dr, Ahmad Ayadi
Committee Executive Member



His Eminence
Shaykh Saed Hejawe
Committee Member





Copper Fils, minted in Amman – Harun al Rashid
170-193 H / 786-809 Ad
The Abbasid

Dear stockholders,

Asslamu Alaykum,

On behalf of the Arab Islamic bank Board of Directors it is my pleasure to provide to you the annual report for the year 2015. While highlighting the blessed efforts of the bank's employees in all positions and their strive in working faithfully in order for the bank to reach and become what it is now. In this occasion I would like to thank and show my gratitude to the Sharia board for what its active role in fulfilling the bank's message which is financial and banking solutions in accordance to the Islamic sharia.

Steady growth

The bank have achieved a 31% growth in net profit when compared to the 2014, in addition to 17% growth in its facilities portfolio when compared to 2014, and the continues trust of the bank's customers have led to a 14% growth in customer's restricted deposits when compared to 2014.

Despite the economic slowness in Jordan, which was caused by the surrounding instabilities, the bank was capable of expanding and increasing its market share.

Towards financial inclusion

The bank is headed towards providing a comprehensive banking services for all Retail and SMEs segments, during 2015 the bank have concentrated on added value economic sectors through the corporation with well recognized local and global institutions, most notably the central bank of Jordan, the world bank and the Arab fund for social and economic development. Moreover, the bank adoption of delivering financial services with ease and comfort to an extended geographical areas have achieved the spread of the bank in all of the kingdom's provinces whilst the bank have additionally opted to open branches near population and commercial converges whilst concentrating on expanding business for SMEs.



Islamic financial industry

Year after year, Islamic finance has proven itself on both domestic and international levels. The bank have always proven itself as a leader in the Islamic financial industry, the bank is aware of its responsibility to deliver the message of Islam throughout the banking processes which has been touched and felt by workers and researchers, in addition to the openness towards all Islamic banking supporting entities is considered as the foundation stone in this responsibility.

The human capital

The bank have proven itself in investing in its human capital, and the management of its human resources and the adoption of the best practices which aims to fulfill the financial and strategic targets of the bank throughout the appointment qualified employees and the implementation of short term and long term training programs, the bank has achieved harmony and team spirits between all the employees across all managerial levels to do what is in the best interest of the institution.

Creativity and innovation

In light of the increased competition in the local market, creativity and innovation remain as the most important competitive advantage making the difference for the institution. The bank have managed to preserve its leadership in several fields specially in offering innovative products and the completion of customers and infrastructure projects in light of creative ideas and its development to become realistic solutions and its continues pursuit of leadership.

The bank's identity:

The bank's message as a Sharia compliant financial institution necessitates it to present its identity in a way fit to its message. The bank always peruses to be innovative in activities that are in accordance to the Islamic Sharia and our social values in addition to our youth aspirations. While the moderate Islam message to confront any sort of radicalism is one of the most important foundations of the bank's identity.

Social responsibility

Social responsibility is an inseparable part of the bank's activities, where the bank have always offered banking solutions in accordance to the best interest of the national economy and the interest of individuals through the enhancement of the value added and the savings. Moreover, responsible financing rules principally aim to protect the bank's customer's rights and preserve their capabilities of meeting family requirements and their responsibilities to society.

Future outlook

We are overwhelmed with hope that the years to come will be filled with optimism and hope, requesting.....

We undoubtedly believe in the bank's capabilities to adopt with any circumstances, where our believe is derived from our faith in our human resources and their loyal efforts in all positions, in addition to the bank's sold financial base and our trust in the Hashemite leadership under the his royal highness kind Abdullah the second.

Lastly, I would like to thank you all and hope to present in the 2015 annual report the bank's financial results in accordance to the International Financial Reporting Standards with all transparency and integrity to preserve the trust and security of our customers and assure that all of the bank's profits are from Halal investments.

Faris Abdul Hamid Sharaf
Chairman



Silver Dirham, minted in Basra –As- Saffah
132-163 H / 749-754 AD
The Abbasid

Dear stockholders,

Asslamu Alaykum,

On behalf of myself and the Islamic International Arab Bank management it is my honor to present to you the 2015 Annual report, I would like to seize the opportunity to offer my gratitude to the bank's board of directors and the Bank's General Assembly for the trust they have presented to the bank's management team. I would also like to present my further gratitude to the Sharia board for their active and material role in supporting the institutions activities that is in line with the Islamic Sharia.

Unexpected growth

The financial results for the year 2015 have showed a 18% increase in operating revenue reaching 53 million JDs, while incurring a profit before tax amounting to 25 million JDs representing a 31% increase when compared to 2014. Our granted facilities portfolio have reached 960 million JDs reflecting a 17% growth when compared to 2014. In addition to a 14% increase in customers restricted deposits reaching 1,719 billion JDs, while the capital adequacy ratio reached 17.95% where the central bank of Jordan have benchmarked the capital adequacy ratio to 12%. This reflect the level of harmony reached between the bank's executive management with the guidelines of the board of directors and the bank's strategic plan, desired goals and control environments.

The bank have proven its ability to comprehend the variables, despite the modesty of the Jordanian economy which was a result of the surrounding events and the global economy general retreat. This has not acted as a barrier for the bank's growth, the bank was capable of expanding and increasing its market share.

Our concept of financial inclusion

The banks efforts are concentrated to reach a comprehensive banking solutions which would meet the demands all genres with favorable terms and a competitive costs to reach all society segments including individuals and SMEs in order to strengthen the financial services and their financial independence.



In 2015 the bank have increased its efforts to support economical high valued sectors which included the signing of understanding and cooperation agreements with highly referenced institutions for these sectors, which includes Jordan chambers of manufacturing and Amman chambers of commerce. Additionally the bank have contributed in the development of short and medium term loans with the central bank of Jordan to come up with a formula which agrees with the Islamic Sharia in order to deliver cheaper financing solutions for the touristic, agriculture, industrial, renewable energy and Information technologies sectors in order to encourage its growth.

The aim of the geographical expansion for the bank is to facilitate the access to offered financial services, whereas during 2015 the bank have opened a branch in Azmeer Mall in the capital and relocated Shemasni branch to its new location, in addition to opening a SMEs center which mainly aims to accelerate and improve the offered services for its clients, whereas the bank's network includes 41 branches, 57 ATMs and 12 business centers covering the kingdom.



Silver Dirham Mohammed I ibn Nasr
629-971 H / 1232-1273 AD
The Nasrid

An established name in Islamic banking

The bank continues its pursuit in its strong presence in the Islamic banking sector, therefore we have ensured our relationships with all Islamic banking supporting sectors and institutions, such as the Islamic financial institutions AAOIFI, the general council for Islamic banking and financial institutions CIBAFI and Islamic financial services board IFSB, additionally the bank and with the cooperation of the Central Bank of Jordan have launched products which primarily aim to benefit from designated programs from international institutions, such as the international bank and the Arab fund for economic and social development to contribute in achieving the development goals for these institutions through Sharia compliant contracts in a way that ensures the bank's has become a leading institution in the Islamic banking, thanks to god and the sharia control board whom preserves its role in providing all that is new through sharia research and providing substitutes.

The bank further preserved its active role in Islamic banking education and awareness to all genres of society including specialists and higher education students in Jordan universities through organizing conferences and workshops which aim to discuss the banking improvements and evolution and better understand the nature of Islamic banking.

The human capital

The bank's financial results reflects the effectiveness and efficiency of its investment in its human resources and its development through the application of the best practices which eventually translates to financial and strategic goals through concentration on the development of the employees banking and sharia skills and other skills required by their positions and nature of work, that had a positive effect in achieving these results, whereas 1107 employees have participated in training session.

Innovative banking

We understand that creative banking is a competitive advantage which helps in reaching desired goals, therefore the bank have elected to follow a creative and innovative path in operating, which is reflected on our new products and services in addition to the completed projects, as during 2015 the bank have launched IVR service as a new addition to International Islamic Arab bank customers service center, the service have helped customers in gaining numerous number of banking and informative services all the time. The bank continues to provide

products and marketing campaigns for individuals as a contribution in supporting individual to withstand the conditions of life, where a special marketing campaign has been initiated with a return considered as the lowest in the banking industry designated to members of the army, General security forces, Jordanian customs personnel, and a campaign for the education ministry employees in addition to the continuation for the 4th year in a row in the Adahi campaign. In addition to completing project to strengthen the bank's infrastructure aiming to improve the controls environment.

With you and by you

During 2015 the bank have signed media sponsorship agreements for awareness purposes such signed with JRTV and Amen FM aiming to present Islamic and social programs to promote moderate thoughts and our social values and customs.

Aiming to fight against poverty and hunger in Jordan; the bank participated in many volunteering campaigns especially during holy Ramadan and any other seasons, and boosted the voluntary activities for the staff through active participating in events such as food participating and catering for underprivileged people and visiting patient in the hospitals.

Future outlook

The bank's positive financial indicators implies the solid financial position of the bank, and its ability to face any future challenges, the bank will continue to adopt its prudent policies to manage its assets and liabilities in a manner that ensures reaching its goals within acceptable risk levels, and with full compliance with the central bank regulations, where we would like to show our gratitude to the central bank for the care it has shown for Islamic banks and the innovative role in preserving the Jordanian economy. And we ask god to keep us safe and blessed under the rule of his patronage king Abdullah the second.

Finally, we can only renew our gratitude for your trust and we hope that we are successful in presenting this annual report and detailing the banks financial results transparently in accordance to the International Financial Reporting Standards, while assuring you with all sincerity that our aim is to preserve our customers trust and preserving their money and providing them with halal profits.

Iyad Ghasoub Asali
General Manager

Board of Directors

Chairman

- **Sharif Faris Abdul Hamid Sharaf**

Vice Chairman

- **MR. Mohamed A. Hamad Ghanameh**

Board Member

- **Mr. Naim Rassem Kamel Al-Hussaini**
- **Mr. Dawood Mohammed Alghool**
- **DR. Tariq Mohammad Al Hammouri**

Secretary of the Board of Directors

- **Dr. Mohsen Fayez Abdulsalam Abu Awad**

Auditors

- **Deloitte & Touche (Middle East)**
- **Mr. Mohammad Musa Daowood "Mohd Issa" / Vice Chairman until 11/10/2015**
- **Dr. Ahmad Awad Abdulhaleem Al Hussein / Board member until 11/10/2015**



Top Management

■ **Mr. Iyad Ghasoub Jamill Asali**
General Manager

■ **Dr. Mohsen Fayez Abdulsalam Abu Awad**
Chief Business Officer

■ **Mr. Tareq Musa Shehadeh Awwad**
Chief Operations Officer (since 1/4/2015)

■ **Mr. Amjad Awni Hosni Hijazi**
Chief Operations Officer (until 1/4/2015)

■ **Mr. Yousif Ali Mahmoud Al Badri**
Chief Credit Officer

■ **MR. Abbas Jamal Mohammad Mari**
Chief Financial Officer

■ **Mr. Hamdi Taha Hammad Almahmoud**
Head of Audit Division

■ **Mr. Akef Hussein Mohammad Hamam**
Head of Human Resources Division

■ **Mr. Abd Alkareem Ersan Awad Sukkari**
Head of Risk Division

■ **Mr. Husam-Addain Ahmad Abdulhameed Salah**
Head of Legal Dept. / Advisor

■ **Dr. Omar Mustafa Jaber Al Sharif**
Shariah Audit Manager

■ **Mr. " Mohammad Bashar" " Mohd Muneer" Faris Sarraj**
Head of Regulatory Compliance Dept.





Fatimid Galss Weights for coins authentication – al- Mustansir Billah
297-567 H/ 909-1171 AD
The Fatimid

**Auditor's Report and
Financial Statements
For the Period Ending
on 31/12/2015**



Silver Dirham , Minted in Chach (Tashkent) – Nasr II
301-331 H/ 914-943 AD
The Samanid

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Copper Fils, Umar II
(Umar ibn Abd al -Aziz
99-101 H / 717-719 Ad
The Umayyad



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Independent Auditor's Report

AM/ 30233

To the Shareholder of
Islamic International Arab Bank
Amman – The Hashemite Kingdom of Jordan

We have audited the accompanying financial statements of Islamic International Arab Bank (Public Shareholding Limited Company) which comprises of the statement of financial position as of December 31, 2015, the statements of income, comprehensive income, changes in shareholder's equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the Islamic Accounting Standards Issued by Accounting and Auditing Organization for Islamic Financial Institutions, which are consistent with the bank's Articles of Association and aligned with Sharia rules and principles that are determined by Sharia Supervisory Board of the Bank. These responsibility include maintains internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

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

Member of Deloitte Touche Tohmatsu Limited



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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Islamic International Arab Bank as of December 31, 2015, and its financial performance and its cash flows for the year then ended in accordance with Islamic Accounting Standards Issued by Accounting and Auditing Organization for Islamic Financial Institutions which are consistent with the Bank's Articles of Association and aligned with Sharia rules and principles that are determined by Sharia Supervisory Board of the Bank.

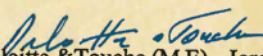
Report on the Legal and Regulatory Requirements

The Bank maintains proper accounting records duly organized and aligned with the accompanying financial statements and with the financial statements presented within the Board of Directors' report. We recommend that the General Assembly of Shareholders approve these financial statements.

Explanatory Paragraph

The accompanying financial statements are a translation of the statutory financial statements which are Arabic Language to which reference is to made to.

Amman – The Hashemite Kingdom of Jordan
March 15, 2016


Deloitte & Touche (M.E.) - Jordan

Deloitte & Touche (M.E.)
Public Accountants
Amman - Jordan

- 2 -

Member of Deloitte Touche Tohmatsu Limited



Gold Dinar -- al- Mustansir Billah
623-640 H / 1226-1242 AD
The Fatimid

Balance Sheet Statement

Statement (A)

31st December			
Assets	Notes	2015	2014
		JOD	JOD
Cash and Balances with the Central Bank	4	702,356,176	604,712,891
Balances with Banks and Financial Institutions	5	22,686,521	12,151,329
Deferred Sales Receivables and other Receivables – Net	6	513,828,255	467,855,001
Deferred Sales Receivables through the Income Statement	7	-	-
Ijara assets – Net	8	489,738,214	412,660,857
Finance Investments	9	9,170,558	813,354
Financial Assets at Fair Value through OCI	10	5,507,159	5,786,487
Financial Assets at Amortized Cost – Net	11	8,040,337	8,820,542
Real Estate Investments	12	19,458,673	21,727,227
Qard Hasan Loans – Net	(List A)	10,200,682	7,309,590
Fixed Assets – Net	13	21,217,903	20,926,560
Intangible Assets – Net	14	1,044,878	971,560
Deferred Tax Assets	(20/c)	2,485,361	2,553,972
Other Assets	15	2,849,193	2,566,325
Total Assets		1,808,583,910	1,568,855,695
Liabilities			
Banks and Financial Institutions Deposits	16	338,171	82,369
Customers Current Accounts	17	627,166,818	550,161,451
Cash Margins	18	26,196,383	23,318,331
Other Provisions	19	2,268,647	2,330,777
Income Tax Provision	(20/a)	6,742,519	5,421,533
Deferred Tax Liabilities	(20/c)	969,033	319,479
Other Liabilities	21	25,502,862	22,078,398
Total Liabilities		689,184,433	603,712,338
Investment Accounts Holders' Equity			
Joint Investment Accounts	22	958,734,821	817,847,223
Total of Joint Investment Accounts		958,734,821	817,847,223
Investment Risk Fund			
Investment Risk Fund	23	18,647,935	15,088,416
Provision for Income Tax on Investment Risk Fund	23	2,148,821	1,721,518
		20,796,756	16,809,934
Shareholders' Equity			
Capital (Paid-up)	24	100,000,000	100,000,000
Statutory Reserve	25	17,919,041	15,418,065
Voluntary Reserve	25	4,262,322	5,537,312
General Banking Risks Reserve	25	882,000	882,000
Fair Value Reserve – Net	26	427,355	593,319
Retained Earnings	27	16,377,182	8,055,504
Total Shareholders' Equity		139,867,900	130,486,200
Total Liabilities, Holders of Joint Investment Accounts and Shareholders' Equity		1,808,583,910	1,568,855,695
Restricted Investments - List B		123,947,608	135,556,109
Wakala Investment - List C		8,880,376	5,500,000

The accompanying notes from No. (1) to No. (54) shall be deemed to be an integral part of the Financial Statements and shall be read together therewith and with the Independent Auditor's Report

Income Statement

Statement (B)

For the year ending on 31st December

	Notes	2015	2014
		JOD	JOD
Joint deferred sales revenues	28	33,967,242	32,060,425
Financing revenues	29	264,848	101,542
Financial assets at amortized cost revenues	30	179,201	87,581
Real Estate revenues (Expenses)	31	323,818	(37,516)
Ijara assets revenues	32	37,627,939	29,848,070
Net (Expenses) Gain from Foreign Currencies	37	(22,971)	(15,611)
Total Joint Investments Accounts revenues		72,340,077	62,044,491
Share of Joint Investment Accounts Holders	33	(22,212,747)	(20,490,759)
Share of Investment Risk Fund	23	(7,234,008)	(6,204,449)
Bank's Share of Joint Investments Accounts revenues as Mudareb and Rab Mal	34	42,893,322	35,349,283
Bank's Self-revenues	35	533,387	507,112
Bank's Share from the Restricted Investment revenues as Mudareb	36/a	59,739	59,098
Bank's Share from the Restricted Investment revenues as Agent (Wakeel)	36/b	28,670	7,480
Gain from Foreign Currency	37	1,815,481	1,785,941
Banking Services revenues	38	7,218,905	6,592,129
Other Revenues	39	342,910	396,572
Gross Income		52,892,414	44,697,615
Expenses			
Employees' Expenses	40	16,059,006	14,813,831
Depreciation and Amortization	13&14	2,487,705	2,244,041
Other Expenses	41	8,327,630	7,545,626
Depreciation of Ijara Assets	8	451,436	292,299
Impairment Provisions deferred Sales Receivables	6&7	368,000	168,000
Other Provisions	19	188,878	541,683
Total Expenses		27,882,655	25,605,480
Income for the Year before Tax		25,009,759	19,092,135
Income Tax	(20/b)	(8,372,095)	(5,727,640)
Income for the Year		16,637,664	13,364,495
Earnings per Share - Basic / Diluted	42	- / 16,64	- / 13,37

The accompanying notes from No. (1) to No. (54) shall be deemed to be an integral part of the Financial Statements and shall be read together therewith and with the Independent Auditor's Report

Comprehensive Income Statement

Statement (C)

31st December		
	2015	2014
	JOD	JOD
Profit for the Year – Statement B	16,637,664	13,364,495
Comprehensive Income Items		
Non Transferable Items to the Income Statement		
Net Change in the Fair Value Reserve – Statement D	(165,964)	162,948
Total Comprehensive Income for the Year – Statement D	16,471,700	13,527,443

The accompanying notes from No. (1) to No. (54) shall be deemed to be an integral part of the Financial Statements and shall be read together therewith and with the Independent Auditor's Report

Changes in Shareholders' Equity Statement

Statement (D)

Note	Capital (Paid-up)	Reserves		General Banking Risks Reserve**	Fair Value Reserve – Net	Retained Earnings (Cumulative Losses)*	Total
		Statutory	Voluntary				
	JOD	JOD	JOD	JOD	JOD	JOD	JOD
For the Year Ending on 31 December 2015							
Balance at the beginning of the Year	100,000,000	15,418,065	5,537,312	882,000	593,319	8,055,504	130,486,200
Profit for the year – Statement B	-	-	-	-	-	16,637,664	16,637,664
Net Change in the Fair Value Reserve after Tax	26	-	-	-	(165,964)	-	(165,964)
Total Comprehensive Income – Statement C	-	-	-	-	(165,964)	16,637,664	16,471,700
Transfer to Reserves	-	2,500,976	-	-	-	(2,500,976)	-
Paid Dividends ***	-	-	(1,274,990)	-	-	(5,815,010)	(7,090,000)
Balance at the End of the Year	100,000,000	17,919,041	4,262,322	882,000	427,355	16,377,182	139,867,900
For the Year Ending on 31 December 2014							
Balance at the beginning of the Year	100,000,000	13,508,851	5,537,312	882,000	430,371	(3,399,777)	116,958,757
Profit for the year – Statement B	-	-	-	-	-	13,364,495	13,364,495
Net Change in Fair Value Reserve after Tax	26	-	-	-	162,948	-	162,948
Total Comprehensive Income – Statement C	-	-	-	-	162,948	13,364,495	13,527,443
Transfer to Reserves	-	1,909,214	-	-	-	(1,909,214)	-
Balance at the End of the Year	100,000,000	15,418,065	5,537,312	882,000	593,319	8,055,504	130,486,200

* Retained Earnings include an amount of 2,259,582 as at 31 December 2015 that cannot be utilized based on the instructions of the Central Bank of Jordan representing the value of the deferred taxes.

