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Press Release

Ordinary& Extraordinary General Assembly of Jordan Islamic Bank approves the balance sheet for the year 2016

27 April 2017

- Agrees to distribute cash dividends at 15% and free shares at 20%.
- Increase the bank's capital to US\$ 253.9 million.
- US\$ (118.1) million profits before tax.
- US\$ (6351) billion total assets (including restricted investment accounts , muqarada bonds and investment by proxy accounts).
- US\$ (5695) billion total deposits(including restricted investment accounts, muqarada bonds and investment by proxy accounts).
- US\$ (4575) billion the total balances of finance and investment(including restricted investment ,muqarada bonds and investment by proxy).
- US\$ (483.4) million shareholders' equity.

General Assembly of Jordan Islamic Bank(JIB) (a subsidiary banking unit of Al Baraka Banking Group B.S.C.) agreed in its ordinary meeting convened on Wednesday 26th April 2017, represented by Mr. Adnan Ahmed Yousif, Chairman of the Board of Directors of JIB and the President & Chief Executive of Al Baraka Banking Group along with the attendance of the companies' controller Mr. Ramzi Nuzha with his assistants Mr. Zakaria Al-Smadi and Mr. Ghassan Damra and the representative of the Central Bank of Jordan (CBJ) Mrs. Shireen Al-Hadidi and the quorum's completion for shareholders' attendance at (74%) to distribute cash dividends to shareholders at 15 % of the paid capital after approving Board of Directors' report, the annual balance sheet, profits and loss statement for the year ended on December 31-2016, the Bank's future plan, Board of Directors' discharge of the previous fiscal year and listening to the minutes of the General Assembly's previous ordinary meeting and Sharia Supervisory Board and auditors' reports, Messrs Ibrahim Abasi & Co and Ernest & Young, appointed as auditors.

Then, General Assembly held its extraordinary meeting and agreed to increase the Bank's capital by US\$ 42.3 million/ share in the amount of 20% as free shares, amend the fifth item in the Article of Association. Thus, the Bank's capital has become US\$ 253.9 million instead of US\$ 211.6 million and the increase will be covered from retained profits .

Mr. Adnan Ahmed Yousif pointed out that despite the crises that the global economy witnesses and their negative impacts on the national economy , the bank was able to achieve further remarkable accomplishments reinforcing its status through its endeavor to keep pace with developments , employ modern banking techniques and provide the best Islamic banking products and services clearly and transparently to reap several worldwide prizes and sharia & credit ratings from international institutions and magazines including (Standard & Poor's, Capital Intelligence, Fitch Ratings and Islamic International Rating Agency), in addition to many awards for more than once from the following magazines (World Finance, Global Finance, The Banker, Tatweej Academy and EMEA Finance). In March 2017 , the bank was named best Islamic financial institution in Jordan for the 9th consecutive year from Global Finance Magazine and by the beginning of 2017, JIB received the PCI Data Security Standard (PCI DSS) Compliance Certification in its latest version (3.1) from Payments Card Industry (PCI) which is specialized in applying the highest security standards for all information of cardholders. Moreover, the bank extended in implementing renewable energy projects at its headquarter and branches through

installing electricity-generating solar panels at branches' roofs. Consequently, that led to savings, decreasing electricity bill, decreasing high electricity loads at the Kingdom, supporting national economy and protecting the environment.

The BOD report stated all guidelines and disclosure requirements contained in "Corporate Governance Guide for public shareholding companies listed in Amman Stock Exchange accordance with the best related international practices and in consistence with Islamic banks corporate governance instructions No. (64/2016) dated 25/9/2016 issued by the Central Bank of Jordan. JIB prepared and updated the corporate governance guide and posted it on its website (www.jordanislamicbank.com). It is worth mentioning that the Bank prepared the first corporate governance guide on 31/12/2007.

Mr. Adnan Ahmed Yousif commended these accomplishments which resulted from distinguished efforts of the executive management of the bank, its employees, members of Sharia supervisory Board and the continual support of those who believe in the notion of the bank, its approach, its clients and shareholders. Furthermore, he extended his thanks and appreciation to the Central Bank of Jordan (CBJ) for its efficient role and understanding of the particularity and business nature of Islamic banks.

