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نموذج رقم (4-1) Form No. (1-4)	
Jordan Islamic Bank  البنك الإسلامي الأردني 	
To: Jordan Securities Commission Amman Stock Exchange Date :- 27/7/2017 Subject: Semi- Annual Report as of 30/06/2017	السادة هيئة الأوراق المالية السادة بورصة عمان التاريخ:- 2017/7/27 الموضوع: التقرير نصف السنوي كما هو في 2017/06/30
Attached the company's Semi- Annual Report of (Jordan Islamic Bank) As of 30/06/20 17 English Version and it's subject to the Central Bank of Jordan Approval.	مرفق طيه نسخة من التقرير نصف السنوي لشركة (البنك الاسلامي الاردني) باللغة الانجليزية كما هو بتاريخ 2017/06/30 م وهي خاضعة لموافقة البنك المركزي الأردني
Kindly accept our highly appreciation and respect Company's Name: Jordan Islamic Bank General Manager's Signature	وتفضلوا بقبول فائق الاحترام... اسم الشركة : البنك الاسلامي الاردني توقيع المدير العام 

هيئة الأوراق المالية
الدائرة الإدارية / الديوان
٣١ شتوز ٢٠١٧
الرقم التسلسل
الجهة المختصة
٢٠١٧/٠٦/٣٠

JORDAN ISLAMIC BANK

PUBLIC SHAREHOLDING COMPANY

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(REVIEWED AND UNAUDITED)

30 JUNE 2017

JORDAN ISLAMIC BANK
PUBLIC SHAREHOLDING COMPANY
INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (REVIEWED AND UNAUDITED)

Table of Contents

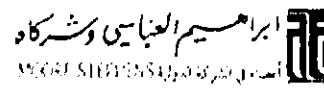
Review Report on the Interim Condensed Consolidated Financial Statements

	<u>Statement</u>
Interim Condensed Consolidated Statement of Financial Position	A
Interim Condensed Consolidated Statement of Income	B
Interim Condensed Consolidated Statement of Other Comprehensive Income	C
Interim Condensed Consolidated Statement of Changes in Owner's Equity	D
Interim Condensed Consolidated Statement of Cash Flows	E
Interim Condensed Consolidated Statement of Sources and Uses of Funds of Qard Hasan Fund	F
	<u>Page</u>
Notes to the Interim Condensed Consolidated Financial Statements	1-33



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**REVIEW REPORT ON THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
TO THE BOARD OF DIRECTORS OF JORDAN ISLAMIC BANK
AMMAN - JORDAN**

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of JORDAN ISLAMIC BANK (the "Bank") and its subsidiaries (the "Group") as at 30 June 2017, comprising of interim condensed consolidated statement of financial position as at 30 June 2017 and the related interim condensed consolidated statements of income, other comprehensive income, changes in owners' equity, cash flows and sources and uses of funds of Qard Hasan Fund for the six months period then ended and explanatory notes. The Board of Directors is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with the accounting policies described in Note (2) to the interim condensed consolidated financial statements. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Accounting and Auditing Standards for Islamic Financial Institutions and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, 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 interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with the accounting policies described in Note (2) to the interim condensed consolidated financial statements.

Other matters

The consolidated financial statements for the year ended 31 December 2016 and the interim condensed consolidated financial statements for the period ended 30 June 2016 were audited and reviewed respectively by Ibrahim Abbasi & Co. as the sole auditor for the Bank for the year 2016. Unqualified opinion and unqualified conclusion were issued on these financial statements on 8 February 2017 and 27 July 2016 respectively. Ernst & Young - Jordan and Ibrahim Abbasi & Co. were appointed as joint auditors for the Bank for the year 2017 in accordance with Central Bank of Jordan regulations for corporate governance.

Ernst & Young / Jordan

Mohammad Ibrahim Al-Karaki
License No. 882

ERNST & YOUNG
Amman - Jordan

Amman - Jordan
27 July 2017



Ibrahim Abbasi & Co.
(Moore Stephanes International)

Ahmad Mohammad Abassi
License No. 710

JORDAN ISLAMIC BANK - PUBLIC SHAREHOLDING COMPANY
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF 30 JUNE 2017 (REVIEWED AND UNAUDITED)

STATEMENT (A)

	Notes	30 June 2017 JD (Reviewed)	31 December 2016 JD (Audited)
<u>Assets</u>			
Cash and balances with Central Banks	4	1,040,336,669	1,090,770,170
Balances at banks and financial institutions	5	50,756,901	41,713,931
Investment accounts at banks and financial institutions	6	17,725,000	17,725,000
Deferred sale receivables and other receivables - net	7	2,066,177,146	2,044,488,509
Ijarah muntahia bittamleek assets - net	8	593,003,349	565,944,539
Financing facilities –net	9	29,961,504	30,064,026
Financial assets at fair value through owner's equity – self financed	10	10,084,619	7,544,141
Financial assets at fair value through investments account holders equity – joint	11	49,725,698	54,536,797
Financial assets at amortized cost	12	64,166,900	37,760,000
Investments in associates		8,284,489	7,658,670
Investment in real estates	13	121,819,397	110,249,076
Qard Hasan – net		8,879,104	7,966,851
Property and equipment- net		74,343,453	71,633,380
Intangible assets		1,771,083	2,028,836
Other assets	14	11,641,501	9,435,770
Total Assets		4,148,676,813	4,099,519,696
<u>LIABILITIES, JOINT INVESTMENT ACCOUNTS HOLDERS' EQUITY, NON-CONTROLLING INTERESTS AND EQUITY</u>			
Liabilities			
Banks and financial institutions deposits		3,564,535	8,812,042
Customers current and on demand deposits	15	1,180,493,813	1,199,334,692
Cash margins		48,967,884	47,919,206
Accounts payable		2,684,612	1,162,406
Other provisions		6,500,000	6,500,000
Income tax provision	16	15,216,449	25,425,244
Deferred tax liabilities		495,311	327,556
Other liabilities		29,525,976	15,450,746
Total Liabilities		1,287,448,580	1,304,931,892

The accompanying notes from (1) to (35) form an integral part of these interim condensed consolidated financial statements

JORDAN ISLAMIC BANK - PUBLIC SHAREHOLDING COMPANY
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF 30 JUNE 2017 (REVIEWED AND UNAUDITED)

STATEMENT (A)

	Notes	30 June 2017 JD (Reviewed)	31 December 2016 JD (Audited)
Joint Investment Accounts Holders' Equity -			
Unrestricted investment accounts	17	2,451,250,482	2,389,772,737
Investment accounts holders' in subsidiaries and affiliates reserve		16,179,348	14,445,401
Fair value reserve	18	10,046,453	11,210,857
Deferred tax liabilities		5,409,629	6,036,616
Total Joint Investment Accounts Holders' Equity		2,482,885,912	2,421,465,611
Non-controlling interests		133,733	130,070
Total Joint Investment Accounts Holders' Equity and Non-Controlling Interests		2,483,019,645	2,421,595,681
Equity -			
Shareholders' Equity			
Paid-in capital		180,000,000	150,000,000
Statutory reserve		68,370,796	68,370,796
Voluntary reserve		22,617,024	22,617,024
General banking risk reserve		1,000,000	1,000,000
Fair value reserve	18	919,864	608,319
Retained earnings		47,623,623	100,123,623
Profit for the period after tax		25,864,263	-
Total Shareholders' Equity		346,395,570	342,719,762
Total Liabilities, Joint Investment Accounts Holders' Equity, Non-Controlling Interests, and Equity		4,148,676,813	4,099,519,696
Accounts Managed For Others:			
Restricted investments		28,953,343	28,824,979
Muqarada bonds		404,166,313	368,099,076
Wakala investments		12,902,435	6,222,149



CEO / General Manager



Chairman

The accompanying notes from (1) to (35) form an integral part of these condensed consolidated interim financial statements

JORDAN ISLAMIC BANK - PUBLIC SHAREHOLDING COMPANY
INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME

FOR THE SIX AND THREE MONTHS ENDED 30 JUNE 2017 (REVIEWED AND UNAUDITED)