** The General Banking Risks Reserve amounting to 882,000 as at 31 December 2015 cannot be utilized without the prior approval of the Central Bank of Jordan.

*** On 18 March The General Assembly approved to pay Dividends for sole stockholder (Arab Bank plc) with amount of 7,090,000 JOD represents 7.09% from Authorized Capital from Retained earnings.

The accompanying notes from No. (1) to No. (54) shall be deemed to be an integral part of the Financial Statements and shall be read together therewith and with the Independent Auditor's Report

Cash Flows Statement

Statement (E)

For the year ending on 31st December			
	Notes	2015	2014
		JOD	JOD
Cash Flow from Operating Activities			
Profit before Tax – Statement B		25,009,759	19,092,135
Amendments to Non- Cash Items:			
Depreciation and Amortization	13&14	2,487,705	2,244,041
Depreciation of Real Estate Investments	12	203,977	196,338
Depreciation of Ijara Assets		50,502,716	41,267,156
Impairment of Deferred Sales Receivables Reserve	6	368,000	168,000
Investment Risk Fund	23	7,234,008	6,204,449
Properties & Equipment Sales Losses		-	7,806
Other Provisions	19	188,878	541,683
Fixed Assets Sales Gains		(3,961)	-
Effect of Change in Exchange Rates on Cash & Cash Equivalents		(22,971)	(15,611)
Profit before Changes in Operating Capital		85,968,111	69,705,997
Increase (Decrease) in deferred Sales Receivables and other Receivables		(47,385,708)	409,536,069
Increase (Decrease) in Investment Financing		(8,357,204)	3,219,469
(Increase) in Ijara Assets		(127,580,073)	(147,204,584)
Decrease (Increase) in other Assets		(154,219)	2,480,236
(Increase) Decrease in Qard Hasan		(2,891,092)	(4,057,148)
Increase in current Accounts		77,005,367	87,962,627
(Decrease) Increase in Cash Margins		2,878,052	(1,528,214)
Increase in other Liabilities		3,424,462	7,443,180
Net Cash Flow from (Cash Utilizations in) Operating Activities before Tax and Paid Provisions		(17,092,304)	427,557,632
Paid Provisions	19	(251,008)	(367,902)
Paid Taxes	20&23	(8,574,960)	(8,497,847)
Net Cash Flows from (Cash Utilizations in) Operating Activities		(25,918,272)	418,691,883
Cash Flows from Investment Activities			
Decrease in Financial Assets through Shareholders' Equity		24,000	-
(Increase) Decrease in Financial Assets at Amortized Costs – Net		780,205	(6,299,161)
(Purchase) Properties and Equipment		2,064,577	(980,570)
Gain from Sale of Properties and Equipment		(2,525,681)	(3,021,508)
(Purchase) Intangible Assets	14	(358,967)	(347,991)
(Purchase) Sale of Investment in Real Estate		36,243	5,385
Net (Cash Utilization in) Investment Activities		20,377	(10,643,845)
Cash Flow from Financing Activities			
Increase in Equity of Joint Investment		140,887,599	124,043,909
Paid Dividends		(7,090,000)	-
Net Cash Flow from Financing Activities		133,797,599	124,043,909
Effect of Change in Exchange Rates on Cash and Cash Equivalents		22,971	15,611
Net Increase in Cash and Cash Equivalents		107,922,675	532,107,558
Cash and Cash Equivalent - Beginning of the Year		616,781,851	84,674,293
Cash and Cash Equivalent - End of the Year	43	724,704,526	616,781,851
Non Cash Operations			
Transfer of Owend Real Estates from Other Assets to Real Estates Investment		347,048	-

The accompanying notes from No. (1) to No. (54) shall be deemed to be an integral part of the Financial Statements and shall be read together therewith and with the Independent Auditor's Report

List of Sources and Uses of Qard Hasan Fund

List A

	For the Year Ending 31 December	
	2015	2014
	JOD	JOD
Balance at the Beginning of the Year	7,138,883	3,144,950
Resources of Fund's Assets From:		
Shareholders' Equity	12,838,588	6,841,048
Total Resources of Fund's Assets during the Year	12,838,588	6,841,048
Utilization of the Fund's Assets On:		
Personal advances	1,033,441	1,312,033
Visa Revolving Card	14,752,611	9,197,940
Qard Hasan against Guaranteed Flows in the Bank's favor	-	325,008
Total Utilization during the Year	15,786,052	10,834,981
Total Balance	10,086,347	7,138,883
Overdrawn Current Accounts	300,938	322,390
Less: Impairment Provision	(186,603)	(151,683)
Balance at the End of the Year – Net	10,200,682	7,309,590

List of Changes in Restricted Investments

List B

	International Murabaha	Ijara Assets	Local Murabaha (Real Estate financing)	Cash Balances	Total
For the Year ending 31 December 2015					
	JOD	JOD	JOD	JOD	JOD
Investments at the Beginning of the Year	131,826,796	447,000	274,624	3,007,689	135,556,109
Add: Deposits	46,657,661	-	-	3,764,054	50,421,715
Less: Withdrawals	(61,890,693)	(196,175)	(174,548)	-	(62,261,416)
Bank's Remuneration as Mudareb	(53,055)	(6,332)	(352)	-	(59,739)
Add: Investment Gains	265,068	24,507	1,364	-	290,939
Investments at the End of the Year	116,805,777	269,000	101,088	6,771,743	123,947,608
Revenues received in Advance	-	-	9,438	-	9,438
Ijara Depreciation Provision	-	154,371	-	-	154,371
Investment Risk Provision	-	-	259,483	-	259,483
Revenues for distribution	9,260	-	6,462	-	15,722
Total	9,260	154,371	275,383	-	439,014

	International Murabaha	Ijara Assets	Local Murabaha (Real Estate financing)	Cash Balances	Total
For the Year ending 31 December 2014					
	JOD	JOD	JOD	JOD	JOD
Investments at the Beginning of the Year	162,459,261	556,000	538,042	-	163,553,303
Add: Deposits	53,628,980	-	-	3,007,689	56,636,669
Less: Withdrawals	(84,463,868)	(117,975)	(314,765)	-	(84,896,608)
Bank's Remuneration as Mudareb	(45,530)	(2,019)	(11,549)	-	(59,098)
Add: Investment Gains	247,953	10,994	62,896	-	321,843
Investments at the End of the Year	131,826,796	447,000	274,624	3,007,689	135,556,109
Revenues received in Advance	-	-	30,215	-	30,215
Ijara Depreciation Provision	-	241,657	-	-	241,657
Investment Risk Provision	-	-	255,040	-	255,040
Revenues for distribution	-	-	16,071	-	16,071
Total	-	241,657	301,326	-	542,983

List of Changes in the Restricted Investment Wakala

List C

	International Murabaha	Local Murabaha	Cash Balances	Total
For the Year ending 31 December 2015				
	JOD	JOD	JOD	JOD
Investments at the Beginning of the Year	-	2,063,610	3,436,390	5,500,000
Add: Deposits	-	6,508,524	-	6,508,524
Less: Withdrawals	-	(2,590,506)	(537,642)	(3,128,148)
Add: Investment Gains	-	143,806	-	143,806
Less: Bank's Remuneration as Agent (Wakeel)	-	(28,670)	-	(28,670)
Less: Principal's Share	-	(115,136)	-	(115,136)
Investments at the End of the Year	-	5,981,628	2,898,748	8,880,376
Revenues received in Advance	-	257,877	-	257,877
Accrued Revenues	-	6	-	6
	-	257,883	-	257,883

	International Murabaha	Local Murabaha	Cash Balances	Total
For the Year ending 31 December 2014				
	JOD	JOD	JOD	JOD
Investments at the Beginning of the Year	2,697,160	302,840	-	3,000,000
Add: Deposits	-	1,760,770	3,436,390	5,197,160
Less: Withdrawals	(2,697,160)	-	-	(2,697,160)
Add: Investment Gains	42,863	46,306	-	89,169
Less: Bank's Remuneration as Agent (Wakeel)	(3,596)	(3,884)	-	(7,480)
Less: Principal's Share	(39,267)	(42,422)	-	(81,689)
Investments at the End of the Year	-	2,063,610	3,436,390	5,500,000
Revenues received in Advance	-	101,072	-	101,072
Accrued Revenues	-	-	-	-
	-	101,072	-	101,072

1- General Information

- The Islamic International Arab Bank, a Jordanian Public Shareholding Company with its headquarters at Amman – Hashemite Kingdom of Jordan was incorporated on 30th March 1997 by virtue of the Companies' Law No. 22 of 1997.
- The Bank provides all banking and financial activities and the investment activities which are compliant with the provisions of Islamic Shari'a through its headquarters and its 41 branches within the Kingdom. The Bank's activities are subject to the provisions of the Banks' Law in force.
- The Islamic International Arab Bank is fully owned by the Arab Bank.
- The Financial Statements have been ratified by the Bank's Board of Directors during Session No.(1) on 21 January 2016 and they are subject to the approval of the Shareholders' General Assembly.
- The Bank's Shari'a Supervisory Board has reviewed the Financial Statements during Session No.(1) on 21 January 2016 and has issued its Shari'a Report in respect thereof.

2- Significant Accounting Policies

Bases of Financial Statements Preparation

- The Bank's Financial Statements are prepared in accordance with the standards issued by the Accounting and Auditing Organization of Islamic Financial Institutions; in accordance with the local laws in force and the instructions of the Central Bank of Jordan.
- In the event that there are no standards issued by the Accounting and Auditing Organization of Islamic Financial Institutions relating to the Financial Statements' items, the International Financial Reporting Standards and the notes issued therefor shall be applied in conformity with the Shari'a Standards, pending the promulgation of Islamic Standards therefor.
- The Financial Statements are prepared on the historical cost basis except financial assets at fair value through Shareholders' Equity and sales receivables through the Statement of Income which are recognized at fair value at the date of the Financial Statements.
- The Financial Statements have been presented in the Jordanian Dinar which is the primary functional currency at the Bank.
- The Bank adopted the principle of mixing the equity assets with the deposit assets of the holders of joint investment as from the beginning of May 2013 maintaining the existing investments which are financed by the holders of equity until maturity.
- Reduction of the amounts of the Investment Risk Fund shall be observed to cover the impairment in receivables and finances collection and the impairment in the real estate investments and any other investments which are financed from the Joint Investments Accounts.
- The general banking risk reserve can only be utilized with the prior consent of the - Central Bank of Jordan.
- The Bank invests the assets of the Investment Risk Fund and the realized - return from such amounts is recorded under the profits of investment and shall be distributed as per the determined rates for distribution of dividends.
- The Accounting Policies adopted in preparing the Financial Statements for the year ending on 31 December 2015 are identical to the policies which were adopted in preparing the Financial Statements for the year ending on 31 December 2014.

Segments' Information

- The business segment represents a group of assets and operations which jointly provide products or services which are subject to risks and returns that are different from those relating to other business sectors which are measured in accordance with the reports used by the Chief Operating decision maker at the Bank.
- The Geographical Sector relates to providing products or services in a specific economic environment which is subject to risks and returns that are different from those relating to segments operating in other economic environments.

Bases of Dividends Distribution among owners of Shareholders' Equity and owners of the Joint Investment Accounts

	Rate	
Share of Joint Investment Accounts Holders	40%	ie, 3.629% and 3.184% for the 1st and 2nd halves of 2015 respectively on JOD (compared with 3.734% and 3.976% for the 1st and 2nd halves of 2014 respectively) and 0.24% and 0.22% on the US Dollar for the 1st and 2nd halves of 2015 respectively (compared with 0.253% and 0.279% for 2014 respectively)
Shareholders Equity	50%	
Investment Risk Fund Share	10%	

- The Bank Mudarabah Percentage Changed at the Beigning of Januaray 2015 and increased from 45% to 50% Compaire to Previous year.
- The Bank donated a maximum of 5% of the share of the holders of Shareholders Equity as per the layers announced for customers at the branches for the deposits participating in profits, for the first Period in 2015 (from 1/1/2015 until 30/6/2015) and the Bank stopped Donations on 1/7/2015.
- The Bank gives the priority in investment for the holders of the joint investment accounts. Such accounts are charged with the advertisement and publicity expenses in respect of the products which the Bank releases such as, the expenses of life insurance in respect of those financed by Ijara contracts and the expenses related to the investment in real estate which are invested from the deposits accounts that participate in profits.
- The rate of dividends distributed to the holders of the restricted investment deposits in US Dollars ranged between 0.170% and 0.25% for 2015 (compared with 0.158% and 0.170% for 2014)

Revenues, Earnings and Losses in violation of Islamic Shari'a

The revenues, earnings and losses consequent on the Bank which are in violation of the Islamic Shari'a (if any) are recorded in a special account shown in the Financial Position within other payables. They are not recorded in the Statement of Income and are disbursed on charity as determined by the Shari'a Supervisory Board.

Zakat

The responsibility of Zakat is assumed by the holders of deposits and shareholders separately.

Deferred Sales Receivables

Murabaha Contracts

These are sale of a commodity at its first purchase price which was paid for by the seller (the Bank) with an agreed upon mark-up. The sale may be on ordinary Murabaha basis called (Simple Murabaha) in which the Bank practices trade and it buys the commodities without reliance on a prior promise by a customer to buy them and then it offers such commodities for sale by Murabaha and at an agreed upon price and profit or it could be Murabaha coupled with a promise from a customer ie the Bank, only buys the commodity after the customer determines his desires with the existence of a prior promise to buy, which is then called (Murabaha for Commander of Purchase).

- The Bank applies the principle of commitment of promise in the sale contracts of Murabaha for Commander of Purchase, but in the event of abstention, the Bank shall sell the commodity and shall have recourse against the Commander of Purchase for indemnifying the actual damage.
- Murabaha receivables are recorded upon the occurrence thereof at their nominal value. They are measured at the end of the financial year at the expected net cash value to be realized.
- The profits are recorded upon concluding the cash Murabaha contracts or to a time period not exceeding the financial year.
- Income of future sales for a time period exceeding the financial year are recorded by distributing same over the future financial years for the term, whereby a share of the profits shall be allocated for each financial year regardless of whether or not it is a cash delivery.

Al Istisna'

It is a sale contract between Al Mustasnee (buyer) and Al Sanee' (seller) whereby the latter, upon the request of the former, manufactures a described commodity (Masnou') or obtains it upon the delivery date, provided that the material of the manufacture and/or cost of work shall be by the manufacturer against the price agreed upon by both of them and on the method of payment thereof becoming due upon signing the contract, by installments or deferment.

- Cost of Istisna' includes direct and indirect costs related to Istisna' contracts. Such costs shall not comprise administrative, general and marketing expenses and costs of research and development.
- The costs of Istisna' process and the costs prior to signing the contract shall be recorded in the financial year under the item under-Istisna' process at the amounts disbursed by the Bank. The invoices sent to Al Mustasnee (the buyer) by the Bank shall be recorded under Istisna' receivables account which shall be deducted from the account of under-Istisna' process in the Statement of Financial Position.
- Istisna' income is recorded upon concluding the contract and finalization of execution or expiry of the contract whichever is earlier.
- In the event that Al Mustasnee (the buyer) does not pay the agreed upon price in full with an agreement for payment by installments during the execution of the contract or after finalizing the execution of the contract, deferred profits are recorded in and deducted from the balance of Istisna' receivables account in the Financial Position whether the method followed in recording Istisna' income is the method of the rate of completion or the concluded contracts method. The deferred profits distribution shall be made over the future financial years whereby a share of the profits shall be allocated for each financial year whether the settlement is made by cash or not.
- In the event that the Bank retains the manufactured item for any reason, such assets are measured at the expected cash value to be realized or at cost whichever is less. The difference (if any) shall be recorded as a loss in the Statement of Income in the financial year in which it was realized.

Assets available for Future Sale

- These are assets which the Bank acquires for the purpose of future sale (by installments). The sale of such assets is called bargain sale by installments in order to differentiate same from Murabaha sale by the Commander of Purchase.
- The assets available for future sale shall be recorded at cost at the time of contracting and shall be measured on cost basis (purchase value and any direct expenses which are acquisition-related).
- The assets available for future sale are valued at the end of the financial period at fair value. The amount of change resulting from the re-evaluation process (if any) shall be measured on the basis of book value compared with fair value and the unrealized profit (loss) shall be recorded in the fair value reserve account.
- Profits from the future sale operations shall be recorded according to the maturity principle distributed over the financed periods for the contract term. The profits for future years shall be recorded in the revenues of future sales account.
- Receivables of future sale shall be recorded upon contracting at its par value (the contracted for).

