

الإدارة العامة
بعمان
١٤/٥

19309

/1/108

2017/5/14

معالي رئيس هيئة الأوراق المالية المحترم
عمان

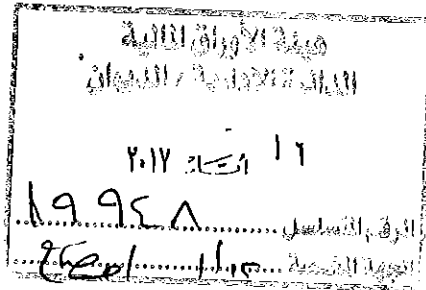
تحية طيبة وبعد،،،

أرفق لمعاليتكم قائمة المركز المالي و قائمة الدخل و قائمة الدخل الشامل والإيضاحات
و الإفصاحات (باللغة الانجليزية) للثلاثة أشهر المنتهية في 2017 /3/31 .

وتفضلوا بقبول فائق الاحترام،،،

نائب المدير العام

د. حسين سعيد



١٤!

* نسخة إلى :-

- الدائرة المالية .

- أمين سر مجلس الإدارة

نموذج رقم (5-1)

Form No. (1-5)

Jordan Islamic Bank

البنك الإسلامي الأردني

To: Jordan Securities Commission
Amman Stock Exchange

Date: 14/5/2017

Subject: Quarterly Report as of
31/3/2017

السادة هيئة الأوراق المالية

السادة بورصة عمان

التاريخ: 2017/5/14

الموضوع: التقرير ربع السنوي كما في 2017/3/31

Attached the Quarterly Report of (Jordan
Islamic Bank) English Version as of 31/3/2017

مرفق طيه نسخة من البيانات المالية ربع السنوية
لشركة (البنك الإسلامي الأردني) باللغة الانجليزية
كما هي بتاريخ 2017/3/31م

Kindly accept our highly appreciation and
respect

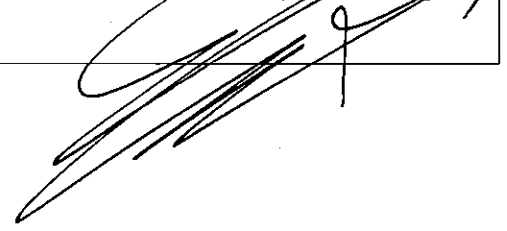
Company's Name: Jordan Islamic Bank

General Manager's Signature

وتفضلوا بقبول فائق الاحترام،،،

شركة / البنك الإسلامي الأردني

توقيع المدير العام



Jordan Islamic Bank
Public Shareholding Limited Company

Condensed Consolidated Interim Financial Statements
For the three months ended on March, 31 2017

Jordan Islamic Bank
Public Shareholding Limited Company
Amman – Jordan

Table of Contents

Review Report for Interim Condensed Consolidated Financial Statements

	<u>Statement</u>
Condensed Consolidated Interim Statement of Financial Position	A
Condensed Consolidated Interim Statement of Income	B
Condensed Consolidated Interim Statement of Other Comprehensive Income	C
Condensed Consolidated Interim Statement of Changes in Owner's Equity	D
Condensed Consolidated Interim Statement of Cash Flows	E
Condensed Consolidated Interim Statement of Sources and Uses of Funds of Al Qard Al Hasan Fund	F

	<u>Page</u>
Notes to the Condensed Consolidated Interim Financial Statements	1-26

Report on the review of the interim condensed consolidated financial statements

To the Board of Directors of Jordan Islamic Bank

A limited public shareholding company

Amman - The Hashemite Kingdom of Jordan

Introduction:

We have reviewed the accompanying condensed consolidated interim financial statements of Jordan Islamic Bank ("the Bank") and its subsidiaries ("the Group") which comprise the condensed consolidated interim statement of financial position as at 31 March 2017, the interim condensed consolidated statement of income, the interim condensed consolidated statement of comprehensive income, the interim condensed consolidated statement of Changes in equity, interim condensed consolidated statement of cash flows and interim consolidated statement of sources and uses of Al Qard Al-Hassan Fund for the three months then ended and the notes thereto. The Board of Directors is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with the Shari'a rules and principles as determined by the Bank's Shari'a Supervisory Board and in accordance with the Accounting, Auditing and Governance Standards for Islamic Financial Institutions. Our responsibility is to obtain a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of review:

We conducted our review in accordance with International Standard on Review 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". The review of the interim condensed consolidated financial information consists of making inquiries primarily of persons responsible for financial and accounting matters and applying analytical and other review procedures. The scope of review work is significantly lower than the scope of audit conducted in accordance with the accounting, auditing and Governance standards of Islamic financial institutions. Accordingly, the review work does not enable us to obtain assurance about all significant matters that may be identified by the audit and we do not express an audit opinion.


Conclusion:

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements are not prepared in all material respects in accordance with Shari'a rules and principles as determined by the Bank's Shari'a Supervisory Board and in accordance with accounting and auditing standards for Islamic financial institutions.

Explanatory paragraph:

The condensed consolidated interim financial statements have been prepared under the Securities Listing Regulations of the ASE and for management purposes and do not require the approval of the Central Bank of Jordan.

Ibrahim Abbasi & Co


Ahmed Abbasi
License No. 710



Amman in
25 April 2017
28 Rajab 1438

Jordan Islamic Bank - Public Shareholding Limited Company
Condensed Consolidated Interim Statement of Financial Position
As of March, 31 2017 (Reviewed and Unaudited)

Statement (A)

	Note	March,31 2017 JD (Reviewed)	December, 31 2016 JD (Audited)
<u>Assets</u>			
Cash and balances with central banks	4	1,077,335,729	1,090,770,170
Balances at banks and financial institutions	5	54,547,638	41,713,931
Investment Accounts at Banks and Banking Institutions	6	17,725,000	17,725,000
Deferred Sale Receivables and Other Receivables –Net	7	2,007,320,464	2,044,488,509
Assets of Ijarah Muntahia Bittamleek-Net	8	579,723,464	565,944,539
Finances –Net	9	30,185,220	30,064,026
Financial assets at fair value through equity – Self Financed	10	8,449,044	7,544,141
Financial assets at fair value through equity – Jointly Financed	11	51,804,718	54,536,797
Financial assets at amortized cost	12	65,199,000	37,760,000
Investments in Affiliates		7,730,046	7,658,670
Real Estate investments	13	121,299,333	110,249,076
Al Qard Al Hasan – Net		8,464,927	7,966,851
Property and Equipment- Net		73,583,379	71,633,380
Intangible Assets		1,910,392	2,028,836
Other Assets	14	10,605,560	9,435,770
Total Assets		4,115,883,914	4,099,519,696
<u>Liabilities, Joint Investment Accounts Holders' Equity, Non-controlling</u>			
<u>Interests and equity</u>			
<u>Liabilities</u>			
Banks and Banking Institutions Accounts		5,031,684	8,812,042
Clients Current and Call Accounts	15	1,172,456,290	1,199,334,692
Cash Margins		49,020,922	47,919,206
Other Creditors		2,330,058	1,162,406
Other Provisions		6,500,000	6,500,000
Income Tax Provision	16	24,560,895	25,425,244
Deferred Tax Liabilities		413,134	327,556
Other Liabilities		31,274,518	15,450,746
Total Liabilities		1,291,587,501	1,304,931,892

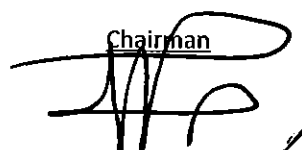
The accompanying notes from (1) to (34) constitute an integral part of these condensed consolidated interim financial statements

Jordan Islamic Bank - Public Shareholding Limited Company
Condensed Consolidated Interim Statement of Financial Position
As of March, 31 2017 (Reviewed and Unaudited)

Statement (A)

	Note	March,31 2017 JD (Reviewed)	December, 31 2016 JD (Audited)
<u>Joint Investment Accounts Holders' Equity</u>			
Unrestricted Investment Accounts	17	2,404,519,346	2,389,772,737
Investment Accounts Holders' Reserve-Subsidiaries & Affiliates		15,025,964	14,445,401
Fair Value Reserve	18	10,586,613	11,210,857
Deferred Tax Liabilities		5,700,484	6,036,616
Total Joint Investment Accounts Holders' Equity		2,435,832,407	2,421,465,611
Non-Controlling Interests		131,962	130,070
Total Joint Investment Accounts Holders' Equity & Non-Controlling Interests		2,435,964,369	2,421,595,681
Investment Risks Fund	19	32,301,534	29,619,452
Income Tax Provision of Investment Risks Fund	19	1,976,813	652,909
<u>Equity</u>			
<u>Shareholders' Equity</u>			
Paid-up Capital		150,000,000	150,000,000
Statutory Reserve		68,370,796	68,370,796
Voluntary Reserve		22,617,024	22,617,024
General Banking Risks Reserve		1,000,000	1,000,000
Fair Value Reserve	18	767,249	608,319
Retained Earnings		100,123,623	100,123,623
Interim Net Income		11,175,005	-
Total Equity –Shareholders' Equity		354,053,697	342,719,762
Total Liabilities, Joint Investment Accounts Holders' Equity, Non-Controlling Interests, and equity		4,115,883,914	4,099,519,696
<u>Accounts Managed for Others:</u>			
Restricted Investments		28,659,747	28,824,979
Muqarada bonds		377,216,046	368,099,076
Investment by proxy accounts		6,627,057	6,222,149

