البنك الإسلامي الأردني

الإدارة العامة

الرقم : ١١٩/capi/ 050959
التاريخ : ٢٠١٢/٩/١٠

للمتم
٩/١١

السادة بورصة عمان المحترمين ،،
عمان – الأردن

السلام عليكم ورحمة الله وبركاته،،

الموضوع: التصنيف الائتماني

يسرنا أن نرفق لكم في طيه نسخة من التصنيف الخاص بمصرفنا والصادر عن **Fitch Ratings** إصدار ٢٢ آب ٢٠١٢.

وتفضلوا بقبول فائق الاحترام،،،

محمود علان
نائب المدير العام

ن ت/ن ك

بورصة عمان
الدائرة الإدارية والمالية
الديوان
١١ أيلول ٢٠١٢
الرقم المتسلسل: ٢٨٥٥
رقم الملف: ١١١١
الجهة المختصة: الإدراج والعلاقات

شركة مساهمة عامة محدودة
(سجل الشركة رقم ١٢٤)
عضو مجموعة البركة المصرفية

هاتف : ٥٦٦٦٣٢٥ ٦ ٩٦٢+ , ٥٦٧٧٣٧٧ ٦ ٩٦٢+
ص.ب : ٩٢٦٢٢٥ عمان ١١١٩٠ الأردن
Email:jib@islamicbank.com.jo

فاكس : ٥٦٦٦٣٢٦ ٦ ٩٦٢+ , ٥٦٨٤٧٥٥ ٦ ٩٦٢+
العنوان البرقي : إسلامبنك / عمان
www.jordanislamicbank.com

B6121

Jordan Islamic Bank

Full Rating Report

Ratings

Foreign Currency

Long-Term IDR	BB-
Short-Term IDR	B
Viability Rating	bb-
Support Rating	4
Support Rating Floor	B+

Outlook

Long-Term Foreign-Currency IDR	Stable

Financial Data

Jordan Islamic Bank

	31 Mar 12	31 Dec 11
Total assets (USDm)	4,133.0	4,082.1
Total assets (JODm)	2,934.4	2,898.3
Total equity (JODm)	215.1	207.6
Operating profit (JODm)	10.0	39.7
Published net income (JODm)	7.2	28.3
Operating ROAA (%)	1.38	1.46
Operating ROAE (%)	19.03	19.96
Equity/assets (%)	7.33	7.16
Tier 1 capital ratio (%)[a]	20.34	24.41
Fitch core capital/ weighted risks (%)[a]	23.25	26.79

[a] Calculation reflects Central Bank of Jordan and Islamic Financial Services Board (IFSB) standards

Key Rating Drivers

Strong Islamic Banking Franchise: Jordan Islamic Bank's (JIB) ratings are driven by its intrinsic strength. They reflect the bank's solid domestic franchise (JIB is the market leader in Islamic banking in Jordan), strong liquidity and healthy profitability. The ratings also take into account the difficult operating environment, high financing book concentrations and capitalisation that is weaker than the sector average.

Resilient Performance: Pre-impairment operating profit continued to grow in 2011 and Q112, supported by stronger net financing income – the Islamic equivalent of net interest income – and despite higher operating costs. Nonetheless, impairment charges rose in tandem with increased levels of non-performing financing, putting pressure on net earnings. 2012 profitability should be broadly stable year on year, as impairment charges remain elevated and greater market competition compresses margins.

Manageable Asset Quality: Asset quality has deteriorated (relative to end-2009) in line with the slowdown in the operating environment, yet JIB's indicators have remained reasonable to date. Non-performing exposures represented 5.5% of gross lending at end-Q112, comparing well with the sector average. Impaired financing could rise over the medium term in light of persistent domestic (and regional) uncertainty and muted economic growth prospects. Specific reserves coverage of non-performing exposures was moderate at end-Q112, at 56%.

Growing Deposit Base: Non-equity funding consists entirely of (stable) customer deposits. Deposit growth continued during 2011, outpacing the sector, a trend that appears to have slowed down in 2012. The deposit base should continue to gradually expand over the medium term. JIB has a strong deposit franchise among smaller retail depositors, including small businesses – over 90% of deposits are retail – accordingly, deposit concentration is low.

Liquid Balance Sheet: Liquidity is strong, supported by a healthy financing/deposit ratio (end-Q112: 63%) and a reasonable stock of liquid assets. Cash and interbank placements accounted for 36% of end-Q112 assets.

Satisfactory Capitalisation: At end-Q112, JIB had a Fitch core capital ratio of 23.3% and a Tier 1 ratio of 20.3%, with the difference primarily due to regulatory treatment of retained earnings. Capital ratio calculations are based on Islamic Financial Services Board (IFSB) standards, whereby risk-weighted assets are significantly lower than under Basel II. Hence, as per Basel II, capital ratios would be much lower. JIB's capitalisation has typically lagged peers'.