Financing Investments

Mudaraba Financing

It is a partnership in profit regarding money and work and it is instituted between the holders of investment accounts (Arbab Al Mal) and the Bank (Mudarib) which announces the general acceptance of such funds for the investment thereof and the division of gain as agreed, where losses are charged to Rab Al Mal save in the events of infringement of the Bank (Al Mudarib), its default or violation of the conditions where it shall bear the consequences arising therefrom. It is also

instituted between the Bank in its capacity as the capital holder in its own name or on behalf of the holders of investment accounts and craftsmen and other business owners such as farmers and industrialists. Such Mudaraba is different than the traditional speculation which involves adventure and taking risks in the sale and purchase activities.

- Mudaraba finance is recorded upon delivering the capital to Al Mudarib or putting it at its disposal. The provided capital is measured by the paid amount or at fair value if in-kind. If a difference results from the evaluation of the in-kind item between the fair value and the book value, it is recognized as a profit (loss) in the Statement of Income and at the end of the financial year; whatever the Bank redeems from the Mudaraba capital shall be deducted.
- The Bank's share of the gains (losses) which arise and expire during a financial year shall be recorded after the settlement of the Mudaraba process. In events where Mudaraba process continues for more than a financial year, the Bank's share of the profits shall be recorded upon the realization thereof by fully accounting therefor or any part thereof in the financial year in which it occurred within the distributed profits. As for the losses, they are recorded for such year within the losses by which the Mudaraba capital is reduced.
- In the event of losses being incurred due to Al Mudaraba infringement or default, such losses shall be recorded as receivables debited to Al Mudaraba account.

Musharaka Financing

It is the provision of funds by the Bank and customer equally or differently in order to create a new project or to participate in an existing one whereby each of them would own a share in the capital either on a fixed or diminishing basis and would be entitled to its share of the gains. The losses are divided proportionately to the share of the partner in the capital whereby it would be inappropriate to stipulate otherwise.

- The Bank's share in Musharaka capital is recorded upon delivery to the managing partner or when it is deposited in Musharaka account as it shall be measured at the cash paid value or at fair value if in-kind. If a difference results from the evaluation of the in-kind item between the fair value and the book value, it is recognized as a profit (loss) in the Statement of Income
- The capital in the diminishing Musharaka is measured at the end of the financial year at the historical value less the historical value of the sold share at fair value which is agreed upon and the difference between both values shall be recorded as a profit or loss in the Statement of Income.
- The Bank's share of the gains or (losses) of Musharaka financing which arise or expire during the financial year shall be recorded after settlement. In the event that Musharaka continues for more than a financial year, the Bank's share of the profits shall be recorded upon the realization thereof by fully accounting therefor or any part thereof between the Bank and the partner in the financial year in which it occurred within the distributed profits. As for its share of the losses for a financial year, it shall be recorded in such year within the losses by which the Bank's share in the Musharaka capital is reduced.
- An impairment provision for the future sales receivables and other receivables shall be formed, if it would not be possible to collect the amounts due to the Bank and when there is an objective evidence that an occurrence has adversely impacted the future cash flows of the future sales receivables and other receivables and when such impairment is measurable, it shall be recorded in the Statement of Income.
- At the end of the financial year the financing assets at cost or at fair value which is expected to be realized, whichever is less, shall be registered and the difference shall be recorded as an impairment finances provision.
- The income from future sales and dormant financing extended to customers shall be held in suspense in accordance with the instructions of the Central Bank.
- The future sales receivables and financing financed from the joint investment accounts shall be written off in the event of the infeasibility of the procedures taken for the collection thereof [and shall be debited] against the Investment Risk Hedge Fund (save what has been extended / financed and then written off of the future sales receivables and finances in the same year where it shall be recorded in the Statement of Income on investment income). Any amount collected from the previously written off receivables and finances shall be added to the Investment Risk Hedge Fund, save what has been recorded in the Statement of Income on investment income. As for the future sales receivables and finances financed from the Bank's own funds for which an impairment provision was taken, such shall be written off in the event that the procedures taken for the collection thereof are not feasible and shall be deducted from the impairment provision. Any surplus in the total impairment provision shall be transferred to the Statement of Income and any amount of the previously written-off receivables and finances collected shall be added to the income.

Financial Assets at Amortized Cost

These are financial assets that the Bank's Management aims at holding in accordance with its business model to collect their contractual cash flows which represent fixed or determinable payments for the capital and gains of such assets.

These assets are recorded at cost upon purchase plus acquisition expenses. Subsequently, they are re-valued at the end of the current period by using the effective interest rate method. Any profits or losses resulting from the amortization process are recognized in the Statement of Income and any impairment in value is recorded in the Statement of Income.

The amount of impairment in the value of these assets consists of the difference between the book value and present value of the expected future cash flows discounted at the original effective interest rate whereby any provisions resulting from impairment in the value of these assets shall be deducted. It shall not be permitted to re-classify any financial assets to/ from such item.

If any of these financed assets which are financed from the Bank's own funds is sold before maturity the result of such sale shall be recorded in a separate item within the Statement of Comprehensive Income and shall be so declared.

Financial Assets at Fair value through Shareholders' Equity - Self Financed

- These assets represent investments in equity instruments which are financed from the Bank's funds for the purpose of retaining same for the long term.
- These assets are recorded upon purchase at fair value plus acquisition expenses. Subsequently, these assets are re-valued at fair value. The change in fair value is recognized under the fair value reserve within the Shareholders' Equity.
- If such assets or any part thereof are sold, gains or losses resulting therefrom shall be recorded in the retained earnings (accumulated losses).
- The impairment loss which was previously recorded in the income statement may be recovered if it is found objectively that the increase in the fair value occurred in a subsequent period to recording the impairment losses through the fair value reserve recognized within Shareholders' Equity accounts.
- Gains generated from such financial assets are recorded on the date of the declaration of the distribution thereof in the income statement.
- Gains or losses resulting from the differences in foreign currency exchange of such assets shall be recorded in the fair value reserve.
- The fair value of the financial assets which cannot be determined with reliability shall be recognized at cost and the impairment test shall be carried out at the end of every financial period. The impairment in its value shall be recorded in the income statement and the impairment loss of such assets cannot be recovered during subsequent periods.

Sales Receivables through the Income Statement - Self Financed

- These are sale receivables (International Murabaha) due to the Bank buying commodities with the purpose of selling same in the near future.
- The receivables are recorded at fair value upon sale and they are subsequently re-valued at fair value through the market indicators of such receivables and the change in fair value is recognized in the Statement of Income.
- The Bank may dispose off of such receivables by a debt assignment to another person at its net nominal or book value whereby the difference shall be recorded in the Statement of Income.

Ijara - (Lease to Own)

It is an alienation contract for a consideration which expires by the acquisition of the leased assets by the lessee.

- The assets which are acquired for the purpose of Ijara upon the acquisition thereof at the historical cost including direct costs to render same suitable for utilization. The leased assets are depreciated by the straight line method over the life of Ijara contract.
- When the amount which would be recovered from any of the acquired assets for the purpose of Ijara is lower than its net book value, such value shall be reduced to the amount which could be recovered and the impairment amount shall be recorded in the Statement of Income.
- The income from Ijara is distributed over the financial years which the Ijara contract covers.

Investment in Real Estate

It is an acquisition of real estate for the purpose of obtaining periodical income or in anticipation of the increase of value thereof or both. Initially, the investment in real estate is recognized at cost plus direct cost and it shall be subsequently measured depending on its application whether for utilization (cost or fair value model) or for the purpose of sale; noting that when the Bank approves either model, it must apply it on all investments in real estate.

A- Investment in Real Estate for the Purpose of Utilization

The cost or fair value model shall be applied as follows:

- Cost Model

The investments in real estate are recorded at cost less the accumulated depreciation provision (if any). In the event that the Bank decides to apply this model, it must apply it for all investments in real estate.

Fair Value Model

Investments are measured at fair value and the increase in value shall be recorded in the fair value reserve and any decrease in the fair value shall be reduced from the increase that has been previously recorded. In the event that there is no increase in the value that was previously recorded, the difference shall be recognized in the Statement of Income and in the event that the Bank decides to apply this model, it must apply it for all investments in real estate.

B- Investments in Real Estate for the Purpose of Sale

Investments in real estate are recorded at the book value or fair value less costs of sale, whichever is less and such investments shall not be depreciated. The difference shall be listed in the Statement of Income.

The real estate may be transferred from the investment portfolio to the fixed assets portfolio or vice versa if the change in the purpose of utilization of such real estate can be established. The transfer shall be made at cost less depreciation if the Bank were using the cost model in measuring the portfolio's real estate otherwise, in the event that the Bank uses the fair value model, the real estate shall be transferred at its fair value at the date of transfer.

In the event that the real estate is transferred from the Bank's fixed assets to the real estate investment portfolio, such transfer shall be made at the cost of the real estate less depreciation and impairment provision (if any) as at the date of cessation of use.

Provisions

Provisions are recognized when the Bank has obligations at the date of the Financial Position arising from past events and that the settlement of obligations is probable and can be measured with reliability.

Investment Risk Fund

- The Bank deducts at least 10% of the gross gains of the joint investment realized on different running activities through the year in accordance with the Banks' laws. The rate is increased based on the instructions of the Central Bank of Jordan. The amended rate, after being increased, becomes valid in the financial year subsequent to the year in which such amendment has been decided.
- The balance of the Investment Risk Hedge Fund shall be vested in the Zakat Fund after covering all expenses and losses for which the Fund was established for the coverage or amortization thereof, thus concluding that the investors in the Bank have no right in the deducted amount at the determined rate which accrue in the Investment Risk Hedge Fund but rather such amounts are allocated to cover the losses that the joint investment activities may be subjected to.
- If losses occur in some joint investment activities which began and ended in a certain year such losses shall be covered from the gains realized by the other joint investment activities which began and ended in the same year.

If the losses were more than the gains in the same year, the loss shall be covered from the Investment Risk Fund.

- Yet, if the joint investment activities began and continued in past years and as a result it was found out during a certain year that such investment activities were, as a result, loosing activities, their losses shall be covered from the Investment Risk Fund.

Fair Value of Financial Assets

- The closing prices (purchase/sale) at the date of the Financial Statements in an active market represent the fair value of financial instruments which have a market value. If there are no actual rates or there is no active circulation for certain financial instruments or there is no active market, its fair value is then estimated by comparison with the current market value of a highly similar financial instrument.
- The objective of the measurement methods is to obtain a fair value that reflects the market and takes into consideration the market factors and any expected risks or benefits upon estimating the value of financial assets. If there are financial assets, the fair value of which cannot be measured with reliability, they shall be stated at cost after deducting any impairment in their value.

Impairment of Financial Assets

The Bank reviews the values that are established in the financial assets registers at the date of the Financial Position to determine whether there are indicators evidencing impairment in their value individually or collectively. If such indicators exist, the recoverable value shall be estimated in order to determine the impairment loss.

Property and Equipment

- Property and equipment are stated at cost after deducting the accumulated depreciation and any impairment in their value. Property and equipment are depreciated (except lands) when they are ready for use by the straight line method over the expected useful life thereof by using the following annual rates:

	Percentage
Buildings	2%
Equipment, Devices & Furniture	2.5%-15%
Transportation Means	15%
Computers	25%
Improvements & Decorations	10%

- The useful life of property and equipment is revised at the end of every financial year, so if the useful life expectations are different from the previously prepared estimates, the change in the estimate for the subsequent years shall be registered on account that it is a change in estimates.
- When the amount which may be recoverable from any property and equipment is less than their net book value, their value shall be reduced to the value which may be recoverable and the impairment loss shall be registered in the Statement of Income.
- Depreciation of fixed assets not calculated on Tax department's approved percentages, and the difference between the Bank's percentages and Tax department's approved percentages have been taken in the taxable Income Statements.

Intangible Assets

- The intangible assets which are acquired through a different method other than incorporation in cost shall be registered.
- Intangible assets are classified based on the estimation of their useful life for a definite or indefinite period. The intangible assets which have a definite useful life shall be amortized during such life and the amortization shall be recorded in the Statement of Income. As for the intangible assets which have an indefinite useful life, the impairment in their value shall be revised at the date of the Financial Statements and any impairment in their value shall be recorded in the Statement of Income.
- Intangible assets resulting from the Bank's activities are not capitalized and shall be registered in the Statement of Income in the same year.
- Indications of impairment of intangible assets are reviewed at the date of the Financial Statements as well as the useful life of such assets shall be reviewed and any adjustments shall be reflected in the subsequent years.
- Software and systems are stated in the Financial Position at cost after deducting the accumulated amortization. It shall be amortized when it is ready for use by the straight line method over the expected useful life thereof by using the annual rates of 10-25%.

End of Service Indemnity Provision

- The annual indemnities paid to the employees who leave employment are debited to the end of service indemnity provision upon being paid. The increase in the indemnity paid in excess of the amortized provision shall be registered in the Statement of Income upon payment and a provision for the obligations consequent on the Bank in respect of the end of service indemnity shall be taken in the Statement of Income in accordance with the Bank's personnel bylaws and the provisions of the Labor Law.

Income Tax

- Tax expense comprises current tax and deferred taxes.
- Current tax is calculated on taxable profits which may differ from the accounting profits declared in the Financial Statements because the declared profits comprise revenues which are not subject to taxation or expenses which cannot be deducted in the financial year but rather in subsequent years or the accumulated losses which are tax deductible or items which are not subject or could not be deducted for taxation purposes.
- Taxes are calculated at the tax rates determined by virtue of the Laws, Regulations and Instructions of the Hashemite Kingdom of Jordan.
- Deferred taxes are taxes expected to be paid or recovered due to temporary time differences between the tax bases of assets and liabilities in the financial statements and the value on the basis of which the taxable profit is calculated. The deferred taxes shall be calculated by using the financial position obligation method and such deferred taxes shall be calculated in accordance with the taxation rates which are expected to be applied upon settling the tax obligation or the realization of the deferred tax assets.
- The carrying values of the deferred tax assets are reviewed at the date of the Financial Statements and shall be reduced to the extent that it is no longer probable to benefit from such tax assets in part or in whole.

Restricted Investment Accounts

Restricted investment accounts are not recognized as assets of the Bank, Fees and commissions for administering such accounts are recognized in the Statement of Income.

Accounts Managed by Wakalah

These represent the accounts which the Bank administers by proxy and within a programme determined with the Central Bank of Jordan. The funds which are invested by wakalah are recognized outside the Statement of Financial Position and the Bank's share from the wakalah (returns) within the Statement of Income.

Revenue and Expense Recognition

- Revenues are recorded and expenses are recognized on accrual basis, revenues from performing finances shall not be recognized and are recorded in the revenue in suspense account.
- Commissions are recorded upon rendering the services related thereto. Dividend income is recognized when earned (when approved by the General Assembly of Shareholders).

Recognition Date of Financial Assets

Purchase and sale of financial assets are recognized on the trading date (the date on which the Bank commits to purchase or sell financial assets).

Foreign currencies

- Transactions in foreign currencies during the year are recorded at the exchange rates prevailing at the date of the transactions.
- Financial assets and financial liabilities denominated in foreign currencies are translated at the average rates prevailing on the date of the Statement of Financial Position which are declared by the Central Bank of Jordan.
- Non-monetary assets and liabilities denominated in foreign currencies and recorded at fair value are translated on the date when their fair value is determined.
- Gains and losses resulting from foreign currency translation are recorded in the Statement of Income.

Cash and Cash Equivalent

- It is cash and cash balances that mature within three months and comprise cash on hand, cash balances with the Central Bank and cash balances with banks and financial institutions less banks and financial institution deposits that mature within three months and restricted balances.

3- Accounting Estimates

Preparation of the Financial Statements and the application of accounting policies require the Bank's Management to make estimates and assumptions that affect the amounts of assets and liabilities, fair value reserve and disclosure of contingent liabilities. These estimates and assumptions also affect the revenues, expenses and provisions as well as in the changes in fair value reported in the Statement of Comprehensive Income. In particular the Bank's Management is required to make significant judgments for the estimation of the amounts and timing of future cash flows. The said estimates are necessarily based on multiple assumptions and factors that have different degrees of estimation and uncertainty and the actual results may differ from the estimates due to the changes resulting from situations and conditions of such estimates in the future.

- A provision shall be taken for lawsuits raised against the Bank based on a legal study prepared by the Bank's attorney according to which the potential risks that may occur in the future are determined. Such studies shall be revised periodically.
- A provision for impairment in the financed facilities by the bank shall be taken depending on bases and assumptions approved by the Bank's Management in respect of the estimation of the provision which must be taken comparing the results of such bases and assumptions with the provision that must be taken by virtue of the instructions of the Central Bank of Jordan. The more stringent results shall be approved which are consistent with the Islamic Accounting and Auditing Organization of Financial Institutions.
- Management periodically re-evaluates the useful lives of tangible and intangible assets for the purposes of calculating the annual depreciation and amortization depending on the general status of such assets and the estimates of the productive activities expected in the future. The impairment loss (if any) is charged to the Statement of Income.
- The financial year shall be charged with its share of the income tax expense in accordance with the accounting regulations, laws and standards and the necessary tax provision shall be calculated.
- Management carries out periodical review of financial assets which are recorded at cost in order to estimate any impairment in their value and such impairment (if any) shall be recorded in the Statement of Income of the year.
- Management periodically appraises the real estate within the real estate investment portfolio and a provision shall be taken for any impairment in their value within the Investment Risk Fund as the portfolio is within the joint investment whereby buildings within such portfolio shall be depreciated at 10% per annum.
- Levels of fair value: the standard requires the determination and declaration about the level of the sequence of fair value by virtue of which the standards of full fair value are classified with segregation of the fair value measurements in accordance with the levels specified in the International Financial Reporting Standards. The difference between level (2) and level (3) of the fair value standards means the evaluation whether the information or inputs could be observed and the extent of importance of the information which cannot be observed which requires setting up precise judgments and analysis in respect of the inputs utilized to measure the fair value including taking into account all the factors associated with the asset or obligation.

4- Cash and Balances with Central Bank

This item consists of the following:

31 December		
	2015	2014
	JOD	JOD
Cash in Branch	25,097,242	23,894,443
Balances with Central Bank		
Current and demand accounts	582,326,054	501,908,054
Statutory Cash Reserve	94,932,880	78,910,394
Total	702,356,176	604,712,891

- Except for statutory cash reserve there are no restricted balances as at 31 December 2015, 2014.