CEO / General Manager
M. Shihadeh

Chairman


The accompanying notes from (1) to (34) constitute an integral part of these condensed consolidated interim financial statements

Jordan Islamic Bank - Public Shareholding Limited Company

Condensed Consolidated Interim statement of Income

For The Three Months Ended on March, 31 2017 (Reviewed and Unaudited)

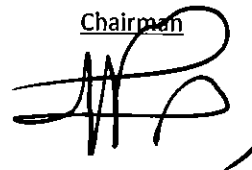
Statement (B)

	Note	March 31, 2017 JD (Reviewed)	March 31, 2016 JD (Reviewed)
Deferred Sale Revenues	20	35,232,897	38,132,781
Finance Revenues	21	105,508	96,695
Profits of financial assets at fair value through joint investment accounts holders' equity	22	959,208	296,507
Revenues of Real Estate Investments	23	300,990	287,941
Revenues of Leased Assets and Ijarah Muntahia Bittamleek		10,373,148	9,723,233
Revenues of other Investments		1,285,634	57,238
Revenues of Joint Investment Accounts		48,257,385	48,594,395
Net Business Results of Subsidiaries		515,749	547,277
Share of funds involved in investment from the profits of affiliates		718,518	279,015
Total Revenues of Joint Investment Accounts		49,491,652	49,420,687
Share of Unrestricted Investment Accounts Holders	24	(13,650,124)	(13,001,580)
Investment Accounts Holders' Share of the Net Business Results of Subsidiaries		(514,542)	(522,990)
Non-Controlling Interests' Share of the Net Business Results of Subsidiaries		(1,207)	(24,287)
Share of funds involved in investment from the profits of affiliates		(718,518)	(279,015)
Share of the Investment Risk Fund		(4,825,739)	(4,859,440)
Bank's Share of the Joint Investment Accounts Revenues as Mudarib and Rab-Mal	25	29,781,522	30,733,375
Bank's Self-Profits	26	5,015	44,357
Bank's Share of Restricted Investments Revenues as Mudarib		29,922	15,709
Bank's Share of Restricted Investments Revenues as a proxy		18,713	11,202
Banking Services Revenues		4,978,098	4,932,435
Foreign Currency Profits		396,739	471,015
Other Revenues		217,078	229,121
Gross Income		35,427,087	36,437,214
Employee Expenses		(11,582,734)	(10,842,251)
Depreciation and Amortization		(1,937,854)	(2,701,258)
Other expenses		(5,523,839)	(4,895,840)
Total Expenses		(19,044,427)	(18,439,349)
Profit before Income Tax		16,382,660	17,997,865
Income Tax	16 B	(5,207,655)	(6,296,245)
Profit after Income Tax for the period		11,175,005	11,701,620
		JD / FILS	JD / FILS
Basic and Diluted Earnings per Share for the period	27	0/075	0/078

CEO / General Manager

M. Shihadeh

Chairman



The accompanying notes from (1) to (34) constitute an integral part of these condensed consolidated interim financial statements

Jordan Islamic Bank - Public Shareholding Limited Company
Condensed Consolidated Interim statement of other Comprehensive Income
For The Three Months Ended on March, 31 2017 (Reviewed and Unaudited)

Statement (C)

	For The Three Months ended on March, 31	
	2017	2016
	JD	JD
	(Reviewed)	(Reviewed)
Profit after Income Tax for the period	11,175,005	11,701,620
Add: Other Comprehensive Income after Tax Items:		
Change in fair value reserve of the financial assets – Net	158,930	(15,061)
Total Comprehensive Income for the Period	11,333,935	11,686,559

The accompanying notes from (1) to (34) constitute an integral part of these condensed consolidated interim financial statements

Jordan Islamic Bank - Public Shareholding Limited Company
Condensed Consolidated Interim Statement of Changes in Owner's Equity
For The Three Months Ended on March, 31 2017 (Reviewed and Unaudited)

Statement (D)

	Paid-up Capital	Statutory Reserve	Voluntary Reserve	General Banking Risk Reserve*	Fair Value Reserve **	Retained Earnings	Net Profit	Total
	JD	JD	JD	JD	JD	JD	JD	JD
For the three months Ended March,31 2017 (Reviewed)								
Balance at 1st January 2017	150,000,000	68,370,796	22,617,024	1,000,000	608,319	100,123,623	-	342,719,762
Profit after tax	-	-	-	-	-	-	11,175,005	11,175,005
Change in the fair value reserve	-	-	-	-	158,930	-	-	158,930
Total Comprehensive Income for the Period	-	-	-	-	158,930	-	11,175,005	11,333,935
Balance at March 31,2017	150,000,000	68,370,796	22,617,024	1,000,000	767,249	100,123,623	11,175,005	354,053,697

* Use of General Banking Risks Reserve is restricted and requires prior approval from the Central Bank of Jordan.

** Use of Fair Value Reserve is restricted as per Jordan Securities Commission instructions.

Jordan Islamic Bank - Public Shareholding Limited Company
Condensed Consolidated Interim Statement of Changes in Owner's Equity
For The Three Months Ended on March, 31 2017 (Reviewed and Unaudited)

	Statement (D)						
	Paid-up Capital	Statutory Reserve	Voluntary Reserve	General Banking Risk Reserve*	Fair Value Reserve **	Retained Earnings	Net Profit
For the Year Ended December 31, 2016 (Audited)	JD	JD	JD	JD	JD	JD	JD
Balance at 1st January 2016	150,000,000	59,988,116	14,272,844	700,000	562,291	85,631,408	311,154,659
Profit after tax	-	-	-	-	-	11,701,620	11,701,620
Change in the fair value reserve	-	-	-	-	(15,061)	-	(15,061)
Total Comprehensive Income for the Period	-	-	-	-	(15,061)	-	11,686,559
Balance at December 31, 2016	150,000,000	59,988,116	14,272,844	700,000	547,230	85,631,408	322,841,218

* Use of General Banking Risks Reserve is restricted and requires prior approval from the Central Bank of Jordan.

** Use of Fair Value Reserve is restricted as per Jordan Secuiritues Commssion instructions.

The accompanying notes from (1) to (34) constitute an integral part of these condensed consolidated interim financial statements

Jordan Islamic Bank - Public Shareholding Limited Company
Condensed Consolidated Interim Statement of Cash Flows
For The Three Months Ended On March, 31 2017 (Reviewed and Unaudited)

Statement (E)