Limited Probability of Support: JIB's Support Rating reflects the limited probability of support from the Jordanian authorities, notwithstanding the government's supportive stance towards the domestic banking system. While Fitch Ratings believes that Jordan has a strong propensity to support JIB, potential support is limited by constraints on its ability to do so. Support from the bank's main shareholder, Al Baraka Banking Group, is also possible; however, as Fitch cannot assess its likelihood, it has not been factored into the ratings.

What Could Trigger a Rating Action

Difficult Operating Environment: Changes in Fitch's perception of risks relating to Jordan, in either direction, could affect the bank's IDRs and Support Rating. Deterioration in the operating environment, asset quality and/or capitalisation could have a negative impact on the Viability Rating. Upside potential depends on significant positive developments in the local economy.

Related Research

2012 Outlook: GCC/Middle East Banks (December 2011)

Analysts

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Profile and Strategy

Presentation of Accounts

JIB's accounts are prepared in accordance with the standards of the Accounting and Auditing Organisation for Islamic Financial Institutions, and audited by the local affiliate of Ernst and Young and Ibrahim Al Abbassi & Co.

JIB is the oldest (established in 1978) and largest of the four Islamic banks in Jordan. It is 66%-owned by Bahrain-based Al Baraka Banking Group (ABG), an international Islamic banking network that operates across 12 countries worldwide. JIB accounts for around a quarter of group consolidated assets. The remainder of JIB's shares are widely held.

JIB is the third-largest bank in Jordan, with an 8% share in total system assets (as of end-Q112). It holds a dominant position in the domestic Islamic banking sector and operates via a network of 62 branches throughout the kingdom. JIB is mainly retail-focused, specialising in personal and small-business financing. The bank has several local subsidiaries, the largest of which is a brokerage company (exclusively for client-driven transactions).

As an Islamic bank, all JIB's contracts, operations and transactions are carried out in accordance with sharia law, which forbids the payment or receipt of interest. Depositors wishing to share in the bank's activities (and hence, profits) place funds with the bank, which – in addition to JIB's own funds – are used for sharia-compliant financing and investing activities. Most financing transactions are based on an agreed mark-up price (or profit) outlined at inception of the contract.

Corporate Governance

- JIB is regulated by the CBJ and operates under Jordanian banking law, which contains provisions that specifically address the regulation of Islamic banks.

JIB complies with local directives on best-practice corporate governance. Four members of JIB's 11-strong board of directors represent ABG, including the Chairman, who is the group CEO.

Performance

Weaker Economic Growth Prospects

The operating environment in Jordan has become more challenging. GDP growth remained subdued in 2011, at 2.5% (IMF), with projections remaining below 4% over the next few years. Higher domestic borrowing and dependence on foreign grants to meet public expenditure needs have weakened government finances. Such uncertainty is exacerbated by the volatile geopolitical situation in the region, in particular the escalating unrest in neighbouring Syria, which is a concern for Jordan's economic growth prospects.

The situation in Syria will probably continue to weigh on foreign investment into Jordan. Syria is a strategic market for Jordan as well as a major transit route for the bulk of its international trade. Some domestic banks also have operations in Syria. However, the relative size of such exposures is limited. Proposals for Jordan to gain Gulf Cooperation Council (GCC) membership (albeit only partial) can be viewed as a net positive.

The outlook for Jordanian banks is underpinned by developments in the domestic economy; the banking sector is sizeable, with a total of 26 banks operating in the country. The Central Bank of Jordan (CBJ) exercises prudent regulation of the banking system. Despite the global economic slowdown, banks' profitability has proved resilient. However, asset quality indicators have deteriorated and problem exposures could continue to rise over the medium term, in line with subdued growth trends.

Performance Overview

JIB's 2011 operating profit fell 2% yoy to JOD39.7m, due to higher impairment charges – driven by increased levels of impaired finances – rising operating costs and despite solid revenue generation. Profitability picked up in Q112 (operating profit up 12% yoy) on the back of substantial lending growth (20%). 2012 profit levels should be broadly stable year on year (net income budgeted at JOD31m), as impairment charges remain elevated and greater market competition puts pressure on margins.

Related Criteria

Global Financial Institutions Rating Criteria (August 2012)

Evaluating Corporate Governance (December 2011)

Pre-impairment operating profit continued to grow in 2011, helped mainly by stronger net financing income. Higher staff costs have caused cost efficiency to decline, although it remains acceptable. Significant future cost reductions are unlikely in light of planned business growth.

JIB holds reserves (the "investment risk fund") to cover a potential net loss on joint investment activities in any given year. An annual impairment charge, set by the CBJ at 10% of revenue from all joint investment activities, maintains the fund. The CBJ can require a higher charge if it sees fit, and JIB can decide to increase it. The total impairment charge (including both annual and specific charges) was JOD5.1m in Q112, equivalent to about a third of pre-impairment operating profit.

JIB aims to maintain a net ROE of approximately 15% (2011: 14%), higher than the sector average. SME financing is a target growth area and the bank seeks to gradually expand the proportion of leasing contracts within its lending operations. Planned growth (average of around 25% over the next four years) may be challenging to realise in view of the difficult operating environment.