5- Balances with Banks and Financial Institutions

This item consists of the following:

	Local Banks and Banking Institutions		Foreign Banks and Banking Institutions		Total	
	31 December		31 December		31 December	
	2015	2014	2015	2014	2015	2014
	JOD	JOD	JOD	JOD	JOD	JOD
Current and demand accounts	17,500,544	3,322,291	5,185,977	8,829,038	22,686,521	12,151,329
	17,500,544	3,322,291	5,185,977	8,829,038	22,686,521	12,151,329

- There are no restricted cash balances as at 31 December 2015, 2014.

6- Deferred Sales Receivables and other Receivables - Net

This item consists of the following:

	Joint		Self		Total	
	31st December		31st December		31st December	
	2015	2014	2015	2014	2015	2014
	JOD	JOD	JOD	JOD	JOD	JOD
Individuals (Retail)						
Murabaha for the Purchase Order	149,700,191	120,182,945	-	-	149,700,191	120,182,945
Deferred Sale	1,596,451	1,124,376	-	-	1,596,451	1,124,376
Receivables – Ijara (lease to own)	609,229	717,724	-	-	609,229	717,724
Real Estate Finances	89,796,055	71,962,692	-	-	89,796,055	71,962,692
Large Corporates						
International Murabaha *	124,219,633	122,699,197	457,828	474,509	124,677,461	123,173,706
Murabaha for the Purchase Order	152,074,513	156,811,259	4,619,977	4,706,627	156,694,490	161,517,886
Receivables – Ijara (lease to own)	1,596,186	1,678,196	1,305,138	711,306	2,901,324	2,389,502
SMEs						
Murabaha for the Purchase Order	49,673,026	40,180,706	-	-	49,673,026	40,180,706
Deferred Sale	102,540	160,773	-	-	102,540	160,773
Total	569,367,824	515,517,868	6,382,943	5,892,442	575,750,767	521,410,310
Less Deferred Revenues	46,946,085	39,539,457	6,718	12,867	46,952,803	39,552,324
Impairment Provision	8,791,123	8,087,748	4,728,852	4,395,772	13,519,975	12,483,520
Revenues in Suspense	789,980	1,040,548	659,754	478,917	1,449,734	1,519,465
Net Deferred Sales Receivables and other Receivables	512,840,636	466,850,115	987,619	1,004,886	513,828,255	467,855,001

*Pursuant to the letter of the Governor of Jordan Central Bank No. 10/1/1686 dated 5 February 2014, international Murabaha in Jordan JOD has been ceased considering any previous consents rendered in such regard null and void.

The movement on Future Sales Receivables was as follows:

	Deferred Sale Receivables	Deferred Revenues	Impairment Provision
	JOD	JOD	JOD
Balance at the Beginning of the Year	1,285,149	52,515	6,004
Additions	966,354	152,499	-
Disposals	(552,512)	(170,459)	(2,620)
Balance at the End of the Year	1,698,991	34,555	3,384

Impairment Provision for Deferred Sales, Investment Finances, Ijara and Qard Hasan - Self Owned

Following is the movement on the allowance for Impairment

	Individuals	Large Corporates	SMEs	Total
31 December 2015				
	JOD	JOD	JOD	JOD
Balance at the Beginning of the Year	64,647	4,482,808	-	4,547,455
Charged to Income during the year	24,382	343,618	-	368,000
Balance at the End of the Year	89,029	4,826,426	-	4,915,455
Provision for Impairment of Non- Performing Sales Receivables operating on the Basis of a single Customer	88,788	4,810,004	-	4,898,792
Provision for Impairment of Watch List Sales Receivables operating on the Basis of a single Customer	241	16,422	-	16,663
Balance at the End of the Year	89,029	4,826,426	-	4,915,455
	Individuals	Large Corporates	SMEs	Total
31 December 2014				
	JOD	JOD	JOD	JOD
Balance at the Beginning of the Year	27,797	5,461,653	97,113	5,586,563
Charged to Income during the year	-	168,000	-	168,000
Charged from Provision during the year (Written off Debt)	-	(1,207,108)	-	(1,207,108)
Adjustments during the Year	36,850	60,263	(97,113)	-
Balance at the End of the Year	64,647	4,482,808	-	4,547,455
Provision for Impairment of Non- Performing Sales Receivables Basis on a single Customer	63,665	4,473,553	-	4,537,218
Provision for Impairment of Watch List Sales Receivables Basis on a single Customer	982	9,255	-	10,237
Balance at the End of the Year	64,647	4,482,808	-	4,547,455

- The total General Banking Risks Reserve against receivables and self financing amounted to 882,000 JOD as at 31 December 2015 (compared with 882,000 JOD as at 31 December 2014).

- The total prepared provisions were declared against debts calculated on the single customer basis.

- The amount of the provisions which is no longer required due to settlements or re-payment of debts and which was transferred against receivables and other finances amounted to 1,334,417 JOD as at 31 December 2015 (compared with 2,999,079 JOD as at 31 December 2014).

Revenues in Suspense

The movement in the Revenues in suspense is as follows:

	Self	
	31st December	
	2015	2014
	JOD	JOD
Balance at the Beginning of the Year	478,917	184,069
Add: Revenues in Suspense during the year	199,367	326,177
Less: Revenues in Suspense transferred to Income	(18,530)	(31,329)
Balance at the End of the Year	659,754	478,917

	Joint				
	Individuals	Real Estate	Corporates		Total
			Large	Small & Medium	
31 December 2015	JOD	JOD	JOD	JOD	JOD
Balance at the Beginning of the Year	79,221	222,966	656,136	82,225	1,040,548
Add: Revenues in Suspense during the year	44,045	7,045	51,490	32,955	135,535
Less: Revenues in Suspense transferred to Income	(66,750)	(8,166)	(172,817)	(117,260)	(364,993)
Written off Revenues in Suspense	-	-	(21,110)	-	(21,110)
Adjustments during the Year	37,787	(166,468)	(212,268)	340,949	-
Balance at the End of the Year	94,303	55,377	301,431	338,869	789,980

31 December 2014					
Balance at the Beginning of the Year	86,325	214,944	241,066	401,781	944,116
Add: Revenues in Suspense during the year	37,758	25,060	163,407	59,850	286,075
Less: Revenues in Suspense transferred to Income	(31,612)	(30,288)	(37,201)	(90,542)	(189,643)
Adjustments during the Year	(13,250)	13,250	288,864	(288,864)	-
Balance at the End of the Year	79,221	222,966	656,136	82,225	1,040,548

7- Deferred Sales Receivables through Income Statement

The sales receivables through the Statement of Income amounted to 6,513,267 JOD and an impairment provision for the sales receivables was taken against it for an amount of 6,513,267.

8- Ijara Assets – Net

This item consists of the following:

	Joint			Self			Total		
	Cost	Accumulated Depreciation	Net Value	Cost	Accumulated Depreciation	Net Value	Cost	Accumulated Depreciation	Net Value
31st December 2015									
	JOD	JOD	JOD	JOD	JOD	JOD	JOD	JOD	JOD
Ijara Assets–Real Estate	580,300,130	(105,932,229)	474,367,901	5,275,000	(1,529,805)	3,745,195	585,575,130	(107,462,034)	478,113,096
Ijara Assets–Machinery	14,581,280	(4,799,722)	9,781,558	-	-	-	14,581,280	(4,799,722)	9,781,558
Ijara Assets – Vehicles	3,530,540	(1,686,980)	1,843,560	-	-	-	3,530,540	(1,686,980)	1,843,560
Total	598,411,950	(112,418,931)	485,993,019	5,275,000	(1,529,805)	3,745,195	603,686,950	(113,948,736)	489,738,214

31 December 2014									
	JOD	JOD	JOD	JOD	JOD	JOD	JOD	JOD	JOD
Ijara Assets – Real Estate	479,361,372	(81,973,036)	397,388,336	5,275,000	(1,078,369)	4,196,631	484,636,372	(83,051,405)	401,584,967
Ijara Assets – Machinery	13,394,006	(5,425,951)	7,968,055	-	-	-	13,394,006	(5,425,951)	7,968,055
Ijara Assets – Vehicles	3,693,638	(585,803)	3,107,835	-	-	-	3,693,638	(585,803)	3,107,835
Total	496,449,016	(87,984,790)	408,464,226	5,275,000	(1,078,369)	4,196,631	501,724,016	(89,063,159)	412,660,857

- Total due Ijara installments amounted to 3,510,553 JOD as at 31 December 2015 (3,107,226 as at 31 December 2014) – noting that the due Ijara balances were presented within the sales receivables and other receivables (Note 6).
- Non-Performing (Ijara) amounted to 2,846,709 JOD ie. 0.6% of the balance of Ijara as at 31 December 2015 (1,430,455 JOD ie. 0.3% as at 31 December 2014) .
- Non-Performing Ijara after deducting profits in suspense amounted to 1,846,362 JOD ie. 0.4% of the balance of Ijara as at 31 December 2015 (626,406 JOD ie. 2% as at 31 December 2014).

9- Finance Investments

This item consists of the following:

Joint		
31 December		
	2015	2014
	JOD	JOD
Large Corporates		
Mudaraba	9,170,558	813,354
Net Financings	9,170,558	813,354

- Non-Performing deferred sales receivables, other receivables, financings, Ijara and Qard Hasan amounted to 16,316,348 JOD ie. 1.5% of the balance of future sales receivables, other receivables, financings, Ijara and Qard Hasan for the year (15,525,582 JOD ie. 1.6% of the balance granted at the end of the previous year).

- Non-Performing deferred sales receivables, other receivables, financings, Ijara and Qard Hasan after deducting revenues in suspense amounted to 14,866,614 JOD ie. 1.4% of the balance of future sales receivables, other receivables, financings, Ijara and Qard Hasan after deducting revenues in suspense (14,006,117 JOD ie. 1.5% of the balance granted at the end of the previous year).

10- Financial Assets at Fair Value through OCI

This item consists of the following:

Self		
31 December		
	2015	2014
	JOD	JOD
Financial Assets quoted in the Market		
Investment Portfolios managed by Third Parties*	5,507,159	5,762,487
Financial Assets Non- quoted in the Market		
Companies' Shares	-	24,000
Total Financial Assets at Fair Value through OCI	5,507,159	5,786,487

* This item represents the investment portfolios managed by Arab Investment Group Company and comprises external shares and Islamic Sukuk.

- There was no transfer of retained earnings under Shareholders' Equity relating to financial assets through Shareholders' Equity.

11- Financial Assets at Amortized Costs – Net

This item consists of the following:

	Joint		Self		Total	
	31st December		31st December		31st December	
	2015	2014	2015	2014	2015	2014
	JOD	JOD	JOD	JOD	JOD	JOD
Islamic Sukuk quoted in the Market	7,575,056	7,734,886	465,281	1,085,656	8,040,337	8,820,542
Total	7,575,056	7,734,886	465,281	1,085,656	8,040,337	8,820,542

The above assets mature within the period from 2016 until the end of 2018.

No impairment provisions against financial assets at amortized cost were taken.

12- Investments in Real Estate

This item consists of the following:

Investment in Real Estate for the purpose of Usage

	Joint	
	31 December	
	2015	2014
	JOD	JOD
Investments in Real Estate	23,350,821	24,801,530
Accumulated Depreciation	(423,217)	(441,303)
Impairment Provision	(3,468,931)	(2,633,000)
Total	19,458,673	21,727,227

Buildings within the real estate portfolio above are depreciated by the straight line method at a depreciation rate of 10%.

The movement in the real estate investment portfolio during the year was as follows:

2015	Balance at the Beginning of the year	Additions during the year*	Disposals during the year	Balance at the End of the year
	JOD	JOD	JOD	JOD
Investments in Real Estate	24,801,530	347,048	(1,797,757)	23,350,821
Accumulated Depreciation	(441,303)	(203,977)	222,063	(423,217)
Total	24,360,227	143,071	(1,575,694)	22,927,604
Real Estate Impairment Provision	(2,633,000)	(835,931)	-	(3,468,931)
Net	21,727,227	(692,860)	(1,575,694)	19,458,673
2014	Balance at the Beginning of the year	Additions during the year	Disposals during the year	Balance at the End of the year
	JOD	JOD	JOD	JOD
Investments in Real Estate	21,921,947	3,436,606	(557,023)	24,801,530
Accumulated Depreciation	(244,965)	(196,338)	-	(441,303)
Total	21,676,982	3,240,268	(557,023)	24,360,227
Real Estate Impairment Provision	(733,987)	(1,899,013)	-	(2,633,000)
Net	20,942,995	1,341,255	(557,023)	21,727,227

The fair value of the real estate investment portfolio amounted to 20,445,923 [JOD] as at 31 December 2015 (compared with 23,135,980 JOD as at 31 December 2014).

* During the year Real States Transferred with the Value of 347,048 from foreclosed assets to Real States Investment Portfolio.

13- Property and Equipment - Net

This item consists of the following:

	Land	Buildings	Equipment, Devices & Furniture	Transportation Media	Computers	Improvements & Decorations	Total
2015							
	JOD	JOD	JOD	JOD	JOD	JOD	JOD
Cost:							
Balance at the Beginning of the Year	7,152,508	4,796,693	5,902,837	257,308	4,962,371	10,515,212	33,586,929
Additions	-	-	1,151,975	-	748,761	490,268	2,391,004
Disposals	-	-	(167,906)	-	(44,893)	-	(212,799)
Balance at the End of the Year	7,152,508	4,796,693	6,886,906	257,308	5,666,239	11,005,480	35,765,134
Accumulated Depreciation:							
Accumulated Depreciation at the Beginning of the Year	-	1,063,837	3,209,217	158,079	3,784,130	5,404,441	13,619,704
Depreciation of the Year	-	100,969	576,372	32,539	603,988	888,188	2,202,056
Disposals	-	-	(146,321)	-	(34,196)	-	(180,517)
Accumulated Depreciation at the End of the Year	-	1,164,806	3,639,268	190,618	4,353,922	6,292,629	15,641,243
Net Book Value for Property and Equipment	7,152,508	3,631,887	3,247,638	66,690	1,312,317	4,712,851	20,123,891
Projects under Process	-	-	3,000	-	1,087,007	4,005	1,094,012
Net property and Equipment at the End of the Year	7,152,508	3,631,887	3,250,638	66,690	2,399,324	4,716,856	21,217,903
	Land	Buildings	Equipment, Devices & Furniture	Transportation Media	Computers	Improvements & Decorations	Total
2014							
Cost:							
Balance at the Beginning of the Year	7,152,508	4,796,693	5,111,544	257,308	4,420,350	9,505,204	31,243,607
Additions	-	-	945,263	-	686,234	1,010,008	2,641,505
Disposals	-	-	(153,970)	-	(144,213)	-	(298,183)
Balance at the End of the Year	7,152,508	4,796,693	5,902,837	257,308	4,962,371	10,515,212	33,586,929
Accumulated Depreciation:							
Accumulated Depreciation at the Beginning of the Year	-	962,868	2,837,971	125,538	3,375,173	4,603,213	11,904,763
Depreciation of the Year	-	100,969	515,600	32,541	549,595	801,228	1,999,933
Disposals	-	-	(144,354)	-	(140,638)	-	(284,992)
Accumulated Depreciation at the End of the Year	-	1,063,837	3,209,217	158,079	3,784,130	5,404,441	13,619,704
Net Book Value for Property and Equipment	7,152,508	3,732,856	2,693,620	99,229	1,178,241	5,110,771	19,967,225
Projects under Process	-	-	633,315	-	101,447	224,573	959,335
Net property and Equipment at the End of the Year	7,152,508	3,732,856	3,326,935	99,229	1,279,688	5,335,344	20,926,560
Annual Depreciation Rates%	-	2	2,5 - 15	15	25	10	

- The cost of property and equipment totally depreciated amounts to 5,047,665 JOD as at 31 December 2015 (4,684,006 JOD as at 31 December 2014).

- Depreciation of fixed assets not calculated on Tax department's approved percentages, and the difference between the Bank's percentages and Tax department's approved percentages have been taken in the taxable Income Statements.

14- Intangible Assets – Net

This item consists of the following:

Computer Systems and Programmes		
31 December		
	2015	2014
	JOD	JOD
Balance at the Beginning of the Year	971,560	867,677
Additions	358,967	347,991
Amortization for the Year	(285,649)	(244,108)
Balance at the End of the Year	1,044,878	971,560
Annual Amortization Rates%	10 - 25 %	10 - 25 %

15- Other Assets

This item consists of the following:

31 December		
	2015	2014
	JOD	JOD
Pre-paid Expenses	1,407,729	1,188,912
Accrued Receivable Revenues	69,067	65,190
Foreclosed Assets	842,554	347,048
Others	529,843	965,175
Total	2,849,193	2,566,325

Following is a summary of the movement on the foreclosed assets:

31 December		
	2015	2014
	JOD	JOD
Balance at the Beginning of the Year	347,048	133,351
Additions	842,554	213,697
Deductions *	(347,048)	-
Balance at the End of the Year **	842,554	347,048

* During the year Real Estates transferred with amount of 347,048 from foreclosed Assets to Real Estate Investment Portfolio.

**The balance of foreclosed assets represents settlement of bad debts. The Bank is prohibited from the disposition thereof for one year from the date of registration of the real estate in the name of the Bank by virtue of the law.

16- Banks and Financial Institutions Accounts

This item consists of the following

31 December		
	2015	2014
	JOD	JOD
Current and Demand Accounts	338,171	82,369
Total	338,171	82,369

17- Customers' Current Accounts

This item consists of the following:

31 December, 2015					
	Individuals	Large Corporates	SMEs	Government & Public Sector	Total
	JOD	JOD	JOD	JOD	JOD
Current Accounts	463,145,653	26,866,047	133,285,683	3,869,435	627,166,818
Total	463,145,653	26,866,047	133,285,683	3,869,435	627,166,818

31 December 2014					
	Individuals	Large Corporates	SMEs	Government & Public Sector	Total
Current Accounts	399,756,697	34,577,104	112,272,319	3,555,331	550,161,451
Total	399,756,697	34,577,104	112,272,319	3,555,331	550,161,451

- The deposits of the Government of Jordan and public sector within the Kingdom amounted to 3,869,435 JOD as at 31 December 2015 ie. 0.62% of the total customers' current accounts (3,555,331 JOD as at 31 December 2014 ie. 0.6%).

- Restricted Deposits amounted to 5,171,325 JOD as at 31 December 2015 ie. 8% of the total customers' current accounts (5,397,868 JOD as at 31 December 2014 ie. 0.1%).