STATEMENT (B)

	Note	For the Three Months Ended 30 June		For the Six Months Ended 30 June	
		2017	2016	2017	2016
		JD (Reviewed)	JD (Reviewed)	JD (Reviewed)	JD (Reviewed)
Deferred sale revenues	20	34,232,141	36,970,939	69,465,038	75,103,720
Financing revenues	21	109,689	101,083	215,197	197,778
Gain from financial assets at fair value through joint investment accounts holders' equity	22	678,472	2,085,965	1,637,680	2,382,472
Gain from financial assets at amortized cost	23	606,522	-	606,522	-
Dividends from subsidiaries and associates		86,760	880,849	86,760	880,849
Revenue from Investments in real estate	24	168,280	369,315	469,270	657,256
Revenue from leased assets and Ijarah muntahia bittamleek		11,014,932	9,732,613	21,388,080	19,455,846
Revenue from other investments		25,810	34,587	1,311,444	91,825
Revenues of Joint Investment Accounts		46,922,606	50,175,351	95,179,991	98,769,746
Net income of subsidiaries		594,037	363,519	1,109,786	910,796
Share of (Loss) gain from investments in associates		(296,065)	42,810	422,453	321,825
Total Revenues of Joint Investment Accounts		47,220,578	50,581,680	96,712,230	100,002,367
Share of unrestricted investment accounts holders	25	(12,914,172)	(13,177,252)	(26,564,296)	(26,178,832)
Share of investment accounts holders' from income of subsidiaries		(592,702)	(344,264)	(1,107,244)	(867,254)
Share of non-controlling interests' from income of subsidiaries		(1,335)	(19,255)	(2,542)	(43,542)
Share of (loss) gain from investments in associates		296,065	(42,810)	(422,453)	(321,825)
Share of investment risks fund		(4,692,260)	(5,017,535)	(9,517,999)	(9,876,975)
Bank's Share of the Joint Investment Accounts Revenues as Mudarib and Rab-Mal	26	29,316,174	31,980,564	59,097,696	62,713,939
Bank's self-financed revenue	27	13,729	126,582	18,744	170,939
Bank's share in restricted investments revenues as Mudarib		2,243,247	349,855	2,273,169	365,564
Bank's share in restricted investments revenues as Wakeel		21,499	14,138	40,212	25,340
Banking services revenues		4,788,458	4,891,149	9,766,556	9,823,584
Foreign currency gain		585,969	476,451	982,708	947,466
Other income		577,708	392,414	794,786	621,535
Gross Income		37,546,784	38,231,153	72,973,871	74,668,367
Employees expenses		(7,884,119)	(7,505,467)	(19,466,853)	(18,347,718)
Depreciation and amortization		(2,107,708)	(2,195,665)	(4,045,562)	(4,896,923)
Other expenses		(4,633,252)	(4,126,999)	(10,157,091)	(9,022,839)
Total Expenses		(14,625,079)	(13,828,131)	(33,669,506)	(32,267,480)
Profit Before Income Tax		22,921,705	24,403,022	39,304,365	42,400,887
Income tax	16	(8,232,447)	(8,184,588)	(13,440,102)	(14,480,833)
Profit After Income Tax for the Period		14,689,258	16,218,434	25,864,263	27,920,054
		JD / FILS	JD / FILS	JD / FILS	JD / FILS
Basic and Diluted Earnings per Share for the Period	28	0.082	0.090	0.144	0.155


CEO / General Manager


Chairman

The accompanying notes from (1) to (35) form an integral part of these interim condensed consolidated financial statements

JORDAN ISLAMIC BANK - PUBLIC SHAREHOLDING COMPANY

INTERIM CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

FOR THE THREE AND SIX MONTHS ENDED 30 JUNE 2017 (REVIEWED AND UNAUDITED)

STATEMENT (C)

	For the Six Months Ended 30 June		For the Six Months Ended 30 June	
	2017	2016	2017	2016
	JD	JD	JD	JD
	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)
Profit after income tax for the period	14,689,258	16,218,434	25,864,263	27,920,054
Add: Other Comprehensive Income, net after Tax:				
Change in fair value of financial assets – net	152,615	1,200	311,545	(13,861)
Total Comprehensive Income for the Period	14,841,873	16,219,634	26,175,808	27,906,193

The accompanying notes from (1) to (35) form an integral part of these interim condensed consolidated financial statements

JORDAN ISLAMIC BANK - PUBLIC SHAREHOLDING COMPANY
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN OWNER'S EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE 2017 (REVIEWED AND UNAUDITED)

STATEMENT (D)

	Paid-up Capital	Statutory Reserve	Voluntary Reserve	General			Fair Value Reserve **	Retained Earnings	Profit for the Period	Total
	JD	JD	JD	Banking Risk Reserve*	JD	JD	JD	JD	JD	JD
For the six months ended 30 June 2016 (Reviewed) -										
Balance at 1 January 2016	150,000,000	59,988,116	14,272,844	700,000		562,291	85,631,408	-		311,154,659
Profit for the period after tax	-	-	-	-		-	-	27,920,054		27,920,054
Change in fair value reserve	-	-	-	-		(13,861)	-	-		(13,861)
Total Comprehensive Income for the Period	-	-	-	-		(13,861)	-	27,920,054		27,906,193
Dividends distribution***	-	-	-	-		-	(22,500,000)	-		(22,500,000)
Balance at 30 June 2016	150,000,000	59,988,116	14,272,844	700,000		548,430	63,131,408	27,920,054		316,560,852

* The general banking risk reserve amounted to JD 700,000 as at 30 June 2016 is restricted from use subject to Central Bank of Jordan approval.

** The fair value reserve amounted to JD 548,430 is restricted from use.

*** The General Assembly approved on 26 April 2016 the distribution of 15% of its capital as cash dividends amounted to JD 22,500,000.

The accompanying notes from (1) to (35) form an integral part of these interim condensed consolidated financial statements

JORDAN ISLAMIC BANK - PUBLIC SHAREHOLDING COMPANY
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 JUNE 2017 (REVIEWED AND UNAUDITED)

STATEMENT (E)

	Note	For The Six Months Ended on 30 June 2017	
		2017	2016
		JD (Reviewed)	JD (Reviewed)
Cash Flows from Operating Activities			
Profit before Tax		39,304,365	42,400,887
Adjustments for non-monetary items:			
Depreciations and amortizations		4,045,562	4,896,923
Investment risk fund		1,540,657	7,536,655
Provision for repossessed real estates		(3,090)	8,046
Impairment provision for acquired real estates		57,078	-
Impairment provision for financial assets		1,818,373	-
Gain on sale of property and equipment		(29,200)	(101,498)
Exchange rates effect on cash and cash equivalents		(546,985)	(540,569)
Profit before Change in Assets and Liabilities		46,186,760	54,200,444
Change in Assets and Liabilities:			
Increase in investment accounts at banks and financial institutions for more than 3 Months		-	(10,280,500)
Increase in deferred sales receivables and other receivables		(21,688,637)	(40,379,865)
Increase in financing facilities		102,522	(900,862)
Increase in Ijara muntahia bitamleek assets		(27,058,810)	(38,914,064)
Increase in Qard Hasan		(912,253)	(3,833,453)
Increase in other assets		(2,205,731)	(1,252,979)
(Decrease) increase in current and on demand accounts		(18,840,879)	72,057,900
Increase (decrease) in accounts payable		1,522,206	(669,348)
Increase in cash margins		1,048,678	6,809,543
Increase in other liabilities		14,075,230	2,397,362
Net change in Assets and Liabilities		(53,957,674)	(14,966,266)
Net Cash Flows (Used in) from Operating Activities before Tax		(7,770,914)	39,234,178
Tax paid		(23,648,897)	(20,945,676)
Net Cash Flows (Used in) from Operating Activities		(31,419,811)	18,288,502
Cash flows from Investment Activities			
Proceeds from sale of financial assets at fair value through equity		-	230,452
Purchase of financial assets at fair value through equity		(2,061,178)	-
Proceeds from sale of financial assets at fair value through joint investment accounts holders' equity		2,172,051	8,217,730
Purchase of financial assets at fair value through joint investment account holders equity		(549,160)	(41,897,288)
Purchase of financial assets at amortized cost – net		(27,439,000)	-
Proceeds from sale of financial assets at amortized cost- net		1,032,100	-
Proceeds from sale of investments in real estates		2,780,534	294,021
Purchase of investment in real estates		(14,826,399)	(3,998,894)
Proceeds from sale of property and equipment		35,668	934,052
Purchase of property and equipment		(6,122,755)	(2,172,569)
Purchase of intangible assets		(381,595)	(787,443)
Net Cash Flows Used in Investment Activities		(45,359,734)	(39,179,939)
Cash Flow from Financing Activities			
Increase in unrestricted investment accounts holders' equity		62,589,536	56,737,316
Dividends paid		(22,500,000)	(22,500,000)
Net Cash Flow from Financing Activities		40,089,536	34,237,316
Net (Decrease) Increase in Cash and Cash Equivalents		(36,690,009)	13,345,879
Exchange rates effect on cash and cash equivalents		546,985	540,569
Cash and cash equivalents at the beginning of the period	29	1,123,672,059	935,103,162
Cash and Cash Equivalents at End of Period	29	1,087,529,035	948,989,610