Concerning the numbers of the Bank's annual balance as of 31/12/2016, Mr. Musa Shihadeh, CEO / General Manager of Jordan Islamic Bank said we are pleased with the bank's continuation to achieve distinguished results which confirm the safety of applied strategic plan to reflect on various financial indicators with keeping the increase of its share in Jordanian banking market for 2016. The total balances of financing and investment at the Bank/ total direct credit facilities of other working banks in Jordan reached about 14.2%. Total Balances of savings schemes at the Bank/ total client deposits at other working banks in Jordan reached about 12.2%. Total Assets at the Bank/ total Assets of other working banks in Jordan reached about 9.3%.

By the end of 2016, profits before tax grew by 12.1% amounting to about US\$ 118.1 million compared to about US\$ 105.4 million in 2015. While Net profits after tax grew by 11% amounting to about US\$ 76.2 million compared to US\$ 68.7 million in 2015.

Mr. Musa Shihadeh indicated that the growth of the revenues reached 10.8% amounting to about US\$ 313.1 million compared to about US\$ 282.5 million at the end of 2015. The growth of joint investments profits prior distribution reached around 11.6%, amounting to about US\$ 279.1 million compared to about US\$ 250.2 million in 2015.

Growth in Shareholders' equity reached about 10.1% , amounting to about US\$ 483.4 million compared to about US\$ 438.9 million at end of 2015 .The Return On Average Equity (ROAE) after tax reached about 16.52%.

Capital Adequacy Ratio (CAR) at the end of 2016 stood at 22.02% according to the Islamic banks CAR standard approved by the Central Bank of Jordan (CBJ) and it is more than the levels required by the CBJ which reaches at least 12%.

The growth in total assets including (restricted investment accounts, muqarada bonds and investment by proxy accounts) reached around 8% amounting to about US\$ 6.35 billion compared to about US\$ 5.88 billion at the end of 2015 with an increase of about JD 469.5 million. The Return on Assets Average (ROAA) reached 1.37 %.

At the end of 2016, the growth in the total balances of saving schemes (including restricted investment accounts , muqarada bonds and investment by proxy accounts) reached around 7.8% amounting to around US\$ 5.69 billion, distributed to about (903) thousand active accounts compared to around US\$ 5.28 billion in 2015 distributed to around (816) thousand active accounts.

At the end of 2016 the growth in the total balances of financing and investment (including restricted investment ,muqarada bonds and investment by proxy) reached around 3% amounting to about US\$ 4.57 billion distributed to 239 thousand transactions compared to around US\$ 4.45 billion at end of 2015 distributed to 201 thousand transactions.

The financing operations carried out by the Bank in the domestic market during 2016 included various social and economic activities and utilities. Such finance was provided to some health facilities (hospitals, clinics and pharmaceutical companies), educational facilities (universities, schools and institutes), many industrial and real-estate projects and transportation means in addition to the finances provided by the Bank to the commercial sector.

The Board of Directors' report indicated that by the end of 2016, the number of beneficiaries of the bank's financings to cover the citizens' needs of housing, lands, building materials, transportation means, construction vehicles and furniture reached around 167.299 thousand beneficiaries and the outstanding balance of financing amounted to about US\$ 1620 million.

Since 1997, the Bank has continued to distribute awards to holders of Savings Accounts with a total value of around US\$ (211.6) thousand a year to cover the costs of Hajj, Umra, along with other awards.

At the beginning of 2008, the Bank introduced awards to users of bank cards, where the awards in 2016 took the form of remittance of the full value of their purchases or part thereof with a total value of US\$ (187.6) thousand Dinars. It is known that the Bank incurs the value of all these awards from the funds of shareholders in accordance with the legal opinion (Fatwa) given in this regard.

Shihadeh affirmed that the bank is interested in delivering its distinguished services to various economic and housing complex easily by opening new branches and cash offices or converting offices to branches or moving branches to new locations. Thus, the Bank's network of branches and offices totaled (74) branches and (23) banking offices . The Bank roughly employs 2236 employees and works on developing their skills through involving them in various training courses inside the bank's training academy or through specialized centers inside and outside Jordan.

