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Press Release

Jordan Islamic Bank posts profits before tax of USD 114 million for 2017

8 February 2018

Despite unsettled political and economic circumstances in the region, Jordan Islamic Bank (JIB) a subsidiary banking unit of Al Baraka Banking Group B.S.C.(ABG) has achieved good financial results at the end of 2017 to achieve net profits before tax of about US\$ 114.2 million and after tax US\$ 76.4 million.

Mr. Adnan Ahmed Yousif, Chairman of JIB, President & Chief Executive of Al Baraka Banking Group (ABG), commended the financial results that JIB has achieved during 2017 and the efforts exerted by the executive management, Board of Directors and employees of the bank to keep on applying the strategic plan to maintain a distinguished position among conventional and Islamic banks, achieve further growth and reap many global prizes and ratings, commending the efforts of the Central Bank of Jordan (CBJ), official institutions and organizations supporting the Jordanian banking sector and Islamic banking.

With regard to the key financial indicators the bank achieved by the end of 2017, Mr. Musa Shihadeh, CEO - General Manager of JIB said that most of the financial indicators achieved “Thank God” assert the strong financial and credit position of JIB for its commitment to apply its mission and vision efficiently while adhering to the principles of governance and risk management to achieve growth in most financial figures. However, the growth in total assets including (restricted investment accounts, Muqarada bonds and investment by proxy “Investment Portfolios”) reached around 3.6 % amounting to about US\$ 6.58 billion compared to about US\$ 6.35 billion at the end of 2016 with an increase of US\$ 230 million.

The bank showed interest in the development of its investments and financings and distributing them geographically for different sectors including individuals, corporates or SMEs and diversify their investments within a clear and specific policy to achieve good results. Thus, the growth in facilities granted for customers including (restricted investment accounts, Muqarada bonds and investment by proxy “Investment Portfolios”) reached around 3.8% amounting to about US\$ 4.75 billion compared to about US\$ 4.58 billion at the end of 2016 with an increase of about US\$ 172 million.

Mr. Musa Shihadeh indicated that JIB reinforced the clients’ trust of the bank through its constant interest to provide developed banking services in compliance with the provisions and principles of Islamic Sharia. The growth in clients deposits and accounts (including restricted investment accounts, Muqarada bonds and investment by proxy accounts “Investment Portfolios”) reached around 3.1% amounting to about US\$ 5.87 billion compared to US\$ 5.69 billion at the end of 2016 with an increase of about US\$ 177 million.

The bank’s revenues reached about US\$ 310 million and profits of joint investment before distribution reached about US\$ 270 million .

Mr. Musa Shihadeh expressed how much comfortable he is of the performance the bank achieved which asserts the strength of its capital base where the Shareholders’ equity grew by 9.4% amounting to about US\$ 529 million compared to about US\$ 483 million at end of 2016 .The Return on Average Equity (ROAE) after tax reached about 15.1%. Capital Adequacy Ratio (CAR) reached about 23 % at end of 2017 compared to about 22.02% at the end of 2016, Return on Average Assets (ROAA) reached 1.30 %, the Non-Performing Finance Ratio (NPF) reached 4% and their coverage ratio 123 %.

The bank has assumed its social responsibilities through its different contributions to achieve sustainable development and providing aids and donations to serve local community and national economy in addition to expand its geographic presence by opening more branches and offices which reached (100) distributed in all parts of the kingdom supported by 206 ATMs during 2017.

Furthermore, The Board of Directors has decided in its meeting convened on 7/2/2018 to recommend to the Ordinary General Assembly that will hold its meeting on 26/4/2018 to distribute cash dividends to shareholders for the year 2017 at 15% of the nominal value of shares. ”Noting that these results are preliminary and subject to the approval of the Central Bank of Jordan.”

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\$ 2.1 billion.

The Group has a wide geographical presence in the form of subsidiary banking units and representative offices in 16 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, Saudi Arabia and Morocco, including two representative offices in Indonesia and Libya.