The accompanying notes from (1) to (35) form an integral part of these condensed consolidated interim financial statements

JORDAN ISLAMIC BANK - PUBLIC SHAREHOLDING COMPANY

INTERIM CONDENSED CONSOLIDATED STATEMENT OF SOURCES AND USES OF FUNDS OF QARD HASAN FUND

AS OF 30 JUNE 2017 (REVIEWED AND UNAUDITED)

STATEMENT (F)

	30 June 2017 JD (Reviewed)	31 December 2016 JD (Audited)
Beginning balance for the period / year	12,466,851	9,049,576
Sources of the Fund:		
Sources the bank is authorized to use	4,236,138	13,372,351
Sources from outside the bank	1,792,507	1,787,393
Total Sources of the Fund for the Period / Year	6,028,645	15,159,744
Uses of Fund's Sources:		
Education	1,077,702	1,387,855
Medical treatment	532,665	805,254
Marriage	169,650	285,770
Overdraft accounts	4,254,702	10,951,652
Social advances for the bank employees	906,179	2,151,404
The fund's contribution to the Jordan Loans Guarantee Corporation	-	2,995,084
Total Uses for the Period / Year	6,940,898	18,577,019
Ending Balance for the Period / Year	13,379,104	12,466,851
Less: impairment provision – self financed	(4,500,000)	(4,500,000)
Ending Balance for the Period / Year - Net	8,879,104	7,966,851

The accompanying notes from (1) to (35) form an integral part of these interim condensed consolidated financial statements

JORDAN ISLAMIC BANK - PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS OF 30 JUNE 2017 (REVIEWED AND UNAUDITED)

(1) General Information

Jordan Islamic Bank (the "Bank") was established as a public shareholding 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 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 applicable Banks Law.

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

The interim condensed consolidated financial statements were authorized by the Bank's Board of Directors in their No. (3) Held on 27 July 2017.

(2) Significant Accounting Policies

Basis of Preparation of the Interim Condensed Consolidated Financial Statements:

The accompanying interim condensed consolidated financial statements of the Bank and its subsidiaries financed from the Bank's funds and the joint investment funds have been prepared in accordance with the Financial Accounting standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIF), and in conformity applicable laws and regulations of the Central Bank of Jordan.

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

The interim condensed consolidated financial statements are prepared on the historical cost basis except for the financial assets at the fair value through equity and the financial assets at the fair value through the joint investment account holders equity, and investment in real estate that have been measured at fair value at the date of the interim condensed consolidated financial statements.

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

The interim condensed consolidated financial statements do not contain all information and disclosures for annual consolidated financial statements prepared in accordance with Sharia' rules and principles determined by the Bank's Sharia Supervisory Board and in accordance with Financial Accounting Standards issued by Accounting and Auditing organization for Islamic financial Institutions (AAOIFI) and it shall be read in conjunction with the Bank's annual financial statements as of 31 December 2016. In addition, the results for the six months period ended 30 June 2017 do not necessarily indicate the expected results for the year ended 31 December 2017 and no appropriation was made for the Six months profit ended 30 June 2017 since it is made at year-end.

JORDAN ISLAMIC BANK - PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS OF 30 JUNE 2017 (REVIEWED AND UNAUDITED)

Bases of Consolidation:

The interim condensed consolidated 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 has power to govern the financial and operating policies of subsidiaries in order to obtain benefit from their activities. The transactions, balances, revenues and expenses between the Bank and its subsidiaries are eliminated.

The financial statements of subsidiaries are prepared for the same reporting period as the Bank, using consistent accounting policies.

The Bank owns the following subsidiaries as of 30 June 2017:

Company Name	Paid in capital JD	Bank's ownership	Nature of Business	Country of Incorporation	Acquisition Date
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 are consolidated in the interim condensed consolidated statement of income from the acquisition date, being the date the Bank obtains control over subsidiaries. The results of operations for disposed subsidiaries shall be consolidated in the interim condensed consolidated statement of income 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.

Investments in subsidiaries are accounted for at cost when the Bank issues separate financial statements.

(3) Use of Estimates

The preparation of interim condensed consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of financial assets and liabilities and disclosure of contingent liabilities. These estimates and assumptions also affect the revenues and expenses and the resultant provisions as well as fair value changes reported in equity. In particular, considerable judgment by management is required in the estimation of the amount and timing of future cash flows when determining the level of provisions. Such estimates are necessary based on assumptions about several factors involving varying degrees of judgment and uncertainty and actual results may differ resulting in future changes in such provisions.

JORDAN ISLAMIC BANK - PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS OF 30 JUNE 2017 (REVIEWED AND UNAUDITED)

- Impairment provision for deferred sales and financing: The Bank appropriate 10% (2016: 10%) of net revenues from jointly financed accounts and are transferred to the investment risk fund in accordance with the provisions of Article (55) of the Banks Law and compared with provisions calculated based on the Central Bank of Jordan regulations.
- Income tax provision: Income tax expense is calculated in according with applicable tax law and accounting standards. Also, the deferred tax assets and liabilities as well as the required tax provision are estimated and recorded.
- Management periodically reevaluates the financial assets carried at cost in order to assess any impairment. Impairment on financial assets is allocated in accordance to the financing party.

(4) Cash and Balances with Central Banks

The details of this item are as follows:

	30 June 2017	31 December 2016
	JD (Reviewed)	JD (Audited)
Cash in vaults	152,490,594	120,387,742
Balances at the Central Bank of Jordan:		
Current accounts	638,097,089	724,292,888
Statutory cash reserve	249,748,986	246,089,540
Total balances at the Central Bank of Jordan	887,846,075	970,382,428
Total	1,040,336,669	1,090,770,170

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

An amount of JD 91,038,020 and JD 46,777,481 were deducted from cash and balances with central banks as of 30 June 2017 and 31 December 2016 respectively, representing cash balances of restricted investment accounts, Muqarada Bonds accounts and Wakala investment accounts that are not invested yet.

There are no balances maturing within six months as of 30 June 2017 and 31 December 2016.

There are no restricted balances except for the statutory cash reserve as of 30 June 2017 and 31 December 2016.

JORDAN ISLAMIC BANK - PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS OF 30 JUNE 2017 (REVIEWED AND UNAUDITED)

(5) Balances at Banks and Financial Institutions

The details of this item are as follows:

	Local Banks and Financial Institutions		Foreign Banks and Financial Institutions		Total	
	30 June 2017	31 December 2016	30 June 2017	31 December 2016	30 June 2017	31 December 2016
	JD	JD	JD	JD	JD	JD
	(Reviewed)	(Audited)	(Reviewed)	(Audited)	(Reviewed)	(Audited)
Current and on demand accounts	1,560	1,560	39,565,758	30,761,387	39,567,318	30,762,947
Unrestricted investment accounts maturing within 3 months or less	-	-	11,189,583	10,950,984	11,189,583	10,950,984
Total	1,560	1,560	50,755,341	41,712,371	50,756,901	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 get any interest on current and demand accounts at local and foreign banks and financial institutions.
- There are no restricted balances at the local and foreign banks and financial institutions as of 30 June 2017 and 31 December 2016.