- Dormant Accounts amounted to 11,236,514 as at 31 December 2015 (11,694,330 as at 31 December 2014).

18- Cash Margins

This item consists of the following:

31 December		
	2015	2014
	JOD	JOD
Cash Margins against Sales Receivables and Financings	19,704,243	17,071,119
Cash Margins against Indirect Credit Facilities	5,179,630	5,054,249
Cash Margins, Other	1,312,510	1,192,963
Total	26,196,383	23,318,331

19- Other Provisions

The movement on Sundry Provisions is as follows:

2015	Balance at the Beginning of the year	Provision for the year	Provision used during the year	Balance at the End of the year
	JOD	JOD	JOD	JOD
Provision for end of Service Indemnity	2,323,777	168,878	251,008	2,241,647
Provision for Legal Cases	7,000	20,000	-	27,000
Total	2,330,777	188,878	251,008	2,268,647

2014				
Provision for end of Service Indemnity	2,086,996	516,683	279,902	2,323,777
Provision for Legal Cases	70,000	25,000	88,000	7,000
Total	2,156,996	541,683	367,902	2,330,777

20- Provision for Income Tax

A- Provision for Income Tax

The movement for the provision of Income Tax is as follows:

	31 December	
	2015	2014
	JOD	JOD
Balance at the Beginning of the Year	5,421,533	6,006,510
Income Tax paid during the Year	(6,322,181)	(6,594,809)
Income Tax paid for previous years	(9,097)	(45,426)
Current Income Tax	7,652,264	6,055,258
Balance at the End of the Year	6,742,519	5,421,533

B- The Income Tax Balance presented in the Income Statement consists of the following:

	31 December	
	2015	2014
	JOD	JOD
Current Income Tax	7,652,264	6,055,258
Deferred Tax Assets for the Year	(127,358)	(482,576)
Amortization of Deferred Tax Assets	108,270	154,958
Deferred Tax Liabilities for the Year	738,919	-
Total	8,372,095	5,727,640

- A final settlement took place with the Income and Sales Tax Department until the end of 2013, Self Tax Return for the year 2014 was submitted and the declared taxes were paid and were not yet reviewed by the Income and Sales Tax Department.
- The Income Tax due for the year ending 31 December, 2015 was calculated in accordance with the Income Tax Law in force.
- According to the opinion of the Management and the Tax Consultant, there is no need to take further provisions in respect of the year ending 31 December, 2015.

C- Deferred Income Tax Assets / Liabilities – Self – Joint

	31 December 2015					31 December 2014
Covered Accounts	Beginning Balance	Released Amounts	Added Amounts	Ending Balance	Deferred Tax	Deferred Tax
1- Deferred Tax Assets - Joint	JOD	JOD	JOD	JOD	JOD	JOD
Revenues in Suspense	895,650	386,103	135,535	645,082	225,779	313,478
	895,650	386,103	135,535	645,082	225,779	313,478
2- Deferred Tax Assets - Self						
Provision for end of Service Indemnity	2,323,777	251,008	168,878	2,241,647	784,577	813,322
Impairment Provision for Self Financings	1,342,848	-	-	1,342,848	469,997	469,997
Legal Provision	7,000	-	20,000	27,000	9,450	2,450
Impairment in the Financial Assets at Fair Value through Shareholders' Equity	2,727,786	-	-	2,727,786	954,725	954,725
Deferred Unacceptable Tax expenses	-	58,333	175,000	116,667	40,833	
	6,401,411	309,341	363,878	6,455,948	2,259,582	2,240,494
Grand Total	7,297,061	695,444	499,413	7,101,030	2,485,361	2,553,972

The deferred tax assets amounting to 2,259,582 [JOD] as at 31 December, 2015 resulting from time differences for the provision for end of service indemnity, provision for impairment in future sales receivables, provision for lawsuits and impairment in financial assets have been calculated at an average tax rate of 35% and in the Management's opinion, benefit shall be derived from these tax benefits from the profits which are expected to be realized in the future.

3- Deferred Tax Liabilities - Self						
1- Financial Assets at Fair Value through Shareholders' Equity	912,798	255,329	-	657,469	230,114	319,479
2- Difference in Assets depreciation	-	-	2,111,198	2,111,198	738,919	-
Grand Total	912,798	255,329	2,111,198	2,768,667	969,033	319,479

- The deferred tax liabilities amounting to 969,033 JOD as at 31 December, 2015 (319,479 JOD as at 31 December, 2014) resulted from gains from valuation of financial assets which are presented within the fair value reserve of shareholders' equity.

- Property and Equipment were not depreciated as Tax Dept. Approved percentages, and the difference between Bank's approved percentages as Equipments useful life and Tax Dept. Approved percentages was taken. When income tax was calculated and the impact of that differences will be considered as deferred tax liabilities.

The movement on the deferred tax assets and liabilities – Joint is as follows:

	31 December 2015		31 December 2014	
	Assets	Liabilities	Assets	Liabilities
	JOD	JOD	JOD	JOD
Balance at the Beginning of the Year	313,478	-	239,765	-
Additions During the Year	47,437	-	130,606	-
Amortized During the Year	(135,136)	-	(56,893)	-
Balance at the End of the Year	225,779	-	313,478	-

The movement on the deferred tax assets and liabilities – Self is as follows:

	31 December 2015		31 December 2014	
	Assets	Liabilities	Assets	Liabilities
	JOD	JOD	JOD	JOD
Balance at the Beginning of the Year	2,240,494	319,479	1,912,876	184,445
Additions During the Year	127,358	738,919	482,576	135,034
Amortized During the Year	(108,270)	(89,365)	(154,958)	-
Balance at the End of the Year	2,259,582	969,033	2,240,494	319,479

D- Reconciliation of the Accounting income with Taxable income

	2015	2014
	JOD	JOD
Income, before tax	25,009,759	19,092,135
Add: Non Deductable Expenses	8,774,506	7,871,789
Tax exempt Revenue	(386,103)	(189,643)
Other Adjustments	(3,199,494)	836,451
Taxable Profit	30,198,668	27,610,732
Tax Rate	35%	30%
Net Income Tax Provision	10,569,534	8,283,220
For:		
Declared Provision – Bank	7,652,264	6,055,258
Declared Provision – Investment Risks Fund	2,670,984	2,101,864
Declared Provision – Joint Insurance Fund*	246,286	126,098
	10,569,534	8,283,220

*The joint insurance fund has been created for the purposes of covering default in settlement as a result of death or total disability of the customers' credit facilities as per the incorporation regulations of the fund which was approved by the Central Bank of Jordan.

21- Other Liabilities

This item consists of the following:

	31 December	
	2015	2014
	JOD	JOD
Cheques in Transit	9,276,604	8,375,447
Remittance in Transit	4,953,878	6,513,560
Due Expenses	198,653	326,448
Accrued Profits Payable	4,215,941	4,825,979
Commissions Received in Advance	435,190	382,450
Intermediate Accounts*	6,192,945	1,503,416
Joint Insurance Fund Tax	204,651	126,098
Remuneration of Board of Directors	25,000	25,000
	25,502,862	22,078,398

*Includes Intermediate accounts with amount of 4,907,792 represent accepted deferred L/C and Bills from customers and transfered to Deferred Sales Receivables and will be paid at maturity.

22- Joint Investment Accounts

This item consists of the following:

	31 December, 2015				
	Individuals	Large Corporates	SMEs	Government & Public Sector	Total
	JOD	JOD	JOD	JOD	JOD
Savings Accounts	184,763,511	974,266	2,033,508	40,280	187,811,565
Time Deposits*	582,052,638	82,648,285	57,267,214	26,132,334	748,100,471
Total	766,816,149	83,622,551	59,300,722	26,172,614	935,912,036
Depositors' Share of the Investment Returns	17,949,938	2,488,147	1,690,285	694,415	22,822,785
Total Joint Investment Accounts	784,766,087	86,110,698	60,991,007	26,867,029	958,734,821

	31 December, 2014				
	Individuals	Large Corporates	SMEs	Government & Public Sector	Total
	JOD	JOD	JOD	JOD	JOD
Savings Accounts	153,093,310	1,038,740	2,412,222	27,339	156,571,611
Time Deposits	503,048,072	66,400,028	52,345,373	20,589,939	642,383,412
Total	656,141,382	67,438,768	54,757,595	20,617,278	798,955,023
Depositors' Share of the Investment Returns	13,723,978	2,085,662	1,895,201	1,187,359	18,892,200
Total Joint Investment Accounts	669,865,360	69,524,430	56,652,796	21,804,637	817,847,223

*Time Deposits comprise an amount of 4,564,871 JOD (net after tax) which is the balance of the joint insurance fund which has been created during 2013 for the purposes of covering the settlement of financings as a result of the customer's death or total disability as per the incorporation regulations of the fund which was approved by the Central Bank of Jordan, The Investment Profits to the account of the fund was 215,359 JOD. Since its establishment.

The Joint Investment Accounts participate in profits based on the following:

- 50% from the balance of the Savings Accounts monthly, until 30/6/2015 and 30% from the Balance starting from 1/7/2015.
- 90% of the lowest balance of Time Deposits.
- The General Rate of Profit on the Jordanian Dinar for the first and second halves of 2015 was 3.629% and 3.184% respectively (3.734% and 3.976% in the previous year).
- The General Rate of Profit on USD for the first and second halves of 2015 was 0.24% and 0.22% respectively (0.253% and 0.279% in the previous year).
- The Restricted Accounts amounted to 2,033,787 JOD as at 31 December 2015 (1,462,103 JOD as at 31 December, 2014).
- The Joint Investment Accounts of the Government of Jordan and Public Sector within the Kingdom amounted to 26,867,029 JOD as at 31 December, 2015 ie. At 2.8% of the total Joint Investment Accounts (21,804,638 JOD as at 31 December 2014 ie. 2.7%).

23- Investment Risk Fund

The movement on the Investment Risk Fund is as follows:

	31 December	
	2015	2014
	JOD	JOD
Balance at the Beginning of the Year	25,809,164	20,933,524
Add: Transferred from Joint Investment Revenues for the Year through the Income Statement	7,234,008	6,204,449
Investment Profits of the Fund	647,944	705,330
Amortized Losses for the period *	(21,694)	-
Less: Income Tax	(2,758,683)	(2,028,151)
Difference in Translation of Foreign Currencies	(2,750)	(5,988)
Balance at the End of the Year	30,907,989	25,809,164

The Fund's Income Tax Item represents the following:

	31 December	
	2015	2014
	JOD	JOD
Accrued Income Tax on the Transferred from Investment Profits	2,444,204	1,890,264
Deferred Tax Assets	(47,437)	(130,606)
Amortization of Deferred Tax Assets	135,136	56,893
Accrued Income Tax on the Fund's Investments Profit	226,780	211,600
	2,758,683	2,028,151

* Losses for debts for the amount of 21,694 JOD amortized from Investment Risk Fund after Sharia Board Approval and Facilities Committee.

The Balance of the Investment Risk Fund is distributed as follows:

	31 December	
	2015	2014
	JOD	JOD
Against Impairment of deferred Sales Receivables (Note 6)	8,791,123	8,087,748
Against Impairment in Investments in Real Estate (Note 12)	3,468,931	2,633,000
Remaining Balance	18,647,935	15,088,416

10% deduction from Net revenues of Joint Investment Accounts until Investment Risk Fund Balance equal to 200% of Bank's Authorized paid capital .

The Movement on the Tax of the Investment Risk Fund is as follows:

	31 December	
	2015	2014
	JOD	JOD
Balance at the beginning of the Year	1,721,518	1,477,266
Less: Paid Income Tax	(2,243,682)	(1,857,612)
Add: Accrued Income Tax for the Year	2,670,985	2,101,864
Balance at the End of the Year	2,148,821	1,721,518

- A final settlement took place with the Income and Sales Tax Department until the end of 2013, Self Tax Return for the year 2014 was submitted and the declared taxes were paid and were not yet reviewed by the Income and Sales Tax Department.

- The remaining balance represents the undistributed portion over the joint investments accounts.

24- Capital (Paid-up)

- The authorized and Paid-up Capital at the end of the financial year amounted to 100 million JOD distributed over 100 million shares at a par value of one Dinar per share as at 31 December, 2015 (100 million shares at a par value of one Dinar per share as at 31 December, 2014).

25- Reserves

- Statutory Reserve

The accumulated amounts in this account represent what has been transferred from the annual pre-tax profits at a rate of 10% in accordance with the Banks' Law which is not available for distribution to shareholders.

- Voluntary Reserve

The accumulated amounts in this account represent what has been transferred from the annual pre-tax profits at a rate not exceeding 20% during the previous years, This voluntary reserve shall be utilized for the purposes determined by the Board of Directors and the General Assembly shall be entitled to distribute it in whole or in part as dividends to shareholders.

- General Banking Risk Reserve

This reserve represents General Banking Risk Reserve on future sales receivables and the Bank's own financings in accordance with the instructions of Central Bank of Jordan.

- Restricted Reserves are as follows:

Reserve	31 December		
	2015	2014	Regulation
	JOD	JOD	
Statutory Reserve	17,919,041	15,418,065	Requirement of the Law
General Banking Risk Reserve	882,000	882,000	Central Bank Instructions

- Proposed Dividends to Shareholders

During its session No, 1 held on 21 January, 2016, the Board of Directors recommended a distribution of 7,090,000 JOD to the shareholders (Arab Bank) ie. 7.09% of the paid-up capital from the retained earnings which are distributable which shall be subject to the approval of the Shareholders' General Assembly.

The percentage of Dividends from paid-up capital was 7.09% for the past year for the amount of 7,090,000.

26- Fair Value Reserve – Net

This item consists of the following:

Self		
31 December		
	2015	2014
	JOD	JOD
Financial Assets at Fair Value through Shareholders' Equity	427,355	593,319
Balance at the End of the Year	427,355	593,319

The Movement on the Fair Value Reserve was as follows:

Self		
31 December		
	2015	2014
	JOD	JOD
Balance at the Beginning of the Year	593,319	430,371
Unrealized Gains	(255,329)	297,982
Deferred Tax Liabilities	-	(135,034)
Realized Losses Transferred to Accumulated Losses	89,365	-
Balance at the End of the Year	427,355	593,319

The Net Fair Value Reserve is presented after deducting the self deferred tax liabilities for an amount of 427,355 JOD as at 31 December, 2015 (593,319 JOD as at 31 December, 2014).

27- Retained Earnings

This item consists of the following:

Self		
31 December		
	2015	2014
	JOD	JOD
Balance at the Beginning of the Year	8,055,504	(3,399,777)
Profit for the Year	16,637,664	13,364,495
(Transferred) to Reserves	(2,500,976)	(1,909,214)
Dividends paid during the year *	(5,815,010)	-
Balance at the End of the Year **	16,377,182	8,055,504

*On 18/3/2015 Shareholders' General Assembly approved for cash dividends for the Sole Stockholder (Arab Bank plc) for Amount of 7,090,000 represents 7.09% from Authorized Paid-up Capital from retained Earnings.

**The retained earnings balance includes 2,259,582 JOD which is restricted against deferred tax benefits as at 31 December, 2015 (2,240,494 JOD as at 31 December 2014).

28- Deferred Sales Revenues

This item consists of the following:

	Joint		Self		Total	
	31 December		31 December		31 December	
	2015	2014	2015	2014	2015	2014
	JOD	JOD	JOD	JOD	JOD	JOD
Individuals (Retail)						
Murabaha for Commander of Purchase	12,261,205	10,049,879	-	-	12,261,205	10,049,879
Deferred Sale	154,443	119,606	-	-	154,443	119,606
Real Estate Financings	5,987,823	5,204,757	-	-	5,987,823	5,204,757
Large Corporates						
International Murabaha	283,211	2,272,458	-	10,056	283,211	2,282,514
Murabaha for Commander of Purchase	11,603,978	11,174,281	23,625	106,371	11,627,603	11,280,652
SMEs						
Murabaha for Commander of Purchase	3,660,566	3,221,972	-	-	3,660,566	3,221,972
Deferred Sale	16,016	17,472	-	-	16,016	17,472
Total	33,967,242	32,060,425	23,625	116,427	33,990,867	32,176,852

Pursuant to the Letter of the Governor of Jordan Central Bank No.10/1/1686 dated 5 February, 2014 International Murabaha has been ceased in the Jordanian Dinar considering all previous consents issued in that regard null and void.

29- Financing Revenues

This item consists of the following:

	Joint	
	31 December	
	2015	2014
	JOD	JOD
Real Estate Financings	-	2,133
Large Corporates		
Mudaraba	264,848	99,409
	264,848	101,542

30- Financial Assets at Amortized Costs Revenues

This item consists of the following:

	Joint		Self	
	31 December		31 December	
	2015	2014	2015	2014
	JOD	JOD	JOD	JOD
Islamic Sukuk – Leasing	179,201	87,581	11,938	52,932
	179,201	87,581	11,938	52,932

31- Net (Expenses) Real Estate revenues

	Joint	
	31 December	
	2015	2014
	JOD	JOD
Acquired for the purpose of Usage		
Real Estate Rents	160,805	166,505
Gains from Real Estate Sales	402,617	-
Other Expenses	(35,627)	(7,683)
Depreciation of Buildings	(203,977)	(196,338)
	323,818	(37,516)

32- Ijara Assets Revenues

This item consists of the following:

	Joint		Self	
	31 December		31 December	
	2015	2014	2015	2014
	JOD	JOD	JOD	JOD
Ijara –Real Estate	80,475,390	67,031,813	484,965	329,748
Ijara –Machinery	5,776,268	3,258,519	-	-
Ijara – Vehicles	1,427,561	532,595	-	-
Depreciation of Ijara Assets	(50,051,280)	(40,974,857)	-	-
Total	37,627,939	29,848,070	484,965	329,748

33- Share of Joint Investment Accounts Holders

This item consists of the following:

	2015	2014
	JOD	JOD
Customers		
Revenues of Investments Savings Accounts	1,682,301	1,740,900
Revenues of Time Deposit Accounts	20,530,446	18,749,859
Total	22,212,747	20,490,759

34- The Bank's Share of the Joint Investment Accounts as Mudareb and Rab Mal

This item consists of the following:

	2015	2014
	JOD	JOD
Bank's Share as Mudareb	24,707,061	18,157,808
Bank's Share as Rab Mal	18,186,261	17,191,475
Total	42,893,322	35,349,283

35- Bank Self Revenues

This item consists of the following:

	2015	2014
	JOD	JOD
Income from Deferred Sales (Note 28)	23,625	116,427
Income from Financial Assets at Amortized Cost (Note 30)	11,938	52,932
Income from Ijara Assets (Note 32)	484,965	329,748
Returns of Distributions of Financial Assets at Fair Value through Shareholders' Equity	12,859	8,005
Total	533,387	507,112

36- Bank's Share from Restricted Investment Revenues as Mudareb and Wakeel

Bank's Share from Restricted Investment Revenues in its Capacity as Mudareb

	2015	2014
	JOD	JOD
Income from Restricted Investments	325,391	367,365
Less: Depreciation	(34,452)	(45,522)
Net Income from Restricted Investments (Statement B)	290,939	321,843
Less: Share of Holders of Restricted Investments Accounts	(231,200)	(262,745)
Bank's Share as Mudareb – Statement (B)	59,739	59,098

* Bank's Share from the Restricted Investment Wakaleh

	2015	2014
	JOD	JOD
Income from Deferred Sales Receivables	143,806	46,306
Income from International Murabaha	-	42,863
Total Income	143,806	89,169
Less: Muwakkel	(115,136)	(81,689)
Bank's Share (Wakeel) – Statement (c)	28,670	7,480

*This item represents income from Murabaha of the Commander of Purchase for small enterprises and within the investment Wakaleh signed with the Central Bank of Jordan.