	Note	For The Three Months ended on March, 31	
		2017	2016
		JD (Reviewed)	JD (Reviewed)
<u>Cash Flows from Operating Activities</u>			
Profit before Tax		16,382,660	17,997,865
Amendments to Non-Cash Items:			
Depreciations and Amortizations		1,937,854	2,701,258
Investment Risk Fund		4,005,986	2,364,368
Provision for acquired real estate		(3,084)	8,046
Impairment for acquired Real Estates		7,616	-
Impairment Provision for Financial Assets		1,818,373	-
Profits of selling properties and equipment		-	(197)
Exchange Rates Effect on Cash and Cash Equivalent		(170,038)	(274,473)
Profit before Change in Assets and Liabilities		23,979,367	22,796,867
Change in Assets and Liabilities			
Increase in investment Accounts at Banks and Banking Institutions for more than 3 Months		-	(10,280,500)
Decrease (Increase) in Deferred Sales and Other Receivables		37,168,045	(43,834,015)
Increase in Finances		(121,194)	(346,208)
Increase in Ijara Muntahia Bitamleek Assets		(13,778,925)	(19,725,298)
Increase in Al Qard Al Hasan Loans		(498,076)	(3,190,913)
(Increase) in Other Assets		(1,169,790)	(338,412)
(Decrease) Increase in Current and Call Accounts		(26,878,402)	2,053,361
Increase (Decrease) in Accounts Payable		1,167,652	(670,193)
Increase in Cash Margins		1,101,716	4,863,589
Increase in other liabilities		15,823,772	8,627,335
Net change in Assets and Liabilities		12,814,798	(62,841,254)
Net Cash Flows from (used in) Operating Activities before Tax		36,794,165	(40,044,387)
Paid Taxes		(6,072,004)	(20,898,056)
Net Cash Flows from (used in) Operating Activities		30,722,161	(60,942,443)
<u>Cash flows from Investment Operations</u>			
Sale of financial assets at fair value through equity		-	250,000
Purchase of financial assets at fair value through equity		(660,395)	(19,823)
Sale of financial assets at fair value through joint investment accounts holders' equity		928,910	3,866,680
Purchase of financial assets at fair value through joint investment account holders equity		(547,155)	(355,470)
Purchase of financial assets at amortized cost – Net		(27,439,000)	-
Sale of Real Estate Investments		1,137,424	115,186
Purchase of Real Estate Investments		(12,620,638)	(817,234)
Sale of Properties and Equipment		-	211
Purchase of Equipment and Properties		(3,563,971)	(519,940)
Purchase of intangible assets		(205,438)	(355,577)
Net Cash Flows (used in) from Investment Operations		(42,970,263)	2,164,033
<u>Cash Flow from Financing Operations</u>			
Increase in Unrestricted Investment Accounts Holders Equity		15,257,688	12,251,917
Net Cash Flow from Financing Operations		15,257,688	12,251,917
Net increase (decrease) in cash and cash equivalents		3,009,586	(46,526,493)
Exchange Rates Effect on Cash and Cash Equivalents		170,038	274,473
Cash and Cash Equivalents at Year-Beginning	28	1,123,672,059	935,103,162
Cash and Cash Equivalents at End of Period	28	1,126,851,683	888,851,142

The accompanying notes from (1) to (34) constitute an integral part of these condensed consolidated interim financial statements

Jordan Islamic Bank - Public Shareholding Limited Company
Condensed Consolidated Interim Statement of Sources and Uses of Funds of Al Qard Al Hasan Fund
As of March, 31 2017 (Reviewed and Unaudited)

Statement (F)

	March 31, 2017	December 31, 2016
	JD	JD
	(Reviewed)	(Audited)
Beginning Balance for the Period / Year	12,466,851	9,049,576
Sources of the Fund Money from:		
The amounts that the Bank is authorized to use	1,285,686	13,372,351
Outside the Bank	1,816,429	1,787,393
Total Sources of the Fund money during the Period / Year	3,102,115	15,159,744
Uses of the Fund's Money for:		
Education	506,500	1,387,855
Medical Treatment	260,150	805,254
Marriage	83,200	285,770
Overdraft Accounts	2,317,854	10,951,652
Social Advances for the Bank Employees	432,487	2,151,404
The Fund's contribution to the Jordan loans guarantee Corporation	-	2,995,084
Total Uses During the Period / Year	3,600,191	18,577,019
Ending Balance for the Period / Year	12,964,927	12,466,851
Less :Assets Impairment Provision – Self	(4,500,000)	(4,500,000)
Ending Balance for the Period / Year, Net	8,464,927	7,966,851

1 - General Information

Jordan Islamic Bank was established as a public shareholding limited liability company on November 28, 1978 pursuant to the provisions of the Companies Law No. (12) Of 1964, Head Office located in Amman.

The Bank offers all banking, financial and investment services on an interest-free basis in compliance with the rules and principles of the Islamic Sharia through its head office, 74 branches and 26 banking offices in the Kingdom as well as its subsidiaries, the Bank's transactions are governed by the applied Banks Law.

Jordan Islamic Bank shares are listed in Amman Stock Exchange -Jordan.

The Condensed Consolidated Interim Financial Statements were approved by the Bank's Board of Directors in its session No. (3) Held on April 25, 2017.

2 - Significant Accounting Policies

Bases of Preparation for the Condensed Consolidated Interim Financial Statements:

The condensed consolidated interim financial statements of the Bank and its subsidiaries financed from the Bank's funds and the joint investment funds were prepared in accordance with the standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions, in accordance with the effective domestic laws and as per the instructions of the Central Bank of Jordan.

The Bank applies the standards issued by the Accounting and Auditing Organization for Islamic financial Institutions.

The Condensed Consolidated Interim Financial Statements were prepared according to the historical cost principle except the financial assets at the fair value through equity and the financial assets at the fair value through the joint investment accountholders equity, financial assets at amortized cost and investment in real estate's held for use as all of them are reflected at the fair value on the date of the Condensed Consolidated Interim Financial Statements.

The Jordanian dinar is the currency of presenting the Condensed Consolidated Interim Financial Statements and represents the main currency of the Bank.

The Condensed Consolidated Interim Financial Statements do not include all information and notes for annual consolidated financial statements that are prepared in accordance with Sharia' rules and principles as determined by the Bank's Sharia Supervisory Board and in accordance with accounting, auditing, and governance standard for Islamic financial institutions issued by accounting and auditing organization for Islamic financial institutions (AAOIFI) and it shall be read along with the bank's annual reports as of December 31 ,2016 . Also the business results for the three months ended on March 31, 2017 do not necessarily give an indicator for the expected results for the year ended on December 31, 2017 and no appropriation was made for the three months profit ended on March 31, 2017 since it is made at the year-end.

Jordan Islamic Bank - Public Shareholding Limited Company
Notes to the Condensed Consolidated Interim Financial Statements
As of March 31, 2017 (Reviewed and Unaudited)

Bases of Consolidation for the Condensed Consolidated Interim Financial Statements:

The Condensed Consolidated Interim Financial Statements include the financial statements of the Bank and its subsidiaries financed from the Bank's funds and the joint investment funds and subject to the Bank's control, control exists when the Bank is able to govern the financial and operating policies of subsidiaries in order to benefit from their activities. The transactions, balances, revenues and expenses between the Bank and subsidiaries shall be eliminated.

The financial statements of subsidiaries for the same financial period of the Bank shall be prepared using the same accounting policies applied in the Bank.

The Bank has the following subsidiaries as of 31 March, 2017:

Company Name	Paid up Capital JD	Bank's Ownership Rate	Company's nature of business	Place of work	Date of acquisition
Omariah Schools Company Ltd.	8,550,000	%99.4	Education	Amman	1987
Al Samaha Financing and Investment Company Ltd.	12,000,000	%100	Financing	Amman	1998
Future Applied Computer Technology Company Ltd	5,000,000	%100	Services	Amman	1998
Sanabel Al-Khair for Financial Investments Company Ltd.	5,000,000	%100	Brokerage	Amman	2005

The results of subsidiaries operations shall be consolidated in the condensed consolidated interim income statement from the date of acquisition, which is the date the Bank's control over subsidiaries is actually transferred. The results of operations for disposed subsidiaries shall be consolidated in the condensed consolidated interim income Statement until the date of disposal, which is the same date on which the Bank's loses control over subsidiaries.

The non-controlling interests represent the portion not owned by the Bank or by the unrestricted investment accounts of the owners' equity in the subsidiaries.

In case of preparing separate financial statements for the Bank as an independent entity, the investments in subsidiaries shall be reflected at cost.

3 - Using Estimates

The preparation of financial statements and the application of accounting policies require the Bank's Management to make estimates and judgments affecting the amounts of financial assets and Liabilities and to disclose contingent liabilities. Furthermore, these estimates and judgments shall affect revenues, expenses and provisions as well as the changes in fair value stated in both equity and unrestricted investment account holders' equity. Particularly, the Bank's management shall be required to issue significant judgments to estimate the amount and timing of future cash flows. The said estimates are essentially based on multiple assumptions and factors with varying degrees of estimation and uncertainty. The actual results might differ from estimates as a result of the changes induced by the conditions and circumstances of those estimates in the future.

We believe that our estimates in the financial statements are reasonable, and they are detailed as follows:

- Impairment provision of sales receivables and finances: the Bank shall deduct 10% of the net revenues of joint investment accounts to be transferred to the Investment Risk Fund in accordance with article (55) of the Bank's Law, then it shall be compared to the provision of these receivables and finances within the bases established by the Central Bank of Jordan.
- Income Tax Provision: income tax shall be charged to the relevant financial period in accordance with the regulations, laws and accounting standards. Deferred tax assets and liabilities as well as the necessary tax provision shall be calculated and stated.
- The Bank's management shall carry out a periodic review of the financial assets carried at cost to estimate any impairment in their value, and impairment is stated according to the financing source of those investments.