JORDAN ISLAMIC BANK - PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS OF 30 JUNE 2017 (REVIEWED AND UNAUDITED)

(6) Investment Accounts at Banks and Financial Institutions

The details of this item are as follows:

	Foreign Banks and Financial Institutions	
	30 June 2017	31 December 2016
	JD (Reviewed)	JD (Audited)
Mature within more than 1 year	17,725,000	17,725,000
Total	17,725,000	17,725,000

- There are no restricted balances at the foreign banks and financial institutions as of 30 June 2017 and 31 December 2016.

JORDAN ISLAMIC BANK - PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS OF 30 JUNE 2017 (REVIEWED AND UNAUDITED)

(7) Deferred Sales Receivables and Other Receivables –Net

The details of this item are as follows:

	Joint		Self		Total	
	30 June 2017	31 December 2016	30 June 2017	31 December 2016	30 June 2017	31 December 2016
	(Reviewed) JD	(Audited) JD	(Reviewed) JD	(Audited) JD	(Reviewed) JD	(Audited) JD
Individuals (retail):						
Purchase/orderer Murabaha	710,531,651	699,205,090	-	-	710,531,651	699,205,090
Deferred Sales	5,291,801	4,088,360	-	-	5,291,801	4,088,360
Ijarah Mawsoufa Bel Thimma	2,852,732	2,451,205	-	-	2,852,732	2,451,205
Ijarah Muntahia Beltamleek receivables	4,125,165	3,301,106	-	-	4,125,165	3,301,106
Customers receivables	4,045,651	2,771,725	6,218,266	7,569,212	10,263,917	10,340,937
Real estate financing	478,689,189	459,239,121	200,000	250,000	478,889,189	459,489,121
Corporates:						
International Murabaha	24,259,600	23,123,110	-	-	24,259,600	23,123,110
Istisna'	6,283,634	3,783,797	-	-	6,283,634	3,783,797
Purchase/orderer Murabaha	350,786,433	352,109,805	-	-	350,786,433	352,109,805
Small and Medium Enterprises (SME's):						
Purchase/orderer Murabaha	155,217,095	150,004,821	-	-	155,217,095	150,004,821
Government and public sector	621,800,093	639,067,907	-	361,018	621,800,093	639,428,925
Total	2,363,883,044	2,339,146,047	6,418,266	8,180,230	2,370,301,310	2,347,326,277
Less: Deferred revenues *	(211,813,418)	(218,888,309)	(20,000)	(30,000)	(211,833,418)	(218,918,309)
Less: Suspended revenues **	(11,521,763)	(10,601,110)	-	-	(11,521,763)	(10,601,110)
Less: Provision for impairment	(80,128,223)	(72,668,349)	(640,760)	(650,000)	(80,768,983)	(73,318,349)
Net Deferred Sales and Other Receivables	2,060,419,640	2,036,988,279	5,757,506	7,500,230	2,066,177,146	2,044,488,509

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

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

JORDAN ISLAMIC BANK - PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS OF 30 JUNE 2017 (REVIEWED AND UNAUDITED)

Movement of deferred sale receivables, other receivables and financing – self financed impairment provision:

30 June 2017 (Reviewed)	Individuals		Real estate Financing		Corporates		Small & Medium Enterprises		Government & Public Sector		Total	
	JD		JD		JD		JD		JD		JD	
Beginning balance for the period	650,000		-		-		-		-		650,000	
Change for the period	(9,240)		-		-		-		-		(9,240)	
Used during the period (write-offs)												
Ending balance for the period	640,760		-		-		-		-		640,760	
30 June 2017 (Reviewed)	Individuals		Real Estate Financing		Corporates		Small & Medium Enterprises		Government & Public Sector		Total	
	JD		JD		JD		JD		JD		JD	
Impairment provision of non-performing Qard Hasan	262,746		-		-		-		-		262,746	
Impairment provision of watch list Qard Hasan on customer basis	207,171		-		-		-		-		207,171	
Impairment provision of watch list Qard Hasan on portfolio basis	170,843		-		-		-		-		170,843	
Total	640,760		-		-		-		-		640,760	

JORDAN ISLAMIC BANK - PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS OF 30 JUNE 2017 (REVIEWED AND UNAUDITED)

	Individuals	Real estate Financing	Corporates	Small & Medium Enterprises	Government & Public Sector	Total
	JD	JD	JD	JD	JD	JD
31 December 2016 (Audited)						
Beginning balance for the year	525,000	-	-	-	-	525,000
Change for the period	125,000	-	-	-	-	125,000
Used during the period (write-offs)	-	-	-	-	-	-
Ending balance for the year	650,000	-	-	-	-	650,000

	Individuals	Real Estate Financing	Corporates	Small & Medium Enterprises	Government & Public Sector	Total
	JD	JD	JD	JD	JD	JD
31 December 2016 (Audited)						
Provision of non-performing Qard Hasan	279,757	-	-	-	-	279,757
Impairment provision of watch list Qard Hasan on customer basis	190,345	-	-	-	-	190,345
Impairment provision of watch list Qard Hasan on portfolio basis	179,898	-	-	-	-	179,898
Total	650,000	-	-	-	-	650,000

There is no unneeded provision as a result of settlements or debt payments and transferred to other receivables, financing, and Ijarah as of 30 June 2017 and 31 December 2016.

JORDAN ISLAMIC BANK - PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS OF 30 JUNE 2017 (REVIEWED AND UNAUDITED)

Movement on the deferred sale receivables is as follow:

	30 June 2017 (Reviewed)	
	Deferred Sales Receivables	Deferred Revenues
	JD	JD
Beginning balance for the period	4,088,360	179,933
Additions	2,056,552	530,259
Disposals	(853,111)	(234,639)
Balance at the end of the period	5,291,801	475,553

Movement on the suspended revenues is as follow:

	Joint (Reviewed)				
	30 June 2017				
	Individuals	Real Estate Financing	Corporates	Small & Medium Enterprises	Total
	JD	JD	JD	JD	JD
Beginning balance for the period	2,536,469	3,442,334	2,792,514	1,829,793	10,601,110
Add: Suspended revenues during the period	531,473	721,281	585,122	383,401	2,221,277
Less: Suspended revenues transferred to revenues	(347,307)	(247,953)	(457,814)	(247,550)	(1,300,624)
Balance at the end of the period	2,720,635	3,915,662	2,919,822	1,965,644	11,521,763

	Joint (Audited)				
	31 December 2016				
	Individuals	Real Estate Financing	Corporates	Small & Medium Enterprises	Total
	JD	JD	JD	JD	JD
Beginning balance for the year	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 Written off	(290,787)	-	(216,389)	-	(507,176)
Ending balance for the year	2,536,469	3,442,334	2,792,514	1,829,793	10,601,110

JORDAN ISLAMIC BANK - PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS OF 30 JUNE 2017 (REVIEWED AND UNAUDITED)

(8) Ijarah Muntahia Bittamleek Assets- Net

The details of this item are as follows:

	Joint (Reviewed)		
	30 June 2017		
	Cost	Accumulated depreciation	Net book value
	JD	JD	JD
Ijarah muntahia bittamleek assets-real estate	<u>772,625,938</u>	<u>(179,622,589)</u>	<u>593,003,349</u>

	Joint (Audited)		
	31 December 2016		
	Cost	Accumulated depreciation	Net book value
	JD	JD	JD
Ijarah Muntahia Bittamleek assets-real estate	<u>744,100,740</u>	<u>(178,156,201)</u>	<u>565,944,539</u>

- The accrued Ijarah installments of JD 4,125,165 as at 30 June 2017 (31 December 2016: JD 3,301,106) were included in deferred sale receivables and other receivables (note 7).