37- Net (Expenses) Gains from Foreign Currencies

This item consists of the following:

	Joint		Self	
	2015	2014	2015	2014
	JOD	JOD	JOD	JOD
Resulting from Trading / Dealing	-	-	1,815,481	1,785,941
Resulting from Valuation	(22,971)	(15,611)	-	-
Total	(22,971)	(15,611)	1,815,481	1,785,941

38- Banking Services Revenues

This item consists of the following:

	2015	2014
	JOD	JOD
Commissions on Sold Cheques	50,528	54,146
Commissions on Letters of Credit and Bills	988,210	954,984
Commissions on Guarantees	594,561	526,607
Commissions on Transfers	307,973	315,279
Commissions on Visa	1,194,737	1,003,798
Commissions on Cheques	353,629	372,562
Commissions on Electronic Services	932,632	800,141
Commissions on Execution of Receivables and Financings	561,766	507,227
Commissions on Salaries	1,231,916	1,031,615
Other Commissions	1,002,953	1,025,770
Total	7,218,905	6,592,129

39- Other Revenues

This item consists of the following:

	2015	2014
	JOD	JOD
Customers Services (Post, telephone, custody)	312,628	385,840
Other Income	30,282	10,732
Total	342,910	396,572

40- Employees' Expenses

This item consists of the following:

	2015	2014
	JOD	JOD
Employees' Salaries, Benefits and Allowances	13,744,484	12,681,523
Bank's Contribution in Social Security	1,447,007	1,311,313
Medical Expenses	747,378	679,003
Employees' Training	98,706	123,827
Insurance Expenses	21,431	18,165
Total	16,059,006	14,813,831

41- Other Expenses

This item consists of the following:

	2015	2014
	JOD	JOD
Rents	946,317	885,006
Stationary and Printing	441,311	402,804
Post and Telephone	394,125	465,121
Maintenance and Cleaning	692,860	589,104
Advertising and Promotion Fees	629,454	565,004
Insurance Expenses	83,995	85,887
Electricity and Water	1,308,925	1,224,073
Donations	305,060	275,519
Subscriptions and Fees	429,622	382,670
Travel and Transportation Expenses	393,559	510,395
Consultancy and Professional Fees	296,588	385,124
Information Systems Expenses	1,912,454	1,292,064
Remuneration of Board of Directors	25,000	25,000
Others	468,360	457,855
Total	8,327,630	7,545,626

42- Earnings Per Share

This item consists of the following:

	2015	2014
	JOD	JOD
Profit for the Year – Statement (B)	16,637,664	13,364,495
Weighted Average of Number of Shares	100,000,000	100,000,000
Basic and Diluted Earnings of the Year Per Share	- / 16,64	- / 13,37

43- Cash and Cash Equivalent

This item consists of the following:

	2015	2014
	JOD	JOD
Cash and Balances with the Central Bank maturing within Three Months	702,356,176	604,712,891
Add: Balances with Banks and Banking Institutions maturing within Three Months	22,686,521	12,151,329
Less: Banks' and Banking Institutions' Deposits maturing within Three Months	(338,171)	(82,369)
	724,704,526	616,781,851

44- Balances and Transactions with Related Parties

The Bank conducts transactions with Shareholders and members of the Board and Executive Management and Sister Companies as Ordinary business course according to corporate Murabaha rates and commissions. This item consists of the following:

	Arab Bank (Owning Company)	Members of the Board	Sister Companies	Members of Shari'a Supervisory Board	Executive Management	Total	
						31 December	
						2015	2014
On - Balance Sheet Items	JOD	JOD	JOD	JOD	JOD	JOD	JOD
Balances with Banks and Financial Institutions	19,343,159	-	-	-	-	19,343,159	8,985,698
International Murabaha (Commodities Investment)*	91,800,171	-	-	-	-	91,800,171	95,652,337
Mudaraba Financings	-	-	9,170,558	-	-	9,170,558	813,354
Banks' and Financial Institutions Deposits	50,751	-	-	-	-	50,751	82,369
Joint Investment Accounts and Current Accounts	-	238,716	-	55,052	336,768	630,536	586,046
Financial Assets at Fair Value through Shareholders' Equity managed by Sister Company	-	-	5,507,159	-	-	5,507,159	5,762,487
Sales Receivables, Financings and Ijara	-	881,252	-	253,915	1,189,695	2,324,862	2,969,030
Off - Balance Sheet Items							
Guarantees	12,537,369	-	-	-	-	12,537,369	12,537,369
Income Statement Items							
Received Profit – Receivables	-	18,680	264,848	17,069	49,105	349,702	214,664
Distributed Profit – Deposit Accounts	-	6,793	-	107	6,340	13,240	3,482
Divednces	-	-	12,859	-	-	12,859	8,005
Received commions - off-balancesheet	62,687	-	-	-	-	62,687	62,687
Salaries and Remunerations**	-	25,000	-	72,000	1,321,314	1,418,314	1,782,185
Transportation	-	112,800	-	-	10,800	123,600	98,400

- The lowest Murabaha rate that the Bank received was (3%) and the highest Murabaha was (4%) and the lowest distribution of dividends in Jordan in JOD was 3.1846% and the highest rate of distribution was 3.629%.

The financings extended to the related parties are deemed to be active and no provisions have been taken therefor.

IIAB's Shares in Credit Information Corp. (Under Establishment) for amount of 24,000 Share (24,000 JOD) was transferred to Parent Company "Arab Bank plc" as legal requirement.

* Pursuant to the Letter of the Governor of Jordan Central Bank No. 10/1/1686 dated 5 February, 2014 International Murabaha has been ceased in the Jordanian Dinar considering all previous consents issued in that regard null and void.

** The Circular of the Central Bank of Jordan No. 4676/2/10 regarding the definition of Executive Management has been applied.

45- Risk Management

- The Bank manages its various banking risks by various means through a comprehensive and objective strategy that determines the risks and methods of facing and mitigating them through a Department and Risks Management Committees.
- The Board of Directors is the highest authority responsible for the Bank's activities, hence it is the foremost party responsible for managing the risks that face the Bank through the committees emanating therefrom.
- The Risk Management reports to the Control Line where it prepares the policy for managing all types of risks, analysis and measurement thereof and for developing advanced measurement methods to hedge various risks which affect the Bank's profitability, assets and capital adequacy. It also reports periodically to the Board of Directors through the Risk Management Committee.
- The Bank, in coordination with the Central Bank of Jordan, is keen to realize an appropriate level of capital which covers the risks comprised under Basel II. In this regard, the Bank develops the technology it uses at the level of all lines of business in order to up-grade the level of the Bank's services and consolidate control over all types of risks and develop the necessary programmes for the measurement thereof which are compatible with the nature and size of the Bank's activity. Moreover, the Bank lends importance to the human factor through developing the employees' skills by attending specialized training courses.

The Bank is currently preparing for the Basel III requirements particularly the necessary data and technology in addition to the associated amendments to the relevant policies and procedures.

The Risk Management at the Bank has the following Divisions:

1- Credit Risk

Generally, the credit risk is defined as risks arising from the possible inability or default of the borrower or third party to fulfill its obligations in accordance with the agreed upon conditions which causes financial losses to the Bank.

The Credit Risk Division at the Bank enhances the Bank's credit policy and meets the requirements of the regulations and controls determined by the Central Bank of Jordan and Basel Committee.

The Credit Risk arises at the Bank from the financing and investment operations that it carries out including inter alia:

- Risks of operations, process of granting and implementation of financing.
- The borrower's risk per se and its activities.
- Risks of focusing on a simple method of financing.
- Risks of Islamic Finance Instruments.

In this regard the Bank monitors and controls Credit Risk through:

- Risk management and control of the credit portfolio through a number of committees, the most significant one being the Risk Management Committee emanating from the Board of Directors.
- Credit control, determination of authorities to extend credit and adoption of clear and specific rules and conditions in extending financings.
- Control over credit limits and the allowed limits for facilities and issuance of the necessary reports to ensure that the limits are not exceeded and monitoring the quality thereof.
- Diversification in the financing and investments activities to avoid the credit concentration risks with individuals, groups or customers in specific geographical areas or a specific economic activity or in financing or products instruments.
- Manage bad debts in order to realize the minimum credit losses to the Bank.
- Segregation between the credit marketing management departments and the credit granting, implementation and monitoring departments.

- The Risk Management presents the risk reports to the Board of Directors to obtain the necessary recommendations whereby such reports comprise a summary of the significant risks that the Bank faces and the methods of measurement, monitoring and control thereof.

• Credit Risks Measurement

The Bank monitors the adequacy of its capital by applying the standard method of credit measurement where the adequacy of the capital is measured against the assets, commitments and obligations listed in the Statement of Financial Position according to degree of its risks.

• Credit Risk Classification System

The Bank adopted Moody's Credit Rating System in order to determine the credit quality of each customer upon extending credit and monitor such quality throughout the tenor of the facility periodically to determine any declining that may occur and to evaluate the quality of the facility for the entire credit portfolio periodically to facilitate the management of the credit portfolio which in turn is reflected on the financing pricing and profitability determination.

This System includes the rating of the Country's risks, customer's risk and facilities risks relying on specific risk factors such as (the industry, competitive position, management, cash flow, financial situation, and operational performance).

• Credit Risk Mitigating Methods:

The Bank uses several methods for hedging and mitigating credit risks through determining the size and value of the required collateral; value of the mortgage deed based on the credit granting standards followed by the Bank and the credit study of the facilities and the potential risk degree subject to completing all monitoring aspects in exploiting the facilities and sources of the settlement thereof.

The Bank resorts to various measures to limit the credit risks including but is not limited to reducing the credit amount and tenor, increasing collateral and monitoring the course of business in the facilities after extension and renewal. The Bank also places covenants for the use of facilities.

2- Market Risks

Market risks are defined as the risks that the Bank may face due to changes in rates of returns, fluctuations in exchange rates, securities and commodities prices. The Bank adopts a conservative policy that ensures reducing the Bank's exposure to risks keeping them within the minimum limits. The Bank complies with the instructions of the Central Bank of Jordan regarding the measurement of market risks.

3- Operating Risks

- The Bank's Management operates in accordance with a framework for operational risk management which includes policies and procedures that clarify the mechanism by which the risks are specified and evaluated and by setting-up the treatment priorities and then reduce or control them through the available treatment mechanisms setting up the controlling activities which would reduce the potential and control the adverse effects that may result from any event classified as an operational risk.
- The Bank's Management began cooperation with the rest of the business lines and functional areas in the Bank by holding workshops for Risk Control Self-Assessment to determine and identify the risk factors surrounding the Bank's operations, activities, products and services and to measure and evaluate the effectiveness of the monitoring controls thereon; set-up practical plans to address problems and deviations which may be manifested during such process and to develop the risk profile at the Bank's level in addition to setting-up and identifying the key risk indicators to ensure the continuity of monitoring the risk factors and report them to take the appropriate procedures.
- The Bank's Management shall, in cooperation with the concerned entities, develop a programme for compiling and reporting operational losses which it may be exposed to and train the concerned persons at all work units and functional areas on using such programme.
- The operational risks are measured as per the instructions of the Central Bank according to Basel II by following the Basic Indicator Approach or the Standardized Approach. The Islamic International Arab Bank seeks to implement the Standardization Approach to measure the operational risks at the Bank.

The Operational Risks are defined as being:

- "Risks of losses resulting from inadequacy or failure of internal operations, individuals, systems or external events or which arise from the Bank's non-compliance with the controls and provisions of Islamic Shari'a, Our definition of the operation risks includes legal risks.

4- Information Security and Business Continuity

- The Information Security and Business Continuity Unit at the Risk Management is the Unit concerned with following-up, developing and implementing the international standards and the international external rules of Information Security and Business Continuity in respect of all aspects of the Bank's activities. It works continuously towards developing the necessary plans, projects and policies to ensure the continuity of the Bank's business in the event of being exposed to an interruption due to accidents or disasters together with routine follow-up to test the technology structure to protect the Bank from external and internal threats.
- One of the significant projects undertaken by the Unit is the application and implementation of the periodical publications of the PCI-DSS Standard where such project began in 2013 and the efforts culminated in acquiring the international certificate of this standard after implementing the entire 288 requirements of such standard through implementing sub-projects in the technology structure and amending the operation policies and procedures at all the Bank's Administrations / Departments / Branches.
- One of the most significant routine procedures and plans that has Senior Management's interest is the annual examination of the Business Alternative Site and the Disaster Recovery Site; whereby the examination plans and procedures for the sites were implemented through the concerned teams to verify their readiness in the event of an emergency at the Bank.

Functions and Duties of the Information Security and Business Continuity

- Follow-up on the publications of the rules and international and local standards of Information Security and Business Continuity.
- Follow-up on the preparation, up-dating and implementation of the policies and procedures emanating from the relevant standards and rules.
- Follow-up on the planning and implementation of the projects related to Information Security and Business Continuity to ensure compliance of the internal entities at Bank with its outcomes.
- Issue awareness publications. Business Continuity and Information Security for the Bank's employees.
- Participate in the planning and implementation of the projects' technology structure and monitor the implementation thereof to ensure their consistency with the relevant standards and policies.
- Follow-up on the implementation of the hacking tests of the Bank's network internally and externally periodically to ensure that it is free from gaps that threaten the Bank.

46/A Credit Risk

1- Exposures to Credit Risk (after impairment provision and before guarantees and other risk mitigating factors)

	Joint		Self		Total	
	31 December		31 December		31 December	
The List	2015	2014	2015	2014	2015	2014
	JOD	JOD	JOD	JOD	JOD	JOD
On - Balance Sheet Items						
Balances with Central Bank	677,258,934	580,818,448	-	-	677,258,934	580,818,448
Balances with Banks and Financial Institutions	22,686,521	12,151,329	-	-	22,686,521	12,151,329
Deferred Sales Receivables and other Receivables						
For Individuals	545,135,425	457,455,466	10,126,311	7,192,885	555,261,736	464,648,351
Real Estate Financings	89,189,466	71,277,303	-	-	89,189,466	71,277,303
For Corporates						
Large Corporates	324,073,109	313,892,492	4,813,903	5,267,155	328,887,012	319,159,647
SMEs	87,381,740	72,228,536	-	63,935	87,381,740	72,292,471
Investment Financings:						
Musharaka:						
For Individuals						
Real Estate Financings						
Mudaraba:						
For Corporates						
Large Corporates	9,170,558	813,354	-	-	9,170,558	813,354
Sukuk:					-	
Within the Financial Assets at Amortized Cost	7,575,056	7,734,886	465,281	1,085,656	8,040,337	8,820,542
Other Assets						
Accrued Receivable Revenues	68,400	63,633	667	1,557	69,067	65,190
Prepaid Expenses	-	-	1,407,729	1,188,912	1,407,729	1,188,912
Off - Balance Sheet Items						
Letters of Guarantee	-	-	50,579,667	38,241,126	50,579,667	38,241,126
Letters of Credit	-	-	23,557,357	27,346,206	23,557,357	27,346,206
Acceptances	-	-	8,307,357	8,715,445	8,307,357	8,715,445
Unutilized Facilities	130,932,392	98,720,385	-	-	130,932,392	98,720,385
Total	1,893,471,601	1,615,155,832	99,258,272	89,102,877	1,992,729,873	1,704,258,709

2- Distribution of Credit Risk Exposure in line with the Instructions of the Central Bank of Jordan and the International Accounting Standards

The credit exposure is distributed as per the risk rating in accordance with the following table:

2015	Joint										Self					Total 1 & 2	
	Individuals					Large Corporates					SMEs						Total 2
	JOD	Real Estate	JOD	Real Estate	Large Corporates	SMEs	Banks and other Financial Institutions	Government and Public Sector	Total 1	Individuals	Real Estate	Large Corporates	SMEs				
	JOD	JOD	Dinars	Dinars	Dinars	Dinars	Dinars	Dinars	Dinars	Dinars	Dinars	Dinars	Dinars	Dinars	Dinars	Dinars	
Low Risk	969,984	-	5,364,515	2,727,853	3,307,576	684,881,420	697,251,348	-	-	-	-	-	-	-	-	697,251,348	
Acceptable Risk	542,642,331	86,305,446	324,845,972	83,251,997	19,378,945	-	1,056,424,691	10,123,092	-	-	-	5,933,478	-	-	-	16,056,570	
From Which Due																	
Up to 30 days	334,771	16,871	7,221	161,175	-	-	520,038	-	-	-	-	-	-	-	-	520,038	
From 31 to 60 days	943,339	7,488	448,300	20,446	-	-	1,419,573	-	-	-	-	-	-	-	-	1,419,573	
Watch List	225,370	2,915,781	2,335,512	516,599	-	-	5,993,262	3,460	-	-	-	524,122	-	-	-	6,520,844	
Non-Performing																	
Sub-Standard	144,482	10,003	-	85,156	-	-	239,641	-	-	-	-	4,124	-	-	-	243,765	
Doubtful	198,442	5,536	423,447	84,852	-	-	712,277	-	-	-	-	2,292	-	-	-	714,569	
Problematic	613,029	534,930	4,346,850	4,064,673	-	-	9,559,482	88,788	-	-	-	5,709,744	-	-	-	15,358,014	
Total	546,071,748	89,796,055	337,771,817	90,912,751	22,686,521	684,881,420	1,772,120,312	10,215,340	-	-	-	12,173,760	-	-	-	1,794,509,412	
Less: Revenues in Suspense	94,303	55,377	301,431	338,869	-	-	789,980	-	-	-	-	659,754	-	-	-	1,449,734	
Provision for Impairment	842,020	551,212	4,205,749	3,192,142	-	-	8,791,123	89,029	-	-	-	4,826,426	-	-	-	13,706,578	
Net	545,135,425	89,189,466	333,264,637	87,381,740	22,686,521	684,881,420	1,762,539,209	10,126,311	-	-	-	6,687,580	-	-	-	1,779,353,100	
2014																	
Low Risk	1,399,051	-	6,580,473	1,475,832	-	588,601,025	598,056,381	-	-	-	-	37,880	-	-	-	598,094,261	
Acceptable Risk	455,117,338	69,958,362	305,800,176	69,114,388	12,151,329	-	912,141,593	8,062,492	-	-	-	5,778,487	63,935	-	-	13,904,914	
From Which Due																	
Up to 30 days	142,313	-	-	11,385	-	-	153,698	-	-	-	-	-	-	-	-	153,698	
From 31 to 60 days	515,087	327,005	120,085	72,329	-	-	1,034,506	-	-	-	-	-	-	-	-	1,034,506	
Watch List	285,660	118,403	2,523,944	1,026,431	-	-	3,954,438	7,501	-	-	-	573,722	-	-	-	4,535,661	
Non-Performing																	
Sub-Standard	101,206	-	502,000	596	-	-	603,802	-	-	-	-	6,778	-	-	-	610,580	
Doubtful	194,414	-	280,950	-	-	-	475,364	-	-	-	-	128,819	-	-	-	604,183	
Problematic	515,592	1,558,923	5,721,299	1,348,147	-	-	9,143,961	63,665	-	-	-	5,103,193	-	-	-	14,310,819	
Total	458,270,661	71,962,693	321,528,927	73,049,108	12,151,329	588,601,025	1,525,563,743	8,133,658	-	-	-	11,628,879	63,935	-	-	1,545,390,215	
Less: Revenues in Suspense	79,221	222,966	656,136	82,225	-	-	1,040,548	-	-	-	-	478,917	-	-	-	1,519,465	
Provision for Impairment	735,974	462,424	6,151,003	738,347	-	-	8,087,748	64,647	-	-	-	4,482,808	-	-	-	12,635,203	
Net	457,455,466	71,277,303	314,721,788	72,228,536	12,151,329	588,601,025	1,516,435,447	8,069,011	-	-	-	6,667,154	63,935	-	-	14,800,100	

Fair Value Distribution for the Provided Collateral against Future Sales Receivable, other Receivables and Financings as follows:

2015	Joint					Self					Total 1 & 2	
	Individuals	Real Estate Financings	Large Corporates	SMEs	Total 1	Individuals	Real Estate Financings	Large Corporates	SMEs	Total 2		
	Dinars	Dinars	Dinars	Dinars	Dinars	Dinars	Dinars	Dinars	Dinars	Dinars	Dinars	Dinars
Collaterals against:												
Low Risk	969,984	-	5,364,515	2,727,853	9,062,352	-	-	-	-	-	9,062,352	
Acceptable Risk	72,761,132	20,437,761	63,624,081	7,721,097	164,544,071	-	-	-	-	-	164,544,071	
Watch List	718,448	2,668,245	2,001,895	769,624	6,158,212	-	-	-	-	-	6,158,212	
Non-Performing												
Sub-Standard	709,008	12,260	-	-	721,268	-	-	-	-	-	721,268	
Doubtful	74,987	6,098	-	25,000	106,085	-	-	-	-	-	106,085	
Problematic	3,173,200	213,302	3,038,000	1,654,429	8,078,931	-	-	2,261,152	-	2,261,152	10,340,083	
Total	78,406,759	23,337,666	74,028,491	12,898,003	188,670,919	-	-	2,261,152	-	2,261,152	190,932,071	
Of which												
Cash Margins	969,984	-	5,364,515	2,727,853	9,062,352	-	-	-	-	-	9,062,352	
Real Estate	19,019,940	21,560,829	66,389,280	7,663,200	114,633,249	-	-	2,261,152	-	2,261,152	116,894,401	
Listed Shares	-	-	-	-	-	-	-	-	-	-	-	
Vehicles and Equipment	58,416,835	1,030,149	2,274,696	2,461,745	64,183,425	-	-	-	-	-	64,183,425	
Accepted Bank Guarantees	-	746,688	-	45,205	791,893	-	-	-	-	-	791,893	
	78,406,759	23,337,666	74,028,491	12,898,003	188,670,919	-	-	2,261,152	-	2,261,152	190,932,071	
2014												
Collaterals against:												
Low Risk	1,399,051	-	6,580,473	1,475,832	9,455,356	-	-	1,566	36,314	37,880	9,493,236	
Acceptable Risk	65,200,315	19,775,790	58,224,565	6,582,392	149,783,062	-	-	110,000	-	110,000	149,893,062	
Watch List	1,161,775	576,366	1,131,052	1,133,656	4,002,849	-	-	-	324,555	324,555	4,327,404	
Non-Performing												
Sub-Standard	31,561	-	292,762	-	324,323	-	-	-	-	-	324,323	
Doubtful	240,932	-	-	140,719	381,651	-	-	-	-	-	381,651	
Problematic	3,013,203	219,196	3,046,941	1,645,463	7,924,803	-	-	2,754,788	-	2,754,788	10,679,591	
Total	71,046,837	20,571,352	69,275,793	10,978,062	171,872,044	-	-	2,866,354	360,869	3,227,223	175,099,267	
Of which												
Cash Margins	1,399,051	-	6,580,473	1,475,832	9,455,356	-	-	1,566	36,314	37,880	9,493,236	
Real Estate	17,755,606	19,728,266	61,047,777	7,198,362	105,730,011	-	-	2,754,788	304,555	3,059,343	108,789,354	
Listed Shares	1,055,260	-	-	-	1,055,260	-	-	-	-	-	1,055,260	
Vehicles and Equipment	50,836,920	843,086	1,647,543	2,244,068	55,571,617	-	-	-	20,000	20,000	55,591,617	
Accepted Bank Guarantees	-	-	-	59,800	59,800	-	-	110,000	-	110,000	169,800	
	71,046,837	20,571,352	69,275,793	10,978,062	171,872,044	-	-	2,866,354	360,869	3,227,223	175,099,267	

3- Sukuk: The following table clarifies the rating of Sukuk as per the External Rating Agencies

Rating Grade	Rating Agency	Within Financial Assets at Amortized Cost
		JOD
A	S & P	3,641,638
- B B B		3,933,418
unrated		465,281
		8,040,337

Deferred Sales Receivables, Other Receivables and Scheduled Financings

These are the receivables which have been previously rated as non-performing receivables/financings and were excluded from the non-performing receivables and financings framework by virtue of due scheduling, It has been classified as watch list receivables/financings where it amounted to 564 thousand JOD as at 31 December 2015 whether it remained under the watch list or transferred to the performing receivables (against 2,543 thousand JOD as at 31 December 2014).

Deferred Sales Receivables, Other Receivables and re-Structured Financings

Restructuring means the re-arrangement of the receivables/financings in terms of amendment of installments; extending the tenor of receivables/financings; deferment of some installments or extension of the grace period, They are classified as watch list receivables/financings where they amounted to 10,400 thousand JOD as at 31 December 2015 (against 18,348 thousand JOD as at 31 December, 2014).

4- Concentration of Credit Exposures as per the Geographical Distribution is as follows:

Geographical Area	Within the Kingdom	Other Middle Eastern Countries	Europe	USA	Australia	Total
	JOD	JOD	JOD	JOD	JOD	JOD
Item						
Balances with Central Bank	677,258,934	-	-	-	-	677,258,934
Balances with Banks and Financial Institutions	17,500,544	1,733,561	2,289,493	999,618	163,305	22,686,521
Deferred Sales Receivables, other Receivables and Financings:						
Individuals	555,261,736	-	-	-	-	555,261,736
Real Estate Financings	89,189,466	-	-	-	-	89,189,466
Corporates:						-
Large Corporates	213,380,109	103,910,676	20,766,785	-	-	338,057,570
SMEs	87,381,740	-	-	-	-	87,381,740
Within Financial Assets at Amortized Cost	-	8,040,337	-	-	-	8,040,337
Other Assets:						
Accrued Receivable Revenues	-	63,009	6,058	-	-	69,067
Prepaid Expenses	1,407,729	-	-	-	-	1,407,729
Total / 2015	1,641,380,258	113,747,583	23,062,336	999,618	163,305	1,779,353,100
Total / 2014	1,390,347,070	92,126,767	46,404,301	2,291,115	66,294	1,531,235,547

5- Concentration of Credit Exposures as per the Economic Exposures as follows:

Sector	Finance	Industry	Commerce	Real Estate	Agriculture	Shares	Retail	Government and Public Sector	Total
Item	JOD	JOD	JOD	JOD	JOD	JOD	JOD	JOD	JOD
Balances with Central Bank	-	-	-	-	-	-	-	677,258,934	677,258,934
Balances with Banks and Financial Institutions	22,686,521	-	-	-	-	-	-	-	22,686,521
Deferred Sales Receivables, other Receivables and Financings:	154,811	69,462,524	334,187,550	89,189,466	20,514,255	1,120,170	555,261,736	-	1,069,890,512
Sukuk									
Within Financial Assets at Amortized Cost	-	-	-	465,281	-	-	-	7,575,056	8,040,337
Other Assets:									
Accrued Receivable Revenues	-	-	20,970	667	-	-	-	47,430	69,067
Prepaid Expenses	1,407,729	-	-	-	-	-	-	-	1,407,729
Total / 2015	24,249,061	69,462,524	334,208,520	89,655,414	20,514,255	1,120,170	555,261,736	684,881,420	1,779,353,100
Total / 2014	21,234,059	66,273,922	307,141,191	72,364,517	17,443,664	1,311,395	464,648,351	580,818,448	1,531,235,547

46/B- Market Risk

The Bank pursues financial policies for various risk management issues within a specific strategy. At the Bank, there is an Assets and Liabilities Management Committee that undertakes monitoring and control of risks and carry out the optimal strategic distribution for assets and liabilities whether under the financial position or outside it. These risks include:

- Up-dating the investment policies followed at the Bank; presenting them periodically to the Board of Directors for the ratification thereof; reviewing the implementation of the investment policies and evaluate their results in comparison with the market indicators and banking competitiveness.
- Formation of the investment decision making committees and distributing the authorities in conformity with the Bank's investment policy.
- Setting-up an annual investment plan whereby it observes the projections of the Assets and Liabilities Committee in respect of the expected returns and market rate fluctuations whereby the plan shall comprise the investment tools available in the market of low risk.
- Preparing reports for the market rates and present them to the Assets and Liabilities Committee to monitor any sudden drop in the prices of the financial instruments which are being invested to avert the risks of market rates fluctuation.

1- Rate of Return Risks

- Rate of return risks arise from the increasing long-term fixed rates in the market whereby it does not correspond immediately with the emerging changes in the high return index. The necessary steps must be taken to ensure that there are administrative measures related to the renewal, measurement and follow-up of the average return risk and prepare reports in that regard and monitor same including insuring the soundness of its structure.
- The Bank is exposed to the average return risks due to a gap in the amounts of assets and liabilities as per the multiple maturity times or due to re-pricing of the average return over the subsequent transactions during a specific time period. The Bank manages such risks by determining the future profit rates in accordance with the projections of the market circumstances and developing new instruments that are Shari'a compliant through the risk management strategy at the Bank.

- 1- Obtaining the best possible returns available in the market depending on the International Market Index (Libor) as a standard and benchmark equally for the portfolio and the investments managed by the Bank.
- 2- Observing the risks consequent upon such investments depending on the diversity option on the basis of countries, institutions and regions ensuring the reduction of the risk effects consequent upon the investment management.
- 3- The Bank complies with managing the investments on the matching basis between the Bank's liabilities represented by its deposits and assets in foreign currencies which are represented in investments in foreign currencies whereby the time restricted deposited are invested on a short term investment basis while the long term deposits are invested on a medium or long term investment basis.

2- Foreign Exchange Risk

Foreign currencies are managed on a spot basis rather than on a forward basis whereby the foreign currency positions are monitored daily and the ceilings for the positions for every currency whereas the Bank's general policy for managing foreign currencies is based on liquidating the position first hand and covering the required positions as per the customers' needs. In respect of the open positions in foreign currencies against each other, the Bank relies on the instructions of the Central Bank of Jordan in that regard which provide for that the retention of the licensed banks shall take place by taking open positions (long and short) in foreign currencies not exceeding 5% of the Shareholders' Equity for each currency separately save the US Dollars from such rate whereby it can be considered as a base currency for this purpose whereby the total position for all currencies shall not exceed 15% of the Shareholders' Equity of the Bank.

2015	Change in the Exchange Rate	Effect on Loss and Profit	Effect on Shareholders' Equity
Currency	(%)	JOD	JOD
US Dollar	5%	37,449	-
2014	Change in the Exchange Rate	Effect on Loss and Profit	Effect on Shareholders' Equity
Currency	(%)	JOD	JOD
US Dollar	5%	67,295	-

3- Change in Share Prices Risk

The policy which is followed at the Treasury Department related to the management of shares and securities is based on analyzing the financial indicators of such prices and the evaluation thereof fairly depending on the shares' evaluation models taking into account the changes in fair value risks of the investments which the Bank manages by diversifying investments and diversifying the economic sectors.

2015	Change in the Index	Effect on Loss and Profit	Effect on Shareholders' Equity
Index	(%)	JOD	JOD
Amman Stock Exchange	5%	-	275,358
2014	Change in the Index	Effect on Loss and Profit	Effect on Shareholders' Equity
Index	(%)	JOD	JOD
Amman Stock Exchange	5%	-	289,324

4- Commodities' Risk

The commodities' risk arise from the fluctuations in the prices of negotiable assets or leasing and is associated with the present and future fluctuations in the market values of specific assets where the Bank is exposed to the fluctuation in the commodities prices which are bought and fully paid for after concluding sales contracts and during the year of acquisition as well as to the fluctuation in the residual value of the leased premises as at the end of the lease period.

Concentration of Foreign Currency Risk

to the nearest 000 JODs)

31 December 2015	US Dollars	Euros	Sterling Pounds	Japanese Yens	Others	Total
Assets:						
Cash and Balances with Central Bank	15,278	301	19	-	70	15,668
Balances with Banks and Financial Institutions	195	15,417	873	9	4,196	20,690
Sales Receivables, other Receivables, Financings and Ijara	123,122	28	2,576	-	5,001	130,727
Deferred Sales Receivables through Income Statement	-	-	-	-	-	-
Financial Assets at Fair Value through Shareholders' Equity	5,303	-	-	-	-	5,303
Financial Assets at Amortized Cost	8,040	-	-	-	-	8,040
Other Assets	66	-	1	-	2	69
Total Assets	152,004	15,746	3,469	9	9,269	180,497
Liabilities:						
Banks and Financial Institutions Deposits	287	-	-	-	-	287
Customers' Deposits (Current, Savings and Time)	143,444	15,246	3,441	8	8,442	170,581
Cash Margins	2,115	308	-	-	49	2,472
Other Liabilities	5,793	182	19	-	413	6,407
Total Liabilities	151,639	15,736	3,460	8	8,904	179,747
Net Concentration within the Statement of Financial Position for the Current Year	365	10	9	1	365	750
Contingent Liabilities off-balance sheet for the Current Year	31,119	2,197	-	-	748	34,064
31 December 2014						
Total Assets	150,645	14,470	2,850	92	7,443	175,500
Total Liabilities	149,806	14,457	2,850	92	6,949	174,154
Net Concentration on-balance sheet	839	13	-	-	494	1,346
Contingent Liabilities Off- Balance Sheet	35,910	2,670	-	48	156	38,784

46/C- Liquidity Risk

Management of cash liquidity is deemed to be a clear expression about the Bank's capability to meet its cash obligations in the short and long terms within its general strategy framework which aims at realizing an optimal return on its investments, Cash liquidity is reviewed and studied at the Bank over a period of many years. At the branches, the Branch's Administration and Treasury reviews and studies the cash obligations and the available funds on a daily basis. On the Bank's level on general, the cash liquidity is studied by the Financial Monitoring and General Treasury Department on a daily basis, Moreover, the cash liquidity and the Bank's assets and liabilities are studied and analyzed on a monthly basis. The cash liquidity review includes analyzing the maturity dates of assets and liabilities as a whole to ensure consistency between both sides; it also comprises analyzing the sources of funds in accordance with the nature of its sources and uses.

First: The following table illustrates the Distribution of Liabilities (un-discounted) on the basis of the remaining period of the contractual maturity at the date of the Financial Statements

(000JODs)								
31 December, 2015	Up to 1 month	1 to 3 months	3 to 6 months	6 months to one year	Up to 3 years	More than 3 years	Without Maturity	Total
Liabilities								
Banks and Financial Institutions Deposits	338	-	-	-	-	-	-	338
Customers' Current Accounts	627,167	-	-	-	-	-	-	627,167
Cash Margins	10,045	5,868	5,826	4,457				26,196
Other Provisions	-	-	-	-	-	-	2,269	2,269
Income Tax Provision	2,697	4,046	-	-	-	-	-	6,743
Other Liabilities	20,370	297	4,777	-	1,027	-	-	26,471
Investment Risk Fund	860	1,289	-	-	-	-	18,648	20,797
Joint Investment Accounts	70,534	466,222	236,163	133,313	52,503	-	-	958,735
Total	732,011	477,722	246,766	137,770	53,530	-	20,917	1,668,716
Total Assets as per Expected Maturities	784,977	163,457	86,881	86,919	246,606	417,481	22,263	1,808,584
31 December 2014								
Liabilities								
Banks and Financial Institutions Deposits	82	-	-	-	-	-	-	82
Customers' Current Accounts	550,162	-	-	-	-	-	-	550,162
Cash Margins	9,163	3,654	3,406	7,095	-	-	-	23,318
Other Provisions	-	-	-	-	-	-	2,331	2,331
Income Tax Provision	1,131	4,291	-	-	-	-	-	5,422
Other Liabilities	16,481	118	5,224	139	435	-	-	22,397
Investment Risk Fund	449	1,272	-	-	-	-	15,088	16,809
Joint Investment Accounts	59,276	312,081	267,407	135,619	43,465	-	-	817,848
Total	636,744	321,416	276,037	142,853	43,900	-	17,419	1,438,369
Total Assets as per Expected Maturities	659,666	204,378	92,389	132,823	88,694	345,968	44,938	1,568,856

Second: Off Balance Sheet Items

Up to One Year		
	2015	2014
	JOD	JOD
Letters of Credit and Acceptances	31,864,714	36,061,651
Un-utilized Limits	130,932,392	98,720,385
Letters of Guarantee	50,579,667	38,241,126
Total	213,376,773	173,023,162

47- Information about the Bank's Business Segments

A- Information about the Bank's Activities

The Bank is organized for administrative purposes whereby the segments are measured in accordance with the reports that are used by the Bank's Executive Manager and decision maker through four major segments namely:

Retail Banking

This encompasses following-up the joint investment accounts, future sales receivables, financings, credit cards and other services.