4 - Cash and Balances at Central Banks

The details of this item are as follows:

	Mar. 31, 2017	Dec. 31, 2016
	JD	JD
	(Reviewed)	(Audited)
Cash in Vaults	117,989,104	120,387,742
Balances at the Central Bank of Jordan:		
Current Accounts	710,465,978	724,292,888
Mandatory Cash Reserve	248,880,647	246,089,540
Total Balances at the Central Bank of Jordan	959,346,625	970,382,428
Total	1,077,335,729	1,090,770,170

In compliance with the rules of the Islamic Sharia and in accordance with the Memorandum and Articles of association, the Bank does not charge any interests on balances and current accounts with the Central Bank of Jordan.

An amount of JD 53,085,886 and an amount of JD 46,777,481 were deducted as of March 31, 2017 and December 31, 2016 respectively, representing cash balances of restricted investment accounts, Muqarada Bonds accounts and investment by proxy accounts not yet invested.

There are no due amounts for more than three months as on March 31, 2017 and December 31, 2016.

There are no restricted withdrawing amounts except the mandatory cash reserve as on March 31, 2017 and December 31, 2016.

Jordan Islamic Bank - Public Shareholding Limited Company
Notes to the Condensed Consolidated Interim Financial Statements
As of March 31, 2017 (Reviewed and Unaudited)

5 - Balances at Banks and Banking Institutions

The details of this item are as follows:

	Local Banks and Banking Institutions		Foreign Banks and Banking Institutions		Total	
	Mar. 31, 2017	Dec. 31, 2016	Mar. 31, 2017	Dec. 31, 2016	Mar. 31, 2017	Dec. 31, 2016
	JD	JD	JD	JD	JD	JD
	(Reviewed)	(Audited)	(Reviewed)	(Audited)	(Reviewed)	(Audited)
Current and Call Accounts	1,560	1,560	43,525,592	30,761,387	43,527,152	30,762,947
Unrestricted Investment Accounts that are due within 3 months or less	-	-	11,020,486	10,950,984	11,020,486	10,950,984
Total	1,560	1,560	54,546,078	41,712,371	54,547,638	41,713,931

-In compliance with the rules of the Islamic Sharia and in accordance with the Memorandum and Articles of association, the Bank does not charge any interest on balances and current accounts at local and foreign banks and banking institutions.

-There are no restricted withdrawing amounts at the local and foreign banks and banking institutions as on March 31, 2017 and December 31, 2016.

6 - Investment accounts at Banks and Banking Institutions

The details of this item are as follows:

	Foreign Banks and Banking Institutions	
	Mar. 31, 2017	Dec. 31, 2016
	JD	JD
	(Reviewed)	(Audited)
Due in more than 1 year	17,725,000	17,725,000
Total	17,725,000	17,725,000

-There are no restricted withdrawing amounts at the foreign banks and banking institutions as of March 31, 2017 and December 31, 2016.

Jordan Islamic Bank - Public Shareholding Limited Company
Notes to the Condensed Consolidated Interim Financial Statements
As of March 31, 2017 (Reviewed and Unaudited)

7 - Deferred Sale Receivables and Other Receivables –Net

The details of this item are as follows:

	Joint		Self		Total	
	Mar. 31, 2017	Dec. 31, 2016	Mar. 31, 2017	Dec. 31, 2016	Mar. 31, 2017	Dec. 31, 2016
	(Reviewed)	(Audited)	(Reviewed)	(Audited)	(Reviewed)	(Audited)
	JD	JD	JD	JD	JD	JD
Individuals (Retail):						
Murabaha Financing to purchase orderer	700,443,553	699,205,090	-	-	700,443,553	699,205,090
Deferred Sale	4,617,948	4,088,360	-	-	4,617,948	4,088,360
Ijarah Mawsoufa Bill Thimma	2,875,682	2,451,205	-	-	2,875,682	2,451,205
Ijarah receivables	3,785,857	3,301,106	-	-	3,785,857	3,301,106
Clients Receivables	3,997,150	2,771,725	7,616,303	7,569,212	11,613,453	10,340,937
Real Estate Financing	469,366,638	459,239,121	250,000	250,000	469,616,638	459,489,121
Corporates:						
Commodity Murabaha	22,980,452	23,123,110	-	-	22,980,452	23,123,110
Istisna' financing	4,305,074	3,783,797	-	-	4,305,074	3,783,797
Murabaha Financing to purchase orderer	349,092,337	352,109,805	-	-	349,092,337	352,109,805
Small and Medium Enterprises (SME's):						
Murabaha Financing to purchase orderer	157,452,639	150,004,821	-	-	157,452,639	150,004,821
Government and public sector	575,728,500	639,067,907	279,695	361,018	576,008,195	639,428,925
Total	2,294,645,830	2,339,146,047	8,145,998	8,180,230	2,302,791,828	2,347,326,277
Less: Deferred Revenues *	(212,073,081)	(218,888,309)	(30,000)	(30,000)	(212,103,081)	(218,918,309)
Less: Suspended Revenues **	(10,424,241)	(10,601,110)	-	-	(10,424,241)	(10,601,110)
Less: Provision for impairment	(72,294,042)	(72,668,349)	(650,000)	(650,000)	(72,944,042)	(73,318,349)
Net Deferred Sales & Other Receivables	1,999,854,466	2,036,988,279	7,465,998	7,500,230	2,007,320,464	2,044,488,509

* Deferred revenues include the deferred revenues of Murabaha Financing, deferred sale, Ijarah Mawsoufa Bill Thimma and Istisna'.

** Suspended Revenues include the suspended revenues of Murabaha Financing to purchase orderer, deferred sale and Ijarah Mawsoufa Bill Thimma and Istisna'.

Jordan Islamic Bank - Public Shareholding Limited Company
Notes to the Condensed Consolidated Interim Financial Statements
As of March 31, 2017 (Reviewed and Unaudited)

-Below is the movement of the impairment provision for deferred sale receivables and other receivables and Finances – self:

	Individuals	Real estate Financing	Corporates	Small & Medium Enterprises	Government & Public Sector	Total
Mar. 31, 2017 (Reviewed)	JD	JD	JD	JD	JD	JD
Period -Beginning Balance	650,000	-	-	-	-	650,000
Deducted from revenues during the period	-	-	-	-	-	-
Used from the provision during the period (written-off receivables)	-	-	-	-	-	-
Period -Ending Balance	650,000	-	-	-	-	650,000

	Individuals	Real Estate Financing	Corporates	Small & Medium Enterprises	Government & Public Sector	Total
Mar. 31, 2017 (Reviewed)	JD	JD	JD	JD	JD	JD
Specific provision of non-performing of AlQard Al Hasan .	263,346	-	-	-	-	263,346
Specific Provision of under-watch of Al Qard Al Hasan .	227,858	-	-	-	-	227,858
General Provision of under-watch of Al Qard Al. Hasan Portfolio	158,796	-	-	-	-	158,796
Total	650,000	-	-	-	-	650,000

	Individuals	Real estate Financing	Corporates	Small & Medium Enterprises	Government & Public Sector	Total
Dec. 31,2016 (Audited)	JD	JD	JD	JD	JD	JD
Year-Beginning Balance	525,000	-	-	-	-	525,000
Deducted from revenues during the year	125,000	-	-	-	-	125,000
Used from the provision during the year (written-off receivables)	-	-	-	-	-	-
Year-Ending Balance	650,000	-	-	-	-	650,000

	Individuals	Real Estate Financing	Corporates	Small & Medium Enterprises	Government & Public Sector	Total
Dec. 31,2016 (Audited)	JD	JD	JD	JD	JD	JD
Specific provision of non-performing of Al Qard Al Hasan .	279,757	-	-	-	-	279,757
Specific Provision of under-watch of Al Qard Al Hasan .	190,345	-	-	-	-	190,345
General Provision of under-watch of Al Qard Al. Hasan Portfolio	179,898	-	-	-	-	179,898
Total	650,000	-	-	-	-	650,000

There are no dispensable provisions due to settlements or debt payments and transferred to other receivables, finances, and Ijarah as of March 31, 2017 and December 31, 2016.