(9) Financing Facilities –Net

The details of this item are as follow:

	Joint		Self		Total	
	30 June 2017	31 December 2016	30 June 2017	31 December 2016	30 June 2017	31 December 2016
	JD	JD	JD	JD	JD	JD
	(Reviewed)	(Audited)	(Reviewed)	(Audited)	(Reviewed)	(Audited)
Individual (Retail):						
Diminishing Musharaka	29,870,333	29,925,831	292,482	314,192	30,162,815	30,240,023
Less: impairment provision	(201,311)	(175,997)	-	-	(201,311)	(175,997)
Net Financing	<u>29,669,022</u>	<u>29,749,834</u>	<u>292,482</u>	<u>314,192</u>	<u>29,961,504</u>	<u>30,064,026</u>

JORDAN ISLAMIC BANK - PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS OF 30 JUNE 2017 (REVIEWED AND UNAUDITED)

Non-performing deferred sales, other receivables, financing and Qard Hasan were amounted to JD 127,669,866 as of 30 June 2017, representing 5.29% of deferred sales, other receivables, financing and Qard Hasan balance compared to JD 98,685,015 as of 31 December 2016, representing 4.13% of the utilized balance.

Non-performing deferred sales, other receivables, financing and Qard Hasan after deducting suspended revenues were amounted to JD 116,148,103 as of 30 June 2017, representing 4.83 % of deferred sales, other receivables, financing and Qard Hasan balance, compared to JD 88,083,905 as of 31 December 2016, representing 3.70 % of the utilized balance.

Deferred sales, other receivables, and financing granted to and guaranteed by the Government of Jordan were amounted to JD 624,795,177 as of 30 June 2017, representing 26.01% of deferred sales, other receivables and financing balance, compared to JD 642,424,009 as of 31 December 2016, representing 27% of the utilized balance.

(10) Financial Assets at Fair Value Through Owners Equity – Self Financed

The details of this item are as follow:

	30 June 2017 JD (Reviewed)	31 December 2016 JD (Audited)
Quoted investments -		
Companies shares	2,080,418	1,738,201
Total financial assets - Quoted	2,080,418	1,738,201
Unquoted investments -		
Companies shares	1,604,201	1,055,940
Muqarada bonds	6,400,000	4,750,000
Total financial assets - Unquoted	8,004,201	5,805,940
Total financial assets at fair value through owners' equity – self financed	10,084,619	7,544,141

- Financial assets stated at cost, due to the inability of determining their fair values were amounted to JD 6,400,000 as of 30 June 2017 compared to JD 4,750,000 as of 31 December 2016.

JORDAN ISLAMIC BANK - PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS OF 30 JUNE 2017 (REVIEWED AND UNAUDITED)

(11) Financial Assets at Fair Value Through Investments Account Holders Equity – Joint

The details of this item are as follow:

	30 June 2017	31 December 2016
	JD	JD
	(Reviewed)	(Audited)
Quoted investments		
Companies shares	22,096,353	23,407,734
Islamic Sukuk	10,372,670	10,475,744
Total Quoted investments	32,469,023	33,883,478
Unquoted investments		
Companies shares	2,443,643	2,366,000
Islamic banks portfolio	3,522,905	4,378,819
Islamic Sukuk	4,608,500	4,608,500
Muqarada bonds	8,500,000	9,300,000
Total unquoted investments	19,075,048	20,653,319
Impairment allowance	(1,818,373)	-
Net unquoted	17,256,675	20,653,319
Total Financial Assets at fair value through investments account holders equity – Joint	49,725,698	54,536,797

Financial assets stated at cost due to the inability of determining their fair values, were amounted to JD 19,075,048 as at 30 June 2017 compared to JD 20,653,319 as of 31 December 2016.

(12) Financial Assets at Amortized Cost

The details of this item are as follow:

	30 June 2017	31 December 2016
	JD	JD
	(Reviewed)	(Audited)
Unquoted investments:		
Islamic Sukuk	64,166,900	37,760,000
Total unquoted Financial Assets at amortized cost	64,166,900	37,760,000

Sukuk bear a rate of return ranging from 2.8% to 4.1% payable on a semiannual basis and a maturity of 5 years.

JORDAN ISLAMIC BANK - PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS OF 30 JUNE 2017 (REVIEWED AND UNAUDITED)

(13) Investments in Real Estates

Held For use:

Details of this item are as follow:

	Joint	
	30 June 2017	31 December 2016
	JD (Reviewed)	JD (Audited)
Investments in real estates *	122,150,026	110,525,717
Impairment allowance for repossessed investments in real estates **	(12,363)	(15,453)
Impairment allowance for repossessed investments in real estates	(318,266)	(261,188)
Net Assets	<u>121,819,397</u>	<u>110,249,076</u>

* Investment in real estate are presented at fair value, with a book value (cost) of JD 107,535,563 as at 30 June 2017 compared to JD 95,489,698 as at 31 December 2016.

** Impairment for repossessed investments in real estates was established from 1 January 2016 according to the Central Bank of Jordan instructions No. (10/1/2510 dated 14 February 2017 by charging 10% until the impairment allowance reaches 50% of investment in real estate value.

(14) Other Assets

Details of this item are as follows:

	30 June 2017	31 December 2016
	JD (Reviewed)	JD (Audited)
Receivable revenues	197,311	228,147
Prepaid expenses	315,570	330,494
Temporary debit accounts	4,163,278	4,161,136
Stationery and publications	677,223	639,334
Prepaid rent	984,300	877,042
Mail stamps	755,557	718,051
Credit card accounts	1,052,652	1,288,112
Settlement security guarantee fund deposits	25,000	25,000
Settlement of bank cards JONET-account center	2,614,118	599,729
Others	856,492	568,725
Total	<u>11,641,501</u>	<u>9,435,770</u>

JORDAN ISLAMIC BANK - PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS OF 30 JUNE 2017 (REVIEWED AND UNAUDITED)

(15) Customers Current and on Demand Accounts

Details of this item are as follow:

	30 June 2017 (Reviewed)				
	Individuals	Corporate	Small and Medium Enterprises	Government and Public Sector	Total
	JD	JD	JD	JD	JD
Current accounts	759,588,897	12,306,239	164,063,927	27,799,689	963,758,752
On demand accounts	215,480,011	44,934	1,210,116	-	216,735,061
Total	975,068,908	12,351,173	165,274,043	27,799,689	1,180,493,813

	31 December 2016 (Audited)				
	Individuals	Corporate	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
On demands 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 were amounted to JD 27,799,689, representing 2.35% of the total customer current and on demand accounts as at 30 June 2017 compared to JD 27,886,636, representing 2.33% as at 31 December 2016.

The dormant accounts were amounted to JD 49,989,590 as at 30 June 2017 compared to JD 51,138,404 as at 31 December 2016.

The restricted accounts were amounted to JD 7,217,363, representing 0.61% of the total customers current and on demand accounts as of 30 June 2017 compared to JD 10,468,098 representing 0.87% as of 31 December 2016 of the total customers current and on demand accounts.

JORDAN ISLAMIC BANK - PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS OF 30 JUNE 2017 (REVIEWED AND UNAUDITED)

(16) Income Tax Provision

A- Bank's Income Tax Provision:

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

	30 June 2017	31 December 2016
	JD	JD
	(Reviewed)	(Audited)
Beginning balance for the period / year	25,425,244	22,458,115
Income tax paid	(23,648,897)	(20,998,139)
Income tax expense	13,440,102	29,728,858
Income tax paid for the year 2016	-	(5,763,590)
Ending balance for the period / year	15,216,449	25,425,244

B- The income tax expense shown in the interim condensed consolidated statement of income represents the following:

	30 June 2017	31 December 2016
	JD	JD
	(Reviewed)	(Reviewed)
Income tax for the period / year	13,440,102	14,480,833
Total	13,440,102	14,480,833

Income tax provision for the period ended 30 June 2017 was calculated in accordance with Income Tax Law No. (34) for the year 2014.