To shed light on the most important activities and initiatives in the field of social responsibility during 2016, the Bank has issued its fifth report on social responsibility which is considered an integral part of the Bank's programs and initiatives which serve society continually through providing monetary support for many activities and initiatives in various fields such as donations , Good Loans “ AlQard ALHassan”, sponsor conferences , scientific research , professional training, finance professionals and craftsmen, Mutual Insurance Fund, energy and environment and interaction with local community in addition to other activities.

During 2016, Shihadeh indicated that the Bank accomplished further developments and updating in the field of banking techniques, most notably: Continuing working on the project of protection and security of Payment Card Industry Data Security Standard (PCI-DSS), and receiving the certificate of accreditation, adding new services to ATMs, namely instant cash deposit, invoices payment, and mobile phone top-up, updating the equipment of virtual environment and expanded the activation of their application, upgrading SWIFT System as part of enacting security measures required by SWIFT Company, launching new applications for Anti Money Laundering Services, launching Foreign Account Tax Compliance Act FATCA Application, Launching credit bureau consulting services through CRIF Company, applying RTGS phase II and ACH System, developing, launching, and completing a number of systems and products, installing and operating new Automated Teller Machines (ATMs) in 2016, by this the Bank's network of ATMs reached (190) machines, with a share of 12.8% of all ATMs operating in the Kingdom, all connected to client accounts, the Middle East Payment Services (Meps), and the Jordanian Automated Teller Machines Network (JONET), which comprises nearly (1500) ATMs. In addition, the Bank's

network of ATMs is linked through JONET to the International Visa Network outside Jordan.

Concerning the future plan of the Bank for the year 2017, Shihadeh said that it includes: continue the introduction and development of new banking electronic services, expand individuals' financing grants on Murabaha or Ijara Muntahia Bittamleek or Istisna'a' basis, expand SMEs projects financing grants, issue/ participate in Islamic instruments tradable in the Exchange, while continue the financing of the government needs by using this instrument and through the direct finance by Murabaha, roll out new financing products meeting the banking market demands and needs after obtaining the Sharia (legal) approval, keeping current with the developments in banking technologies, increasing the capacity of automated systems used in order to improve efficiency of services and banking transactions provided to clients. The branching plan includes: Opening two new branches in "Abdoun / Amman" and "Prince Hassan District / Amman" Opening six offices in Jubeiha / Amman, Shafa Badran / Amman, Ein El Basha / Balqa, Hasa / Tafeileh, Turrh/ Ramtha, and Mafraq, Enhancing corporate governance practices, continue the application of Basel II and Basel III requirements, keeping on the continuous endeavour to improving the quality of assets, risk management, and compliance control, continuing to make available alternative energy in the sites of the Bank, by generating electrical power using solar cells, making available to our clients the products and services provided by Al Baraka Group (ABG), and ensuring that services and products provided by our Bank are available to the Group's Banks' clients, all with coordination and cooperation with ABG management.

Al Baraka Banking Group (B.S.C) is licensed as an Islamic wholesale bank by the Central Bank of Bahrain, listed on Bahrain Bourse and Nasdaq Dubai stock exchanges. It is a leading international Islamic banking group providing its unique services in countries with a population totaling around one billion. It is jointly rated BBB+ (long term) / A3 (short term) on the international scale and A+ (bh) (long term) / A2 (bh) (short term) on the national by Islamic International Rating Agency & Dagong Global Credit Rating Company Limited, and by Standard & Poor's at BB+ (long term) / B (short term).

Al Baraka offers retail, corporate, treasury and investment banking services, strictly in accordance with the principles of the Islamic Shari'a. The authorized capital of Al Baraka is US\$ 1.5 billion, while total equity is at about US\$ 2 billion. The Group has a wide geographical presence in the form of subsidiary banking units and representative offices in fifteen countries, which in turn provide their services through over 700 branches. Al Baraka currently has a strong presence in Turkey, Jordan, Egypt, Algeria, Tunisia,

Sudan, Bahrain, Pakistan, South Africa, Lebanon, Syria, Iraq and Saudi Arabia, including two representative offices in Indonesia and Libya.