Jordan Islamic Bank - Public Shareholding Limited Company
Notes to the Condensed Consolidated Interim Financial Statements
As of March 31, 2017 (Reviewed and Unaudited)

The Movement on the deferred sale receivables was as follow:

	Mar. 31, 2017 (Reviewed)	
	Deferred Sales Receivables	Deferred Revenues
	JD	JD
Period -Beginning Balance	4,088,360	179,933
Additions	1,304,766	160,451
Disposals	(775,178)	(106,425)
Balance at the end of the period	4,617,948	233,959

Below is the Movement on the Suspended revenues :

	Joint (Reviewed)				
	Mar. 31, 2017				
	Individuals	Real Estate Financing	Corporates	Small & Medium Enterprises	Total
	JD	JD	JD	JD	JD
Period -Beginning Balance	2,536,469	3,442,334	2,792,514	1,829,793	10,601,110
Add: Suspended revenues during the period	175,606	238,321	193,333	126,681	733,941
Less: Suspended revenues transferred to revenues	(278,102)	(230,416)	(274,697)	(127,595)	(910,810)
Less: Suspended revenues Write-Off	-	-	-	-	-
Balance at the end of the period	2,433,973	3,450,239	2,711,150	1,828,879	10,424,241

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

Jordan Islamic Bank - Public Shareholding Limited Company
Notes to the Condensed Consolidated Interim Financial Statements
As of March 31, 2017 (Reviewed and Unaudited)

8 - Assets of Ijarah Muntahia Bittamleek- Net

The details of this item are as follows:

	Joint (Reviewed)		
	Mar. 31, 2017		
	Cost	Accumulated Depreciation	Net Value
	JD	JD	JD
Assets of Ijarah Muntahia Bittamleek / Real Estate	<u>758,688,716</u>	<u>(178,965,252)</u>	<u>579,723,464</u>

	Joint (Audited)		
	Dec. 31, 2016		
	Cost	Accumulated Depreciation	Net Value
	JD	JD	JD
Assets of Ijarah Muntahia Bittamleek / Real Estate	<u>744,100,740</u>	<u>(178,156,201)</u>	<u>565,944,539</u>

-The total unpaid accrued Ijarah installments amounted JD 3,785,857 as of March 31, 2017 Compared to JD 3,301,106 as of December 31, 2016, and they are reflected in the deferred sale and other receivables as shown in note No. (7).

9 - Finances –Net

The details of this item are as follows:

	Joint		Self		Total	
	Mar. 31, 2017	Dec. 31, 2016	Mar. 31, 2017	Dec. 31, 2016	Mar. 31, 2017	Dec. 31, 2016
	JD	JD	JD	JD	JD	JD
	(Reviewed)	(Audited)	(Reviewed)	(Audited)	(Reviewed)	(Audited)
Individual (Retail):						
Diminishing Musharaka	30,060,843	29,925,831	309,430	314,192	30,370,273	30,240,023
Less: Provision	(185,053)	(175,997)	-	-	(185,053)	(175,997)
Net Finances	<u>29,875,790</u>	<u>29,749,834</u>	<u>309,430</u>	<u>314,192</u>	<u>30,185,220</u>	<u>30,064,026</u>

Non-Performing Deferred sales, Ijarah receivables, finances, other receivables and Al Qard Al Hasan amounted JD 99,101,470 as of March 31, 2017, i.e. 4.22% of the balance of deferred sales, Ijarah receivables, other receivables, finances and Al Qard Al Hasan compared to JD 98,685,015 as of December 31, 2016, i.e. 4.13% of the balance utilized at the end of the previous year.

Jordan Islamic Bank - Public Shareholding Limited Company
Notes to the Condensed Consolidated Interim Financial Statements
As of March 31, 2017 (Reviewed and Unaudited)

Non-Performing Deferred sales, other receivables, finances and Al Qard Al Hasan after deducting suspended revenues amounted JD 88,677,229 as of March 31, 2017 i.e. 3.80 % of the balance of deferred sales, other receivables finances and Al Qard Al Hasan, compared to JD 88,083,905 as of December 31, 2016, i.e. 3.70 % of the balance at the end of the previous year.

Deferred sales, other receivables, and finances granted to and guaranteed by the Government of Jordan amounted JD 579,003,279 as of March 31, 2017, i.e. 24.79 % of the balance of deferred sales, Ijara receivables, other receivables and finances compared to JD 642,424,009 as of December 31, 2016, i.e. 27 % of the balance at the end of the previous year.

10 - Financial Assets at fair value through the equity – Self

The details of this item are as follow:

	Mar. 31, 2017	Dec 31, 2016
	JD	JD
	(Reviewed)	(Audited)
Quoted		
Corporates Shares	1,973,955	1,738,201
Total financial assets-Quoted	1,973,955	1,738,201
Unquoted		
Corporates Shares	1,475,089	1,055,940
Muqarada bonds	5,000,000	4,750,000
Total financial assets- Unquoted	6,475,089	5,805,940
Total financial assets at fair value through the equity – self	8,449,044	7,544,141

-Financial assets presented at cost due to the inability of determining their fair value amounted JD 5,000,000 as of March 31, 2017 compared to JD 4,750,000 as of December 31, 2016.

11 - Financial Assets at fair value through the equity – Joint

The details of this item are as follow:

	Mar. 31, 2017	Dec. 31, 2016
	JD	JD
	(Reviewed)	(Audited)
Quoted		
Corporates Shares	22,851,145	23,407,734
Islamic Sukuk	10,460,232	10,475,744
Total Quoted	33,311,377	33,883,478
Unquoted		
Corporates Shares	2,432,497	2,366,000
Islamic banks portfolio	4,370,717	4,378,819
Islamic Sukuk	4,608,500	4,608,500
Muqarada bonds	8,900,000	9,300,000
Total unquoted	20,311,714	20,653,319
Impairment provision	(1,818,373)	-
Net unquoted	18,493,341	20,653,319
Total Financial Assets at fair value through the equity – Joint	51,804,718	54,536,797

-The total financial assets reflected at cost due to the inability of determining their fair value as on March 31, 2017 amounted JD 18,493,341 compared to JD 20,653,319 as on December 31, 2016.

12 - Financial assets at amortized cost

The details of this item are as follow:

	Mar. 31, 2017	Dec. 31, 2016
	JD	JD
	(Reviewed)	(Audited)
Unquoted		
Islamic Sukuk	65,199,000	37,760,000
Total unquoted Financial Assets at amortized cost	65,199,000	37,760,000

Sukuk mature in 5 Years

Return on Sukuk is 2.8% to 4.1% per annum, payable semi annually.

Jordan Islamic Bank - Public Shareholding Limited Company
Notes to the Condensed Consolidated Interim Financial Statements
As of March 31, 2017 (Reviewed and Unaudited)

13 - Real Estates Investments

Held For use:

Details of this item are as follows:

	Joint	
	Mar. 31, 2017	Dec. 31, 2016
	JD	JD
	(Reviewed)	(Audited)
Real estate's investments *	121,580,506	110,525,717
Provision for acquired real-estates investments **	(12,369)	(15,453)
Impairment provision for acquired real-estates investments	(268,804)	(261,188)
Net Assets	121,299,333	110,249,076

* The real estate investments are carried at fair value, noting that its book value (cost) is JD 106,972,912 as of March 31, 2017 compared to JD 95,489,698 as of December 31, 2016.

** The provision for the real-estates acquired calculated from 1/1/2017 according to Central Bank of Jordan instructions No :{ 10/1/2510 on 14/02/2011) 10% yearly to reach 50% of their value.

14 - Other Assets

Details of this item are as follows:

	Mar. 31, 2017	Dec. 31, 2016
	JD	JD
	(Reviewed)	(Audited)
Receivable Revenues	197,311	228,147
Prepaid Expenses	716,158	330,494
Temporary Debit Accounts	4,272,885	4,161,136
Stationery and Publications	682,940	639,334
Prepaid Leases	1,090,586	877,042
Mail Stamps	739,677	718,051
Credit Card Accounts	1,428,008	1,288,112
Trusts of Settlement Guarantee Fund	25,000	25,000
Center JONET account	631,249	599,729
Others	821,746	568,725
Total	10,605,560	9,435,770

15 - Client Current and Call Accounts

Details of this item are as follows:

Mar. 31, 2017 (Reviewed)					
	Individuals	Corporates	Small and Medium Enterprises	Government and Public Sector	Total
	JD	JD	JD	JD	JD
Current Account's	747,171,134	14,965,685	167,345,422	36,437,976	965,920,217
Call Accounts	205,315,682	18,643	1,201,748	-	206,536,073
Total	952,486,816	14,984,328	168,547,170	36,437,976	1,172,456,290

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

The government and public sector deposits inside the Kingdom amounted JD 36,437,976, i.e. 3.11% of the total current and call accounts of clients as of March 31, 2017 compared to JD 27,886,636, i.e. 2.33% as of December 31, 2016.

Dormant accounts amounted JD 50,951,640 as of March 31, 2017 compared to JD 51,138,404 as of December 31, 2016.

The (restricted withdrawal) deposits amounted JD 6,728,874, i.e. 0.57% of the total current and call accounts of clients as of March 31, 2017 compared to JD 10,468,098, i.e. 0.87% as of December 31, 2016 of the total current and call accounts of clients.