The Bank obtained final clearance up to the year 2014. The Bank has submitted its Income tax declaration for the years 2015 and 2016 was provided by Bank.

Future Applied Computer Technology Company Ltd, Al Samaha Financing and Investment Company Ltd., Sanabel Al-Khair obtained final tax clearance up to 2014, Omariah Schools Company Ltd. has obtained final tax clearance up to 2015.

All of the above mentioned companies submitted their tax declarations for 2015 and 2016.

JORDAN ISLAMIC BANK - PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS OF 30 JUNE 2017 (REVIEWED AND UNAUDITED)

(17) Unrestricted Investment Accounts

Details of this item are as follows:

	30 June 2017 (Reviewed)					Total JD
	Individuals	Corporate	Small and Medium Enterprises	Government and Public Sector	Banks	
	JD	JD	JD	JD	JD	
Saving accounts	517,062,987	262,548	7,565,067	7,708	652,858	525,551,168
Notice accounts	13,177,526	4,204	1,099,830	17,061,254	-	31,342,814
Term accounts	1,715,552,894	6,885,641	99,885,527	40,431,725	5,036,417	1,867,792,204
Total	2,245,793,407	7,152,393	108,550,424	57,500,687	5,689,275	2,424,686,186
Depositors' share in investments returns	24,649,474	78,504	1,199,794	631,118	5,406	26,564,296
Total unrestricted investment accounts	2,270,442,881	7,230,897	109,750,218	58,131,805	5,694,681	2,451,250,482
	31 December 2016 (Audited)					Total JD
	Individuals	Corporate	Small and Medium Enterprises	Government and Public Sector	Banks	
	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 investments 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

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

- 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.

JORDAN ISLAMIC BANK - PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS OF 30 JUNE 2017 (REVIEWED AND UNAUDITED)

The unrestricted investment accounts (Government of Jordan and Public Sector) inside the Kingdom were amounted to JD 58,131,805, representing 2.37% of the total unrestricted investment accounts as of 30 June 2017 compared to JD 58,979,555, representing 2.47% as of 31 December 2016.

The restricted investment accounts were amounted to JD 4,933,985 of the total unrestricted investment accounts, representing 0.20% as of 30 June 2017 compared to JD 5,524,003, representing 0.23% as of 31 December 2016.

(18) Fair Value Reserve

The Details of this item are as follows:

(A) Joint

	Joint	
	30 June 2017	31 December 2016
	JD (Reviewed)	JD (Audited)
Financial assets at fair value through investments account		
holders equity reserve	547,052	1,437,445
Investments in real estates reserve	9,499,401	9,773,412
Total	10,046,453	11,210,857

(B) Self

	Self	
	30 June 2017	31 December 2016
	JD (Reviewed)	JD (Audited)
Financial assets at fair value through owners' equity reserve	919,864	608,319
Total	919,864	608,319

JORDAN ISLAMIC BANK - PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS OF 30 JUNE 2017 (REVIEWED AND UNAUDITED)

(C) Movement on the fair value reserve for the unrestricted investments accounts holders' equity is as follows:

	30 June 2017 (Reviewed)		
	Financial	Investments	
	Assets at Fair	Real Estate	Total
	Value	Real Estate	
	JD	JD	JD
Balance at the beginning of the period *	2,211,454	15,036,019	17,247,473
Unrealized losses	(1,369,835)	(394,213)	(1,764,048)
Deferred tax liabilities	(294,567)	(5,115,062)	(5,409,629)
Profits transferred to the interim condensed consolidated statement of income	-	(27,343)	(27,343)
Balance at the end of the period	547,052	9,499,401	10,046,453

	31 December 2016 (Audited)		
	Financial	Real Estate	
	Assets at fair	Investments	Total
	value	Investments	
	JD	JD	JD
Balance at the beginning of the year	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 interim condensed consolidated statement of income	(1,181,731)	(3,900,717)	(5,082,448)
Balance at the end of the year	1,437,445	9,773,412	11,210,857

* The fair value reserve balance presented at the beginning of the period after adding up deferred tax liabilities of JD 6,036,616.

JORDAN ISLAMIC BANK - PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS OF 30 JUNE 2017 (REVIEWED AND UNAUDITED)

(D) Movement on the fair value reserve / shareholders equity is as follows:

	Financial assets at fair value	
	30 June 2017	31 December 2016
	(Reviewed) JD	(Audited) JD
Beginning balance for the period / year *	935,875	865,063
Unrealized profits	479,300	70,812
Deferred tax liabilities	(495,311)	(327,556)
Ending Balance for the period / year	919,864	608,319

* The fair value reserve balance presented at the beginning of the period after adding up deferred tax liabilities of JD 327,556.

(19) Investment Risk Fund

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

	30 June 2017	31 December 2016
	JD	JD
	(Reviewed)	(Audited)
Beginning balance for the period / year	95,629,553	91,752,989
Add: transferred from investment profits during period / year	9,517,999	19,794,532
Tax settlement, net	3,115	-
Recovered amounts from prior years losses	268,810	92,995
Losses written off during the period / year *	-	(13,991,315)
Less: payments on the tax account for 2016	-	(1,366,739)
Net accrued tax **	(3,396,971)	(652,909)
Ending balance for the period / year	102,022,506	95,629,553

* No losses were written off as of 30 June 2017 compared to JD 6,036,538 as of 31 December 2016, and no realized losses from investment in Sukuk and sale of investment in shares as of 30 June 2017 compared to 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.

JORDAN ISLAMIC BANK - PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS OF 30 JUNE 2017 (REVIEWED AND UNAUDITED)

A percentage of 10% was deducted from the net joint investment profits realized of different transactions as of 30 June 2017, 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.

** This item represents investment risk fund income tax as follow:

	30 June 2017	31 December 2016
	JD	JD
	(Reviewed)	(Audited)
Income tax expense transferred on the investment profits	3,396,971	2,019,648
Less: tax paid for the year 2016	-	(1,366,739)
Net due tax	3,396,971	652,909

The bank obtained a final settlement for Investment Risk Fund income tax until the year 2014. Tax deduction was submitted for the year 2015 and 2016 and the tax payable was paid in accordance with the related Sharia fatwa.

B. The Investment Risk Fund balance is allocated as follows:

	30 June 2017	31 December 2016
	JD	JD
	(Reviewed)	(Audited)
Beginning balance for the period / year	102,022,506	95,629,553
Impairment allowance for deferred sales receivables	77,606,543	70,513,371
– Note (7)		
Impairment allowance for Ijarah muntahia bittamleek receivables	2,007,527	1,640,270
– Note (7)		
Impairment allowance for financing facilities –Note (9)	201,311	175,997
Impairment allowance for repossessed investment in real estate	12,363	15,453
– Note (13)		
Impairment allowance for repossessed investment in real estate	318,266	261,188
– Note (13)		
Impairment allowance for financial assets – Note (11)	1,818,373	-
Total Impairment Allowance	81,964,383	72,606,279
Share of Mutual Insurance Fund –deferred sales receivables	(8,201,268)	(6,514,959)
Share of Mutual Insurance Fund –Ijarah muntahia bittamleek receivables	(156,656)	(81,219)
Remaining balance *	28,416,047	29,619,452

* The remaining balance (unallocated portion) is related to the Joint Investment Accounts.

JORDAN ISLAMIC BANK - PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS OF 30 JUNE 2017 (REVIEWED AND UNAUDITED)

C. Mutual Insurance Fund

Movement on the Mutual Insurance Fund was as follows:

	30 June 2017	31 December 2016
	JD	JD
	(Reviewed)	(Audited)
Beginning balance for the period / year	73,711,297	64,236,270
Add: profit for the years 2016, 2015	1,981,015	1,535,834
Add: insurance premiums collected during the period / year	7,265,843	17,095,660
Add: recovered from previous years losses	17,268	16,771
Less: insurance premiums paid to Islamic Insurance Company during the period / year	(4,178,973)	(3,679,520)
Less: tax paid for the year 2016	-	(938,351)
Less: fund income tax for the years 2016, 2015	(4,180,404)	(4,211,637)
Less: fund committee members remuneration	(16,000)	(16,000)
Less: auditors fee for the period / year	(1,740)	(1,740)
Less: losses written off during the period / year	-	(325,990)
Ending balance for the period / year	74,598,306	73,711,297

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

A prior approval is required from the Central Bank of Jordan in case of any changes to the Mutual Insurance Fund policies.