Corporate Banking

This encompasses following-up the joint investment accounts, future sales receivables, financings and other banking services related to corporate customers.

Treasury

This segment encompasses providing trading and treasury services and management of the Bank's funds.

Following is the Information about the Bank's Business Segments distributed according to Activities (Amounts in 000JODs)

					Total	
					31 December	
	Retail	Corporate	Treasury	Others	2015	2014
	JOD	JOD	JOD	JOD	JOD	JOD
Gross Income	27,632	31,133	1,362	-	60,127	50,902
Share of the Investment Risk Fund	-	(7,234)	-	-	(7,234)	(6,204)
Impairment in value of Sales Receivables and other Receivables - Self	-	(368)	-	-	(368)	(168)
Segment Results	27,632	23,531	1,362	-	52,525	44,530
Un-allocated Expenses	(9,014)	(4,035)	(244)	(14,222)	(27,515)	(25,438)
Income before Tax	18,618	19,496	1,118	(14,222)	25,010	19,092
Income Tax	(6,516)	(1,465)	(391)	-	(8,372)	(5,728)
Income for the Year	12,102	18,031	727	(14,222)	16,638	13,364
Segment's Assets	603,223	310,965	847,340	-	1,761,528	1,520,110
Un-allocated Assets to the Segments	-	-	-	47,056	47,056	48,746
Total Segment's Assets	603,223	310,965	847,340	47,056	1,808,584	1,568,856
Segment's Liabilities	1,256,128	374,620	338	-	1,631,086	1,406,727
Liabilities Un-allocated to the Segments	-	-	-	37,630	37,630	31,642
Total Segment's Liabilities	1,256,128	374,620	338	37,630	1,668,716	1,438,369

					31 December	
					2015	2014
					JOD	JOD
Capital Expenditures	-	-	-	2,885	2,885	3,370
Depreciation and Amortization	1,361	6	2	1,119	2,488	2,244

B- Information of the Geographical distribution

This note represents the geographical distribution of the Bank's activities, The Bank mainly exercises its activities in the Kingdom which are the local activities.

Following is a distribution of the Bank's income, assets and capital expenditures as per the geographical segment based on the method by which they have been measured in accordance with the reports used by the Executive Manager and decision maker at the Bank:

(000 JODs)

	Inside the Kingdom		Outside the Kingdom		Total	
	2015	2014	2015	2014	2015	2014
Gross Income	59,394	48,194	733	2,708	60,127	50,902
Total Assets	1,670,563	1,428,032	138,021	140,824	1,808,584	1,568,856
Capital Expenditures	2,885	3,370	-	-	2,885	3,370

48- Capital Management

The Bank's Management takes into consideration the requirements of the Central Bank which require the existence of sufficient self funds to cover a specific rate of the risk weighted assets which is consistent with the nature of the granted financing and direct investment, For this purpose, the capital consists of what the Central Bank has determined in order to consider it a regulatory capital (being the primary capital and the additional capital).

The Bank's Management aims at investing the funds in financial instruments of different risks (high risk and low risk) in order to realize a good return as well as to realize the capital adequacy ratio required by the Bank being 12%.

The most significant reason of the change in the regulatory capital during the year is non distribution of dividends realized during the year but rather capitalizing same in the Shareholders' Equity through statutory, voluntary and special reserves.

The amount which the Bank considers as a capital and the capital adequacy ratio is as per the following table:

(to the nearest 000 JODs)

	31 December	
	2015	2014
	JOD	JOD
Core Capital Items	128,164	118,709
Paid-up Share Capital	100,000	100,000
Statutory Reserve	17,919	15,418
Voluntary Reserve	4,262	4,262
Retained Earnings	7,028	-
Less: Intangible Assets	(1,045)	(971)
Supplementary Capital		
Fair Value Reserve	192	267
General Banking Risk Reserve	882	882
Bank's Share from the General Banking Risk Reserve – Joint	4,585	3,598
Bank's Share from the Surplus of Investment Risk Fund – Joint	4,739	2,890
Total Regulatory Capital	138,562	126,346
Total Weighted Assets Risk Average	787,627	705,471
Capital Adequacy Ratio (%)	17,59%	17,91%
Core Capital Ratio	16,27%	16,83%

49- Assets and Liabilities Maturities Analysis

The following table illustrates the assets and liabilities analysis in accordance with the expected period of recovery or settlement

(000 JODs)			
31 December 2015	Up to 1 Year	More than 1 Year	Total
	JOD	JOD	JOD
Assets:			
Cash and Balances with Central Banks	702,356	-	702,356
Balances with Banks and Financial Institutions	22,687	-	22,687
Deferred Sales Receivables and other Receivables – Net	348,920	164,908	513,828
Deferred Sales Receivables through the Statement of Income	-	-	-
Financing Investments - Net	220	8,951	9,171
Financial Assets at Fair Value through Shareholders' Equity	5,507	-	5,507
Financial Assets at Amortized Cost	465	7,575	8,040
Ijara Assets – Net	29,937	459,801	489,738
Investments in Real Estate	-	19,459	19,459
Qard Hasan	10,136	65	10,201
Property and Equipment - Net	-	21,218	21,218
Intangible Assets	-	1,045	1,045
Deferred Tax Assets	-	2,485	2,485
Other Assets	2,006	843	2,849
Total Assets	1,122,234	686,350	1,808,584
Liabilities and Joint Investment Accounts Holders			
Banks and Financial Institutions Deposits	338	-	338
Customers' Deposits – Current Demand	627,167	-	627,167
Cash Margins	26,196	-	26,196
Other Provisions	-	2,269	2,269
Income Tax provision	6,743	-	6,743
Other Liabilities	25,444	1,027	26,471
Joint Investment Accounts	906,232	52,503	958,735
Investment Risk Fund	-	18,648	18,648
Income Tax of the Investment Risk Fund Provision	2,149	-	2,149
Total Liabilities and Joint Investment Accounts Holders	1,594,269	74,447	1,668,716
Net	(472,035)	611,903	139,868

(000 JODs)			
31 December 2014	Up to 1 Year	More than 1 Year	Total
	JOD	JOD	JOD
Assets:			
Cash and Balances with Central Banks	604,713	-	604,713
Balances with Banks and Financial Institutions	12,151	-	12,151
Deferred Sales Receivables and other Receivables – Net	335,865	131,990	467,855
Deferred Sales Receivables through the Statement of Income	-	-	-
Financing Investments - Net	-	813	813
Financial Assets at Fair Value through Shareholders' Equity	5,786	-	5,786
Financial Assets at Amortized Cost	-	8,821	8,821
Ijara Assets – Net	122,176	290,485	412,661
Investments in Real Estate	-	21,728	21,728
Qard Hasan	7,310	-	7,310
Property and Equipment - Net	-	20,926	20,926
Intangible Assets	-	971	971
Deferred Tax Assets	-	2,554	2,554
Other Assets	1,255	1,312	2,567
Total Assets	1,089,256	479,600	1,568,856
Liabilities and Joint Investment Accounts Holders			
Banks and Financial Institutions Deposits	82	-	82
Customers' Deposits – Current Demand	550,162	-	550,162
Cash Margins	23,318	-	23,318
Other Provisions	-	2,331	2,331
Income Tax provision	5,422	-	5,422
Other Liabilities	21,962	435	22,397
Joint Investment Accounts	774,383	43,465	817,848
Investment Risk Fund	-	15,088	15,088
Income Tax of the Investment Risk Fund Provision	1,721	-	1,721
Total Liabilities and Joint Investment Accounts Holders	1,377,050	61,319	1,438,369
Net	(287,794)	418,281	130,487

50- Levels of the Fair Value

The standard requires the determination of and disclosure about the level in the sequence of fair value according to which the full fair value measurements are classified together with segregating the fair value measurements in accordance with the levels determined under the International Financial Reporting Standards. The difference between level (2) and level (3) of the fair value measurements means evaluation whether the information or inputs could be observed and the extent of the importance of the information that cannot be observed requiring setting-up provisions and precise analysis of the inputs used to measure the fair value including taking into account all the factors that are related to the asset or obligation.

A- The Bank's Fair Value of Financial Assets and Financial Liabilities which are continuously determined by Fair Value:

Some of the Bank's financial assets and financial liabilities are valued at fair value at the end of every financial period; the following table illustrates information about the method of determining the fair value of such financial assets and financial liabilities (methods of evaluation and utilized inputs)

Financial Assets / Financial Liabilities	Fair Value		Level of Fair Value	Evaluation Method and Utilized Inputs	Significant Intangible Inputs	Relation between the Intangible Significant Inputs and Fair Value
	31 December					
	2015	2014				
	JOD	JOD				
Financial Assets at Fair Value						
Financial Assets at Fair Value through Shareholders' Equity						
Quoted in the Market Shares	5,507,159	5,762,487	Level 1	Declared Prices in the Financial Markets	Not Applicable	Not Applicable
Un-Quoted in the Market Shares	-	24,000	Level 2	Comparison with Market Value of a similar Financial Instrument	Not Applicable	Not Applicable
Total	5,507,159	5,786,487				

There have been no transfers between Level (1) and Level (2) during 2015 and 2014.

B- The Bank's Fair Value of Financial Assets and Financial Liabilities which are continuously un-determined by Fair Value:

Save for what is stated in the table below, we believe that the book value of the financial assets and financial liabilities presented in the Bank's financial statements is quite near their fair value.

	31 December, 2015		31 December 2014		Fair Value Level
	Book Value	Fair Value	Book Value	Fair Value	
	JOD	JOD	JOD	JOD	
Financial Assets at Un-determined Fair Value					
Deferred Sales Receivables	513,828,255	513,849,225	467,855,001	467,870,943	Level 2
Real Estate Investments	19,458,673	20,445,923	21,727,227	23,135,980	Level 2
Financial Assets at Amortized Cost	8,040,337	8,088,434	8,820,542	8,869,790	Level 1
Total Financial Assets at Un-determined Fair Value	541,327,265	542,383,582	498,402,770	499,876,713	
Financial Liabilities at Un-determined Fair Value					
Customers' Deposits	1,585,901,639	1,590,117,580	1,368,008,674	1,372,682,379	Level 2
Cash Margins	26,196,383	26,196,383	23,318,331	23,470,605	Level 2
Total Financial Liabilities at Un-determined Fair Value	1,612,098,022	1,616,313,963	1,391,327,005	1,396,152,984	

Regarding the items described above the fair value of the financial assets and liabilities has been determined for Levels (2) and (3) in accordance with agreed upon pricing methods which reflect the credit risk with the parties with whom dealing takes place.

51- Commitments and Contingent Liabilities (Off - Balance Sheet Items)

Credit Commitments and Obligations

	31 December	
	2015	2014
	JOD	JOD
Letters of Credit	23,557,357	27,346,206
Acceptances	8,307,357	8,715,445
Letters of Guarantee:		
Payment	22,777,214	23,397,497
Performance	13,540,220	7,271,352
Others	14,262,233	7,572,277
Unutilized Limits	130,932,392	98,720,385
Total	213,376,773	173,023,162

52- Lawsuits against the Bank

There are lawsuits raised against the Bank amounting to 296,743 JOD as at 31 December 2015 (against lawsuits amounting to 313,782 JOD as at 31 December 2014) having an impairment provision of 27,000 JOD as at 31 December 2015. Based on the opinion of Legal Counsel no additional amounts shall be consequent on the Bank in respect of those lawsuits.

53- New Islamic Standards

The Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) has issued a new accounting standard No.27 on investment accounts effective on 1/1/2016.

54- Comparative Figures

Some of the comparative figures of 2014 have been reclassified to correspond to the classification figures of 2015.



Ayyubid Fils, Najm al-Din Ayyub
643-647 H/ 1245-1249 Ad
The Ayyubid

Agenda of the 19th Ordinary General Assembly Meeting of the Shareholders of Islamic International Arab Bank

**29 Jumada II, 1437
Corresponding to 7 April 2016**

- 1- Address the outcomes of the previous 18th General Assembly Meeting.**
- 2- Address the Board of Directors' Report for 2015 and the Company's business plan for the coming year.**
- 3- Attend the Bank's Auditors' Report for the financial year 2015.**
- 4- Address the Bank's Accounts and Balance Sheet for the financial year 2015.**
- 5- Approval of the General Assembly to allocate the realized dividends for 2015.**
- 6- Subrogation and release of the Board of Directors for the said year.**
- 7- Elect the Bank's auditors for the financial year 2016 and determine their fees.**
- 8- Any other matters proposed to be discussed by the General Assembly which are within the authority of the Ordinary General Assembly Meeting, provided that such proposal shall have the approval of a number of shareholders representing not less than 10% of the shares represented in the meeting.**



Silver Zolta, minted in Istanbul , Salim III
1203-1222 H / 1789-1807 AD
The Ottoman



ISLAMIC INTERNATIONAL ARAB BANK

Branches and ATMs

■ Capital's Governorate

- **Gardens Branch**
Phone: 06 5694623 Fax:06 5675802
- **Amman Branch**
Phone: 06 4643270 Fax:06 4643267
- **Wehdat Branch**
Phone: 06 4777801 Fax:06 4777817
- **Marka Branch**
Phone: 06 4886650 Fax:06 4885355
- **Bayader Wadi Seer Branch**
Phone: 06 5813600 Fax:06 5819478
- **Jabal Hussein Branch**
Phone: 06 5657760 Fax:06 5657761
- **Jubeiha Branch**
Phone: 06 5343569 Fax:06 5343469
- **Sweifieh Branch**
Phone: 06 5826669 Fax:06 5856160
- **Shmeisani Branch**
Phone: 06 5651110 Fax:06 5663995
- **Yasameen Branch**
Phone: 06 4202126 Fax:06 4202927
- **Khalda Branch**
Phone: 06 5511446 Fax:06 5511878
- **Abu Alanda Branch**
Phone: 06 4164426 Fax:06 4164473
- **North Hashimi Branch**
Phone: 06 5061993 Fax:06 5063071
- **Nuzha Branch**
Phone: 06 5684341 Fax:06 5684170
- **Tareq Branch**
Phone: 06 5066918 Fax:06 5050384
- **Marj Al Hamam Branch**
Phone: 06 5715607 Fax:06 5715624
- **City Mall Branch**
Phone: 06 5851629 Fax:06 5851932
- **Madina Munawara Branch**
Phone: 06 5524978 Fax:06 5513798
- **Abu Nsair Branch**
Phone: 06 5238390 Fax:06 5238310
- **Huriya Branch**
Phone: 06 4201580 Fax:06 4201508
- **Al Khalidi Branch**
Phone: 06 4615495 Fax:06 4615274
- **Izmir Mall Branch**
Phone: 06 4902622 Fax:06 490260

■ Central Governorates

- **Zarka Branch**
Phone: 05 3989094 Fax:05 3989096
- **Zarka University Branch**
Phone: 05 3821022 Fax:05 3821026
- **Ruseifa Branch**
Phone: 05 3748474 Fax:05 3755591
- **New Zarka Branch**
Phone: 05 3854240 Fax:05 3854354
- **North Mountain Ruseifa Branch**
Phone: 05 3752664 Fax:05 3752665
- **Madaba Branch**
Phone: 05 3248970 Fax:05 3248975
- **Salt Branch**
Phone: 05 3532316 Fax:05 3532318
- **Dair Alla Branch**
Phone: 05 3570009 Fax:05 3570014

■ North Governorates

- **Irbed Branch**
Phone: 02 7276587 Fax:02 7276904
- **Hashimi Irbed Branch**
Phone: 02 7252326 Fax:02 7252136
- **Arabella Mall Branch**
Phone: 02 7251929 Fax:02 7251749
- **Mafrag Branch**
Phone: 02 6231941 Fax:02 6230399
- **Ajloun Branch**
Phone: 02 6422624 Fax:02 6422623
- **Jerash Branch**
Phone: 02 6342545 Fax:02 6342543

■ South Governorates

- **Aqaba Branch**
Phone: 03 2019495 Fax:03 2035851
- **Karak Branch**
Phone: 03 2351736 Fax:03 2351728
- **Mu'ta Branch**
Phone: 03 2360832 Fax:03 2360827
- **Tafileh Branch**
Phone: 03 2241165 Fax:03 2241229
- **Ma'an Branch**
Phone: 03 2136869 Fax:03 2136870

■ Location of ATMs Network

● Capital's Governorate

- Gardens Branch
- Amman Branch
- Wehdat Branch
- Marka Branch
- Bayader Wadi Seer Branch
- Jabal Hussein Branch
- Jubeiha Branch
- Sweifieh Branch
- Shmeisani Branch
- Yasameen Branch
- Khalda Branch
- Abu Alanda Branch
- North Hashimi Branch
- Nuzha Branch
- Tareq Branch
- Marj Al Hamam Branch
- City Mall Branch
- Madina Munawara Branch
- Abu Nsair Branch
- Huriya Branch
- Al Khalidi Branch

● Outside the Bank's Branches (Amman)

- Customs Department- Abdali
- Professional Associations Complex- Shmeisani
- University of Islamic Sciences- Tabarbour
- Leaders Center- Dabouq
- Greater Amman Municipality- Ras Al - Ein
- Haboub Supermarket- Jabal Amman
- Orange Pharmacy- Jamal Abdel Nasser Square
- AbuSheikha Exchange- AL Wehdat
- Supreme Judge Department- Tlaa' Al-Ali
- Abu Sheikha Exchange- Al Abdali
- Ministry of Islamic Awqaf Trust Affairs- Abdali
- Ibn Al-Nafees Pharmacy - Al Ashrafiyeh
- Mecca Mall
- Taj Mall / SmartBuy

● Central Governorates

- Zarka Branch
- Zarka University Branch
- Ruseifa Branch
- New Zarka Branch
- North Mountain Ruseifa Branch
- Madaba Branch
- Salt Branch
- Dair Alla Branch

● North Governorates

- Irbed Branch
- Hashimi Irbed Branch
- Arabella Mall Branch
- Mafrag Branch
- Ajloun Branch
- Jerash Branch

● South Governorates

- Aqaba Branch
- Karak Branch
- Mu'ta Branch
- Tafileh Branch
- Ma'an Branch



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ISLAMIC INTERNATIONAL ARAB BANK

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