16 - Income Tax Provision

A. Bank's Income Tax Provision:

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

	Mar. 31, 2017	Dec. 31, 2016
	JD	JD
	(Reviewed)	(Audited)
Beginning Balance for the period / year	25,425,244	22,458,115
Paid Income Tax	(6,072,004)	(20,998,139)
Accrued Income Tax	5,207,655	29,728,858
Prepaid income tax of 2016	-	(5,763,590)
Ending Balance for the period / year	24,560,895	25,425,244

Jordan Islamic Bank - Public Shareholding Limited Company
Notes to the Condensed Consolidated Interim Financial Statements
As of March 31, 2017 (Reviewed and Unaudited)

B. The Income tax stated in the condensed consolidated interim income statement represents the following:

	Mar. 31, 2017	Mar. 31, 2016
	JD	JD
	(Reviewed)	(Reviewed)
Accrued Income Tax for the period Profits	5,207,655	6,296,245
Total	5,207,655	6,296,245

The accrued income tax for the financial period ending at March 31, 2017 was calculated in accordance with the income tax law No. 34 of 2014.

The accrued taxes payable by the Bank were settled until the end of 2014, and income tax declaration for 2015 was provided by companies.

A settlement till the end of 2014 was made to the tax due and the income tax declaration for 2015 was provided for Future Applied Computer Technology Company Ltd, Al Samaha financing and Investment Company Ltd., Sanabel Al-Khair and Omariah Schools Company Ltd.

17 - Unrestricted Investment Accounts

Details of this item are as follows:

		Mar. 31, 2017 (Reviewed)				
		Small and Medium Enterprises	Government and Public Sector	Banks	Total	
	Individuals JD	Corporates JD	JD	JD	JD	JD
Saving Accounts	507,409,088	176,144	9,693,456	21,426	651,147	517,951,261
Notice Accounts	12,592,791	4,204	980,388	16,773,564	-	30,350,947
Term Accounts	1,699,435,482	7,936,609	88,083,805	42,074,701	5,036,417	1,842,567,014
Total	2,219,437,361	8,116,957	98,757,649	58,869,691	5,687,564	2,390,869,222
Depositors' Share in Investment Returns	12,699,533	46,298	566,243	335,781	2,269	13,650,124
Total Unrestricted Investment Accounts	2,232,136,894	8,163,255	99,323,892	59,205,472	5,689,833	2,404,519,346

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

Jordan Islamic Bank - Public Shareholding Limited Company
Notes to the Condensed Consolidated Interim Financial Statements
As of March 31, 2017 (Reviewed and Unaudited)

The unrestricted investment accounts share in the profits according to the following bases:

- 50% of the annual average balance of saving accounts.
- 70% of the annual average balance of notice accounts.
- 90% of the minimum balance of term accounts.

The unrestricted investment accounts (Government of Jordan and Public Sector) inside the Kingdom amounted JD 59,205,472, i.e. 2.46% of the total unrestricted investment accounts as of March 31, 2017 compared to JD 58,979,555, i.e. 2.47% as of December 31, 2016.

The (restricted withdrawal) investment accounts of the total unrestricted investment accounts amounted JD 4,368,560, i.e. 0.18% as of March 31, 2017 compared to JD 5,524,003, i.e. 0.23% as of December 31, 2016.

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

Details of this item are as follows:

	Joint	
	Mar. 31, 2017	Dec. 31, 2016
	JD (Reviewed)	JD (Audited)
Reserve of investment accounts holders – Subsidiaries	13,014,628	12,505,441
Reserve of investment accounts holders – Affiliates	2,011,336	1,939,960
Total	15,025,964	14,445,401
Non-controlling Interests	131,962	130,070

18 - Fair Value Reserve

The Details of this item are as follows:

(A) Joint

	Joint	
	Mar. 31, 2017	Dec. 31, 2016
	JD (Reviewed)	JD (Audited)
Financial Assets Reserve at fair value through the joint investment accounts holders equity	1,091,677	1,437,445
Real estate investments reserve	9,494,936	9,773,412
Total	10,586,613	11,210,857

(B) Self

	Self	
	Mar. 31, 2017	Dec. 31, 2016
	JD (Reviewed)	JD (Audited)
Financial Assets Reserve at fair value through the equity – self	767,249	608,319
Total	767,249	608,319

(C) The Movement of the fair value reserve for the Investment Accounts holders' equity:

	Mar. 31, 2017 (Reviewed)		
	Financial Assets at fair value	Real Estate Investments	Total
	JD	JD	JD
Period-Beginning Balance *	2,211,454	15,036,019	17,247,473
Unrealized Losses	(531,951)	(421,225)	(953,176)
Deferred Tax Liabilities	(587,826)	(5,112,658)	(5,700,484)
Profits Transferred to the condensed Consolidated interim Income Statement	-	(7,200)	(7,200)
Period-Ending Balance	1,091,677	9,494,936	10,586,613

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

* The fair value reserve balance is presented at the beginning of the period after the addition of the deferred tax liabilities for the previous year at the sum of JD 6,036,616.

(D) The Movement of the fair value reserve through Shareholders Equity:

	Financial assets at fair value	
	Mar. 31, 2017	Dec. 31, 2016
	(Reviewed) JD	(Audited) JD
Period / Year - Beginning Balance *	935,875	865,063
Unrealized profits	244,508	70,812
Deferred Tax Liabilities	(413,134)	(327,556)
Period / Year -Ending Balance	767,249	608,319

* The fair value reserve balance is presented at the beginning of the period after the addition of the deferred tax liabilities for the previous year at the sum of JD 327,556.

19 - Investment Risk Fund

A. The Movement in the Investment Risk Fund is as follows:

	Mar. 31, 2017	Dec. 31, 2016
	JD	JD
	(Reviewed)	(Audited)
Period / Year- Beginning Balance	95,629,553	91,752,989
Add: investment profits transferred this year	4,825,738	19,794,532
Recovered amounts from previous years losses	169,389	92,995
losses during the year *	-	(13,991,315)
Less: payments on the tax account for 2016	652,909	(1,366,739)
Net accrued tax **	(1,976,813)	(652,909)
Period / Year - Ending Balance	99,300,776	95,629,553

* No losses charged to the Fund as of March 31, 2017 compared to a sum of JD 6,036,538 as of 31 December 2016, and no losses from investment sukuk and sale of investment in shares as of March 31, 2017 compared to sum of JD 7,954,777 as of 31 December 2016, in accordance with the provisions of Article (55) of the Banks Law and the Interpretation issued by the Bureau of Laws Interpretation.

A rate of 10% was deducted on 31 March 2017 from the net joint investment profits realized from Different transactions, and the amount was transferred to the Investment Risk Fund (2016 : 10%)

The balance of the Investment Risk Fund devolves to the Zakah Fund in case of the Bank's liquidation.

** The above fund income tax Item represents:

	Mar. 31, 2017	Dec. 31, 2016
	JD	JD
	(Reviewed)	(Audited)
Income tax payable on amounts transferred from the investment profits	1,976,813	2,019,648
Less: payment on the tax account for year 2016	-	(1,366,739)
Net due tax	1,976,813	652,909

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

B. the Investment Risk Fund balance is distributed as follows:

	Mar. 31, 2017	Dec. 31, 2016
	JD	JD
	(Reviewed)	(Audited)
Period / Year – Ending Balance	99,300,776	95,629,553
Against Deferred Sales Receivables (Impairment Provision) – Note (7)	69,922,419	70,513,371
Against Ijarah receivables (Impairment Provision) – Note(7)	1,857,270	1,640,270
Against Finances(Impairment Provision) –Note (9)	185,053	175,997
Against Acquired properties (Provision) – Note (13)	12,369	15,453
Against Acquired properties (Impairment) – Note (13)	268,804	261,188
Against Financial Assets (Impairment) – Note (11)	1,818,373	-
Total Impairment Provision	74,064,288	72,606,279
Share of Mutual Insurance Fund –against deferred sales receivables (Impairment Provision)	(6,943,512)	(6,514,959)
Share of Mutual Insurance Fund – against Ijarah Receivables (Impairment Provision)	(121,534)	(81,219)
Remaining Balance *	32,301,534	29,619,452

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

C. Mutual Insurance Fund

Movement on the Mutual Insurance Fund was as follows:

	Mar. 31, 2017	Dec. 31, 2016
	JD	JD
	(Reviewed)	(Audited)
Period / Year – beginning balance	73,711,297	64,236,270
Add: Profit during 2016, 2015	1,981,015	1,535,834
Add: insurance premiums collected during the period / year	3,783,088	17,095,660
Add: reclaimed from previous years losses	7,372	16,771
Less: insurance premiums paid to Islamic Insurance Company during The period / year	(4,178,973)	(3,679,520)
Less: payment on the account of tax for 2016	-	(938,351)
Less: Fund income tax for the 2016, 2015	(1,109,151)	(4,211,637)
Less: Fund Committee members remunerations	(16,000)	(16,000)
Less: auditors fees during the period / year	(1,740)	(1,740)
Less: losses during the period / year	-	(325,990)
Period / Year –Ending Balance	74,176,908	73,711,297

The Mutual Insurance Fund system is based on paragraph (D/3), Article (54) of the Banking Law No. (28) For the year 2000.