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 for charity.

The Central Bank of Jordan approved under its letter No. 10/1/12160 on 9 October 2014 to consider the Mutual Insurance Fund as mitigating 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 sales or as determined by the Bank from the debt and/or the remaining amount from the Ijarah asset In the following cases:

- Death of subscriber.
- The subscriber's physical disability, fully or partially.
- The subscriber's insolvency 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.

JORDAN ISLAMIC BANK - PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS OF 30 JUNE 2017 (REVIEWED AND UNAUDITED)

The Mutual Insurance Fund balance is allocated as follows:

	30 June 2017	31 December 2016
	JD	JD
	(Reviewed)	(Audited)
Ending balance for the period / year	74,598,306	73,711,297
Allowance for deferred sales receivables	(8,201,268)	(6,514,959)
Allowance for Ijarah muntahia bittamleek receivables	(156,656)	(81,219)
Excess of Mutual Insurance Fund	66,240,382	67,115,119

The allowance 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 Allowance

	30 June 2017	31 December 2016
	JD	JD
	(Reviewed)	(Audited)
Al Samaha Financing and Investment Company Ltd. – Note (7)	64,708	64,708
AL Omariah School company Ltd. – Note (7)	449,445	450,000
Total	514,153	514,708

JORDAN ISLAMIC BANK - PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS OF 30 JUNE 2017 (REVIEWED AND UNAUDITED)

(20) Deferred Sales Revenues

The details of this item are as follows:

	Joint		Self	
	For the Six Months Ended on 30 June		For the Six Months Ended on 30 June	
	2017	2016	2017	2016
	JD	JD	JD	JD
	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)
Individuals (Retail):				
Purchase/orderer Murabaha	27,031,164	25,669,972	-	-
Deferred Sales	244,085	178,267	-	-
Ijarah Mawsoufa Bel Thimma	120,017	86,668	-	-
Real Estate Financing	17,824,959	16,855,715	10,000	78,996
Corporate:				
International Murabaha	44,813	17,186	-	-
Istisna'	107,953	218,289	-	-
Purchase/orderer Murabaha	7,680,468	10,945,984	-	-
Small and Medium Enterprises:				
Purchase/orderer Murabaha	4,218,646	4,686,601	-	-
Government and Public Sector	12,192,933	16,445,038	-	-
Total	69,465,038	75,103,720	10,000	78,996

(21) Financing Revenues

The details of this item are as follows:

	Joint		Self		Total	
	For the Six Months Ended on 30 June		For the Six Months Ended on 30 June		For the Six Months Ended on 30 June	
	2017	2016	2017	2016	2017	2016
	JD	JD	JD	JD	JD	JD
	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)
Individuals (Retail):						
	211,117	193,698	1,905	1,820	213,022	195,518
Diminishing Musharaka	4,080	4,080	-	-	4,080	4,080
Total	215,197	197,778	1,905	1,820	217,102	199,598

JORDAN ISLAMIC BANK - PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS OF 30 JUNE 2017 (REVIEWED AND UNAUDITED)

(22) Gain from Financial Assets at Fair Value Through Joint Investment Accounts Holders' Equity

The details of this item are as follows:

	Joint	
	For the Six Months Ended on 30 June	
	2017	2016
	JD	JD
	(Reviewed)	(Reviewed)
Dividends Income	995,614	646,502
Gain on financial assets at the fair value	-	1,127,190
Islamic sale of banks fund	36,670	92,009
Islamic Sukuk revenues	605,396	516,771
Total	1,637,680	2,382,472

(23) Gain from Financial Assets at Amortized Cost

The details of this item are as follows:

	Joint	
	For the Six Months Ended on 30 June	
	2017	2016
	JD	JD
	(Reviewed)	(Reviewed)
Islamic Sukuk	606,522	-
Total	606,522	-

(24) Revenue from Investments in Real Estate

The details of this item are as follows:

	Joint	
	For the Six Months Ended on 30 June	
	2017	2016
	JD	JD
	(Reviewed)	(Reviewed)
Realized gain from investments in Real Estate	469,270	657,256
Total	469,270	657,256

JORDAN ISLAMIC BANK - PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS OF 30 JUNE 2017 (REVIEWED AND UNAUDITED)

(25) Share of Unrestricted Investment Accounts Holders

The details of this item are as follows:

	For the Six months ended on 30 June	
	2017	2016
	JD	JD
	(Reviewed)	(Reviewed)
Banks and Financial Institutions	5,406	3,353
Customers:		
Saving Accounts	3,412,365	3,399,087
Notice Accounts	309,453	295,223
Term Accounts	22,837,072	22,481,169
Total	26,564,296	26,178,832

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

The details of this item are as follows:

	For the Six months ended on 30 June	
	2017	2016
	JD	JD
	(Reviewed)	(Reviewed)
As Mudarib	42,970,670	44,540,779
As Rab-Mal	16,127,026	18,173,160
Total	59,097,696	62,713,939

(27) Bank's Self financed Revenue

The details of this item are as follows:

	For the Six months ended on 30 June	
	2017	2016
	JD	JD
	(Reviewed)	(Reviewed)
Deferred sales revenues – Note (20)	10,000	78,996
Financing revenues – Note (21)	1,905	1,820
Gain on sale of financial assets through statement of income	-	84,186
Dividends income from financial assets at the fair value through equity	6,839	5,937
Total	18,744	170,939

JORDAN ISLAMIC BANK - PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS OF 30 JUNE 2017 (REVIEWED AND UNAUDITED)

(28) Basic and Diluted Earnings Per Share (EPS)

The details of this item are as follows:

	For the Six months ended on 30 June	
	2017	2016
	JD	JD
	(Reviewed)	(Reviewed)
Profit for the period after tax	25,864,263	27,920,054
Weighted average number of shares	180,000,000	180,000,000
Basic and diluted earnings per share (JD/Fills)	0/144	0/155

(29) Cash and Cash Equivalents

The details of this item are as follows:

	For the Six months ended on 30 June	
	2017	2016
	JD	JD
	(Reviewed)	(Reviewed)
Cash and balances with Central Banks matured within three months	1,040,336,669	914,097,120
Add: Balances at banks and financial institutions matured within three months	50,756,901	40,305,659
Less: Balances at banks and financial institutions matured within three months	(3,564,535)	(5,413,169)
Total	1,087,529,035	948,989,610

JORDAN ISLAMIC BANK - PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS OF 30 JUNE 2017 (REVIEWED AND UNAUDITED)

(30) Transactions with Related Parties

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

Company Name	Ownership %	Paid-in Capital	
		30 June 2017	31 December 2016
		JD (Reviewed)	JD (Audited)
Omariah 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 Bank's ordinary course of business using Murabaha rates and commercial commissions. All deferred sale receivables, financing and Ijarah Muntahia Bittamleek granted to related parties are considered performing and no provision was established against their balances.