In case of making any amendment to the Mutual Insurance Fund regulation Prior approval is required from the Central Bank of Jordan.

In case of stopping the Mutual Insurance Fund for any reason, the Board of Directors shall determine the way of disposing of the Fund's money in charity.

Jordan Islamic Bank - Public Shareholding Limited Company
Notes to the Condensed Consolidated Interim Financial Statements
As of March 31, 2017 (Reviewed and Unaudited)

The Central Bank of Jordan approved under its letter No. 10/1/12160 on 9/10/2014 to consider the Mutual Insurance Fund as mitigate of risk exposure.

Compensation payment for the subscriber from the Fund is made as determined by the Bank from the subscriber's outstanding debt insured in Murabaha or in any other form of deferred sale or as determined by the Bank from the debt and/or the remaining amount from the finance asset in Ijarah In the following cases:

- Death of subscriber.
- The subscriber's physical disability, in whole or partially.
- The subscriber's insolvency to pay due to lack of income source for at least one year, without having what to sell, to pay his debt, or possessing the leased estate, and he has no hope to have income source in one coming year enabling him to pay or to continue in the finance lease.

The Mutual Insurance Fund balance is distributed as follows:

	Mar. 31, 2017	Dec. 31, 2016
	JD (Reviewed)	JD (Audited)
Period / Year – Ending balance	74,176,908	73,711,297
Against Deferred Sales Receivables (Impairment Provision)	(6,943,512)	(6,514,959)
Against Ijarah Muntahia Bittamleek receivables (Impairment Provision)	(121,534)	(81,219)
Excess of Mutual Insurance Fund	67,111,862	67,115,119

The provision for the Deferred Sales Receivables and Ijarah Muntahia Bittamleek receivables included in the mutual Insurance Fund as of December 31, 2014 was calculated in accordance to the Central Bank of Jordan instructions.

D. Subsidiaries Impairment Provisions

	Mar. 31, 2017	Dec. 31, 2016
	JD (Reviewed)	JD (Audited)
Al Samaha financing and investment company Ltd. – Note (7)	64,708	64,708
AL Omariah School company Ltd. – Note (7)	449,645	450,000
Total	514,353	514,708

Jordan Islamic Bank - Public Shareholding Limited Company
Notes to the Condensed Consolidated Interim Financial Statements
As of March 31, 2017 (Reviewed and Unaudited)

20 - Deferred Sales Revenues

The details of this item are as follows:

	Joint		Self	
	For the three Months Ended on Mar. 31,		For the three Months Ended on Mar. 31,	
	2017	2016	2017	2016
	JD (Reviewed)	JD (Reviewed)	JD (Reviewed)	JD (Reviewed)
Individuals (Retail):				
Murabaha to purchase-orderer	13,728,456	12,493,486	-	-
Deferred Sales	104,376	89,599	-	-
Ijarah Mawsoufa Bill Thimma	58,333	41,363	-	-
Real Estate Finances	8,904,255	8,412,719	-	39,498
Corporates:				
International Murabaha	21,497	7,166	-	-
Istisna'	55,728	-	-	-
Murabaha to purchase-orderer	3,883,873	5,915,272	-	-
Small and Medium Enterprises:				
Murabaha to purchase-orderer	2,158,153	2,410,326	-	-
Government and public sector	6,318,226	8,762,850	-	-
Total	35,232,897	38,132,781	-	39,498

21 - Finances Revenues

The details of this item are as follows:

	Joint		Self		Total	
	For the three Months Ended on Mar. 31,		For the three Months Ended on Mar. 31,		For the three Months Ended on Mar. 31,	
	2017	2016	2017	2016	2017	2016
	JD (Reviewed)	JD (Reviewed)	JD (Reviewed)	JD (Reviewed)	JD (Reviewed)	JD (Reviewed)
Individuals (Retail):						
Diminishing Musharaka	105,508	96,695	840	1,182	106,348	97,877
Total	105,508	96,695	840	1,182	106,348	97,877

22 - Profits of Financial Assets at fair value through equity – Joint

The details of this item are as follows:

	Joint	
	For the three Months Ended on Mar. 31,	
	2017	2016
	JD (Reviewed)	JD (Reviewed)
Dividends Received	854,719	211,197
Islamic Banks Fund	15,864	85,310
Islamic Sukuk Revenues	88,625	-
Total	959,208	296,507

23 - Investments in Real Estate Revenues

The details of this item are as follows:

	Joint	
	For the three Months	
	Ended on Mar. 31,	
	2017	2016
	JD	JD
	(Reviewed)	(Reviewed)
Profits Realized from investments in Real Estate	300,990	287,941
Total	300,990	287,941

24 - Share of Unrestricted Investment Accounts Holders

The details of this item are as follows:

	For the three Months	
	Ended on Mar. 31,	
	2017	2016
	JD	JD
	(Reviewed)	(Reviewed)
Banks and Financial Institution	2,269	3,268
Clients:		
Saving Accounts	1,748,210	1,680,314
Notice Accounts	154,759	146,893
Term Accounts	11,744,886	11,171,105
Total	13,650,124	13,001,580

25 - Bank's Share of the Joint Investment Accounts Revenues as Mudarib and Rab-Mal

The details of this item are as follows:

	For the three Months	
	Ended on Mar. 31,	
	2017	2016
	JD	JD
	(Reviewed)	(Reviewed)
As Mudarib	21,808,593	21,903,941
As Rab-Mal	7,972,929	8,829,434
Total	29,781,522	30,733,375

Jordan Islamic Bank - Public Shareholding Limited Company
Notes to the Condensed Consolidated Interim Financial Statements
As of March 31, 2017 (Reviewed and Unaudited)

26 - Bank's Self - Profits

The details of this item are as follows:

	For the three Months Ended on Mar. 31,	
	2017	2016
	JD	JD
	(Reviewed)	(Reviewed)
Deferred sales Revenues – Not (20)	-	39,498
Finances Revenues – Not (21)	840	1,182
Profits of financial assets at the fair value through the equity	4,175	3,677
Total	5,015	44,357

27 - Basic and Diluted Earnings per Share (EPS)

The details of this item are as follows:

	For the three Months Ended on Mar. 31,	
	2017	2016
	JD	JD
	(Reviewed)	(Reviewed)
Income after tax	11,175,005	11,701,620
Weighted Average Number of Shares	150,000,000	150,000,000
Basic and diluted earnings per Share (JD/Fills)	0/075	0/078

28 - Cash and Cash Equivalent

The details of this item are as follows:

	For the three Months Ended on Mar. 31,	
	2017	2016
	JD	JD
	(Reviewed)	(Reviewed)
Cash and Balances with Central Banks that are due within three months	1,077,335,729	841,020,286
Add: Balances with Banks and Banking Institutions that are due within three months	54,547,638	53,115,674
Less: Accounts with Banks and Banking Institutions that are due within three months	(5,031,684)	(5,284,818)
Total	1,126,851,683	888,851,142

Jordan Islamic Bank - Public Shareholding Limited Company
Notes to the Condensed Consolidated Interim Financial Statements
As of March 31, 2017 (Reviewed and Unaudited)

29 - Transactions with Related Parties

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

Company Name	Ownership Rate	Paid-up Capital	
		Mar. 31, 2017	Dec. 31, 2016
		JD (Reviewed)	JD (Audited)
Omariyah Schools company Ltd.	99.4%	8,550,000	8,550,000
Al Samaha Finacing and Investment company Ltd.	100%	12,000,000	12,000,000
Future Applied Computer Technology company Ltd.	100%	5,000,000	5,000,000
Sanabel Al-Khair for Financial Investments company Ltd.	100%	5,000,000	5,000,000

The Bank entered into transactions with the parent company, subsidiaries, affiliates, senior shareholders, Board members and senior Executive management within the ordinary operation of the Bank using Murabaha rates and commercial commissions. All deferred sale receivables, finances and Ijarah Muntahia Bittamleek granted to related parties are considered performing and no provisions were allocated for them.

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

	Related Parties				Total	
	Parent Company	Affiliates	Subsidiaries	Board Members and Senior Executive Management	Mar. 31, 2017	Dec. 31, 2016
	JD	JD	JD	JD	JD (Reviewed)	JD (Audited)
In consolidated Interim Statement of Financial Position item:						
Deferred sale receivables	-	1,944,328	310,791	7,039,017	9,294,136	7,787,226
Employee housing through Musharaka Financing	-	-	-	1,165,650	1,165,650	1,190,516
Musharaka Financing	-	-	3,667	-	3,667	3,667
Deposits	50,904	10,592,848	2,439,806	1,305,221	14,388,779	11,813,707
Off-consolidated Interim Statement of Financial Position items						
Guarantees and L/Cs	-	1,000	649,833	1,200,000	1,850,833	2,561,085
Consolidated Interim Statement of Income Items					Mar. 31, 2017 JD (Reviewed)	Mar. 31, 2016 JD (Reviewed)
Received revenues	-	35,029	6,774	43,689	85,492	98,616
Paid Profits	-	113,309	5,923	4,788	124,020	256,944

-The Murabaha rate of the granted finances reached 3.5% - 5.5% per annum as of March 31, 2017 (2016: 3.5% -5.5%).

-The profit rate of the Musharaka finances granted to the employees reached about 2% - 4.8% per annum as of March 31, 2017 (2016: 2% - 4.8%).

-The rate of guarantees commission reached 1% - 4% per annum as of March 31, 2017 (2016: 1% - 4%), and 1/4% - 3/8% on letters of credit for quarters as of March 31, 2017 (2016: 1/4% -3/8% for quarters).

C. Following is the summary of the Bank's Senior Executive Management Benefits (Salaries, Remunerations and other Benefits):

	For the three Months Ended on Mar. 31,	
	2017	2016
	JD (Reviewed)	JD (Reviewed)
Salaries, Remunerations and Transportation	822,986	974,467
End of service benefits	118,787	-
Total	941,773	974,467

30-Information on the Bank's Sectors

A. Information on the Bank's activities

The bank is organized for administrative purposes by measuring sectors based on the reports submitted to the General Manager and the primary decision maker in the bank through four main business sectors:

Individuals' Accounts

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

Institutions' Accounts

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

Investment in Assets

This sector includes investing in real estate, and leasing.

Treasury

This sector includes provision of trading, and Bank's funds management services.

Jordan Islamic Bank - Public Shareholding Limited Company
Notes to the Condensed Consolidated Interim Financial Statements
As of March 31, 2017 (Reviewed and Unaudited)

B. Below is information on the bank's business sectors distributed according to the activities:

	Individuals	Enterprises	Investment in Assets	Treasury	Others	Total	
						Mar. 31, 2017	Mar. 31, 2016
	JD	JD	JD	JD	JD	JD (Reviewed)	JD (Reviewed)
Total Revenues (Jointly and self Financed)	33,703,566	15,938,619	1,285,853	2,956,199	18,713	53,902,950	54,298,234
Net results of Subsidiaries	-	-	1,234,267	-	-	1,234,267	547,277
Share of the Investment Risks Fund from the revenues of Joint Investment Accounts Holders	(3,000,896)	(1,459,762)	(128,585)	(236,496)	-	(4,825,739)	(4,859,440)
Share of the unrestricted Investment Accounts and non-controlling interests from the net results of subsidiary companies	(11,692,614)	(1,305,238)	(1,234,267)	(652,272)	-	(14,884,391)	(13,548,857)
Sector Business Results	19,010,056	13,173,619	1,157,268	2,067,431	18,713	35,427,087	36,437,214
Distributed Expenses	(10,304,508)	(7,333,594)	(393,284)	(1,013,041)	-	(19,044,427)	(18,439,349)
Income before tax	8,705,548	5,840,025	763,984	1,054,390	18,713	16,382,660	17,997,865
Income Tax	(2,831,740)	(1,980,745)	(126,894)	(263,598)	(4,678)	(5,207,655)	(6,296,245)
Income after tax	5,873,808	3,859,280	637,090	790,792	14,035	11,175,005	11,701,620
						Mar. 31, 2017	Dec. 31, 2016
						JD (Reviewed)	JD (Audited)
Sector Assets	1,134,211,475	903,294,209	826,475,559	1,149,608,367	-	4,013,589,610	4,000,796,189
Investment in Affiliates	-	-	7,730,046	-	-	7,730,046	7,658,670
Assets not distributed to Sectors	-	-	-	-	94,564,258	94,564,258	91,064,837
Total Assets	1,134,211,475	903,294,209	834,205,605	1,149,608,367	94,564,258	4,115,883,914	4,099,519,696
Sector Liabilities	3,184,623,710	392,351,926	-	5,031,684	-	3,582,007,320	3,597,919,471
Liabilities not Distributed to Sectors	-	-	-	-	179,822,897	179,822,897	158,880,463
Total Liabilities	3,184,623,710	392,351,926	-	5,031,684	179,822,897	3,761,830,217	3,756,799,934
						Mar. 31, 2017	Mar. 31, 2016
						JD (Reviewed)	JD (Reviewed)
Capital Expenditure	-	-	-	-	3,769,409	3,769,409	875,517
Depreciations and amortizations	-	-	-	-	1,937,854	1,937,854	2,701,258

31 - Capital Management

The capital of the bank consists of the paid-up capital, reserves- including the statutory, voluntary, general banking risks reserves- and other reserves, and retained earnings.

According to the Central Bank of Jordan instructions based on the decisions of Islamic Financial Services Board, the bank has to keep an adequate capital to face the risks that are associated with its transactions which consist in the credit risks, market risks and operational risks. The capital adequacy ratio should not be less than 12% according to the established instructions.

The bank works to achieve the objectives of the capital through the follows:

- Realizing acceptable returns on capital without compromising the financial stability as well as realizing acceptable return on equity.
- Achieving the required level of capital in pursuance of the requirements of Basel Committee of Banking Supervision and the trends of the supervisory bodies.
- Providing an adequate capital to expand the granting of financings and large investments in consistency with the instructions of the Central Bank as well as facing any future risks.

The bank determines the capital adequacy ratio according to the instructions of the Central Bank of Jordan based on the Islamic Financial Services Board decisions. Below is the capital adequacy ratio compared with the previous year:

	Mar. 31, 2017	Dec. 31, 2016
	Thousand JD	Thousand JD
	(Reviwed)	(Audited)
Primary Capital Items:	315,554	315,330
Subscribed (paid-up) capital	150,000	150,000
Statutory Reserve	68,371	68,371
Voluntary Reserve	22,617	22,617
Retained Earnings	77,624	77,624
50% of Bank's share from investments in Banks' capitals and other financial companies	(247)	(247)
50% of Bank's share from investment in insurance companies	(901)	(1,006)
Intangible Assets	(1,910)	(2,029)
Supplementary Capital Items:	12,839	13,393
Fair value reserve of the financial assets at fair value through ownership equities	345	274
Bank's share from the fair value reserve of the financial assets at fair value through the joint investment accounts holders equities	191	622
Bank's share from the surplus of the investment risks fund	8,568	8,463
General Banking Risks Reserve / self	1,000	1,000
Bank's share from the general banking risks reserve / joint	3,883	4,287
50% of the Bank's share from investments in banks' capitals and other financial companies	(247)	(247)
50% of the Bank's share from investment in insurance companies	(901)	(1,006)
Total Regulatory Capital	328,393	328,723
Total Risk wieghted Assets	1,507,593	1,493,081
Capital Adequacy Ratio	21.78%	22.02%
Primary Capital Ratio	20.93%	21.12%

32 - Potential Obligations (Off the Condensed Consolidated Interim Statement of Financial Position)

Credit Obligations:

	Mar. 31, 2017	Dec. 31, 2016
	JD (Reviewed)	JD (Audited)
L/Cs	39,988,430	38,579,418
Acceptances	6,764,559	5,325,298
Guarantees:	111,947,867	114,674,722
- Paying	32,806,429	33,446,779
- Performance	49,684,485	51,360,474
- others	29,456,953	29,867,469
Unutilized Limits	138,839,043	140,915,403
Total	297,539,899	299,494,841

33 - Lawsuits filed against the Bank

The value of the lawsuits filed against the bank (self) amounted JD 10,868,309 as of March 31, 2017 and no provision is needed, compared to JD 10,903,574 as of December 31, 2016 with a provision of JD 76,927. In addition, the value of the lawsuits filed against the bank (joint) as of March 31, 2017 amounted JD 1,869,056 with a provision of JD 174,293 compared to JD 1,575,049 as of December 31, 2016 with a provision of JD 174,293. In the opinion of the Bank's management and its Legal Advisor, consequences incurred by the cases of joint investment accounts are booked on the Investment Risks Fund. What the Bank may incur (self) will be covered from the Bank's provisions.

34 - Transfer to Reserves

The bank didn't transfer any amounts to reserves according to the companies law, since these Condensed Financial Statements are Interim.