JORDAN ISLAMIC BANK - PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS OF 30 JUNE 2017 (REVIEWED AND UNAUDITED)

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

	Related Parties				Total	
	Parent Company	Associates	Subsidiaries	Board Members and Senior Executive Management	30 June 2017	31 December 2016
	JD	JD	JD	JD	JD (Reviewed)	JD (Audited)
Interim Condensed Consolidated Statement of Financial Position items:						
Deferred sales receivables	-	1,899,932	284,154	6,892,986	9,077,072	7,787,226
Employees housing financing/						
Musharaka financing	-	-	-	1,140,784	1,140,784	1,190,516
Musharaka financing	-	-	947	-	947	3,667
Deposits	45,141	7,676,758	6,647,626	1,550,045	15,919,570	11,813,707
Off Interim Condensed Consolidated Statement of Financial Position items:						
Guarantees and letter of credits	-	7,480	649,833	2,122,669	2,779,982	2,561,085
					For the Six Months Ended 30 June	
					2017	2016
					JD	JD
					(Reviewed)	(Reviewed)
Interim Condensed Consolidated Statement of Income Items:						
Paid expenses	-	2,449,173	655,898	1,551,517	4,656,588	4,022,911
Received revenues	-	71,158	12,974	111,063	195,195	146,674
Paid profits	-	45,423	1,105	1,658	48,186	259,644

- The Murabaha rate is ranging from 3.5% - 5.5% per annum as of 30 June 2017 (2016: 3.5% -5.5%).
- The profit rate of Musharaka financing granted to the employees is ranging from 2% - 4.8% per annum as of 30 June 2017 (2016: 2% - 4.8%).
- The commission rate on guarantees is ranging from 1% - 4% per annum as of 30 June 2017 (2016: 1% - 4%), and 1/4% - 3/8% quarterly on letters of credit as of 30 June 2017 (2016: 1/4% -3/8% for quarters).

JORDAN ISLAMIC BANK - PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS OF 30 JUNE 2017 (REVIEWED AND UNAUDITED)

C. The following is a summary of the Bank's Executive Management Benefits (Salaries, Remuneration and other Benefits):

	For the Six Months Ended 30 June	
	2017	2016
	JD	JD
	(Reviewed)	(Reviewed)
Salaries, remuneration and transportation	1,307,379	1,419,236
End of service benefits	118,787	-
Total	1,426,166	1,419,236

(31) Bank Segment Information

A. Information about Bank's Activities

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

Individuals' Accounts

This section includes follow up on unrestricted investment accounts, deferred sales receivables and other financing and banking services related to individuals.

Institutions' Accounts

This section includes follow up unrestricted investment accounts, deferred sales receivables and other financing and banking services related to the institutions.

Investment in Assets

This sector includes investing in real estate and leasing.

Treasury

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

JORDAN ISLAMIC BANK - PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS OF 30 JUNE 2017 (REVIEWED AND UNAUDITED)

B. Below is the Bank's business sectors distributed according to its activities:

	Individuals	Enterprises	Investment in			Total	
			Assets	Treasury	Others	30 June	30 June
			JD	JD	JD	2017	2016
	JD	JD	JD	JD	JD	JD	JD
						(Reviewed)	(Reviewed)
Total revenues (Joint and self financed)	67,690,280	31,372,973	2,498,998	7,453,703	40,212	109,056,166	110,724,174
Net income of subsidiaries and investment in associates share of results	-	-	1,532,239	-	-	1,532,239	1,232,621
Share of investment risk fund from revenues of joint investment accounts	(6,399,567)	(2,272,236)	(249,900)	(596,296)	-	(9,517,999)	(9,876,975)
Share of the unrestricted investment accounts, investment accounts holder and non-controlling interests from the subsidiaries and associates net results	(23,642,555)	(2,269,469)	(1,532,239)	(652,272)	-	(28,096,535)	(27,411,453)
Segment Results	37,648,158	26,831,268	2,249,098	6,205,135	40,212	72,973,871	74,668,367
Allocated expenses	(17,318,153)	(12,553,056)	(928,281)	(2,870,016)	-	(33,669,506)	(32,267,480)
Profit before tax	20,330,005	14,278,212	1,320,817	3,335,119	40,212	39,304,365	42,400,887
Income tax	(7,153,452)	(5,104,657)	(338,160)	(833,780)	(10,053)	(13,440,102)	(14,480,833)
Profit after tax	13,176,553	9,173,555	982,657	2,501,339	30,159	25,864,263	27,920,054
						30 June	31 December
						2017	2016
						JD	JD
						(Reviewed)	(Audited)
Segment assets	1,166,358,934	929,779,716	838,799,963	1,108,818,570	-	4,043,757,183	4,000,796,189
Investment in associates	-	-	8,284,489	-	-	8,284,489	7,658,670
Unallocated assets	-	-	-	-	96,635,141	96,635,141	91,064,837
Total Assets	1,166,358,934	929,779,716	847,084,452	1,108,818,570	96,635,141	4,148,676,813	4,099,519,696
Segment liabilities	3,245,511,789	386,232,506	-	3,564,535	-	3,635,308,830	3,597,919,471
Unallocated liabilities	-	-	-	-	166,972,413	166,972,413	158,880,463
Total Liabilities	3,245,511,789	386,232,506	-	3,564,535	166,972,413	3,802,281,243	3,756,799,934
						For the Six Months	
						Ended 30 June	
						2017	2016
						JD	JD
						(Reviewed)	(Reviewed)
Capital expenditure	-	-	-	-	6,504,350	6,504,350	2,960,012
Depreciation and amortization	-	-	-	-	4,045,562	4,045,562	4,896,923

(32) Capital Management

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

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

The Bank achieves objectives through the following:

- Realizing acceptable returns on capital without affecting 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 of Jordan as well as facing any future risks.

JORDAN ISLAMIC BANK - PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS OF 30 JUNE 2017 (REVIEWED AND UNAUDITED)

The Bank determines the capital adequacy ratio in accordance with 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:

	30 June 2017	31 December 2016
	Thousands JD (Reviewed)	Thousands JD (Audited)
Primary Capital Items:	315,678	315,330
Subscribed capital (paid-in)	180,000	150,000
Statutory reserve	68,371	68,371
Voluntary reserve	22,617	22,617
Retained earnings	47,624	77,624
50% of Bank's share from investments in banks' capitals and other financial institutions	(247)	(247)
50% of Bank's share from investment in insurance companies	(916)	(1,006)
Intangible assets	(1,771)	(2,029)
Supplementary Capital Items:	11,471	13,393
Fair value reserve of the financial assets at fair value through owners equity	414	274
Bank's share from the fair value reserve of the financial assets at fair value through the joint investment accounts holders equities	97	622
Bank's share from the excess of the investment risks fund	7,255	8,463
General banking risks reserve / self	1,000	1,000
Bank's share from the general banking risks reserve / joint	3,868	4,287
50% of the Bank's share from investments in banks' capitals and other financial institutions	(247)	(247)
50% of the Bank's share from investment in insurance companies	(916)	(1,006)
Total Regulatory Capital	327,149	328,723
Total Risk Weighted Assets	1,514,685	1,493,081
Capital Adequacy Ratio	21.60%	22.02%
Primary Capital Ratio	20.84%	21.12%

JORDAN ISLAMIC BANK - PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS OF 30 JUNE 2017 (REVIEWED AND UNAUDITED)

(33) Commitments and Contingent Liabilities (Off the Interim Condensed Consolidated Statement of Financial Position)

Credit Commitments and Obligations:

	30 June 2017 JD (Reviewed)	31 December 2016 JD (Audited)
Letter of Credit	45,339,341	38,579,418
Acceptances	4,677,339	5,325,298
Guarantees:	112,821,457	114,674,722
- Payment	34,011,994	33,446,779
- Performance	50,633,803	51,360,474
- others	28,175,660	29,867,469
Unutilized Limits	119,097,260	140,915,403
Total	281,935,397	299,494,841

(34) Lawsuits Filed Against the Bank

Lawsuits filed against the Bank (self) were amounted to JD 10,605,809 as of 30 June 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 lawsuits filed against the Bank (joint) as of 30 June 2017 were amounted to JD 1,872,155 with a provision of JD 184,038 compared to JD 1,575,049 as of December 31, 2016 with a provision of JD 174,293. Consequences incurred by the cases of joint investment accounts are booked on the Investment Risks Fund. What the Bank (self) may incur will be covered from the Bank's provisions.

The Banks management and its legal advisor believes that any obligations that may arise from the lawsuits filed against joint investments will be recognised in the investment risks fund, while the lawsuits filed against the Bank (self) will be covered by the established provision.

(35) Statutory Reserves

The Bank didn't transfer any amount to reserves according to the companies law, since these condensed financial statements are interim financial statements.