Risk Management

Risk management is fairly basic but adequate for the type of business JIB undertakes. The bank's risk management framework is broadly based on ABG group-wide policies and complies with local CBJ guidelines. ABG holds bi-annual meetings with risk management heads of all group subsidiaries.

Credit Risk is Main Risk Exposure

Credit sanctioning is mostly centralised at JIB, with little approval authority at branch level. The bank places emphasis on long-standing business relationships – most major customers have banked with JIB for years. Sector concentration is monitored, but no limits are set apart from those required by the CBJ, which mainly relate to real estate exposure.

Most financing (over 80%) is in the form of "murabaha", a purchase-and-resale transaction whereby the bank's return is an agreed mark-up on the purchase price. The mark-up is fixed at inception of the contract. JIB is increasingly carrying out leasing or "ijarah" transactions, which lend themselves well to sharia-compliant mortgages, and represented around 13% of total financing at end-Q112. Ijarah transactions are more flexible than murabaha, in that the bank's profit rate can be changed according to market conditions.

Additionally, JIB offers "al-qard al-hassan" financing – essentially interest-free loans for social purposes that are partly funded by interest-free deposits placed with the bank for this purpose, but mostly by the bank's current-account deposits.

Figure 1
Credit Exposures by Economic Sector

(%)	End-2011	End-2010
Industrial	3.4	1.3
Commercial	41.2	36.2
Real estate	22.0	21.5
Agriculture	0.2	0.2
Individuals	31.1	34.1
Government and public sector	2.1	6.7
Total	**100**	**100**

Source: JIB

Personal financing accounts for about a third of JIB's total financing (see Figure 1), almost all of which is salary assigned, with repayments capped at 35% of a borrower's net salary. JIB mainly targets customers within the government-employee segment, regarded to be of lower risk, although it also finances private-sector employees, from whom the bank often asks for additional personal guarantees. 72% of the bank's real estate exposure at end-Q112 consisted of residential mortgage lending. JIB mostly finances the purchase of primary residences, with a maximum loan/value ratio of 80%, and (as is typical in Islamic financing) retains ownership of properties until the mortgage is fully repaid.

Concentrations by borrower are very high, which is common practice amongst local and regional banks: the top 20 exposures accounted for 31% of gross financing at end-Q112 (equal to 238% of equity), of which the largest alone represented 150% of equity (JOD322m). This exposure comprises direct financing to the (government-owned) national electricity company in Jordan, in a bid to enhance electricity production and distribution in the Kingdom in light of recent supply disruptions. It is guaranteed by the Ministry of Finance. Excluding this item, concentrations are significantly lower. All top 20 exposures were fully performing.

Impairments and Reserves

Exposures past due by over 90 days are classified as non-performing, with provisions varying according to collateral and expected recovery. Asset quality has deteriorated (relative to end-2009) on the back of sector-wide difficulties (namely on the corporate side). Impaired exposures could rise over the medium term in light of persistent domestic (and regional) uncertainty and muted economic growth prospects.

Non-performing exposures (excluding suspended revenue) represented an acceptable 5.5% of gross lending at end-Q112, comparing well with the sector average ratio of 8.5% (end-H111). However, the ratio excludes arrears on the bank's leasing operations (end-Q112: JOD21.5m; if included, the non-performing exposure ratio would increase to 6.8%). Restructured exposures were insignificant.

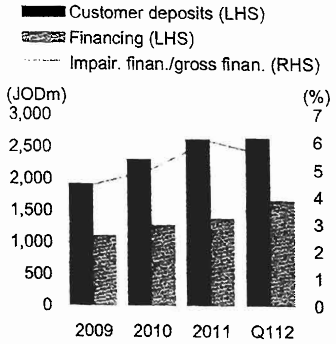
Reserves coverage of non-performing exposures is moderate (end-Q112: 56%). Fitch notes that this only accounts for specific reserves, as collective reserves are held in an investment risk fund and totalled JOD10m at end-Q112. Reserves coverage including collective reserves stood at a more satisfactory 67%.

Other Assets

JIB endeavours to hold sufficient liquidity. Cash and interbank placements accounted for 36% of assets at end-Q112 (including mandatory reserves of JOD180m); most surplus Jordanian dinar liquidity is placed interest-free with the CBJ, with the remainder placed with local banks. Excess US dollar liquidity is placed with sharia-compliant institutions or invested in international murabaha transactions.

Figure 2

Financing and Deposits



Source: JIB

JIB does not have a trading portfolio. Its securities portfolio totalled JOD101.5m, or 3.5% of the balance sheet, at end-2011. Securities comprise shares of local/regional listed companies as well as JIB's investment in its own "muqarada" bonds (JOD48.2m): whereby the bank issues "muqarada" bonds to investors, and in turn manages a portfolio of assets on behalf of the participants. Muqarada participants share the profits of that specific portfolio. Assets managed for clients relating to muqarada bonds are held off-balance sheet, similar to assets under management, and amounted to JOD251.5m at end-2011. JIB also has some local property investments that it acquires for leasing or resale.

Market Risk is Limited

Sensitivity to rate-of-return risk (the bank's equivalent of interest-rate risk) is limited. The profit rate on murabaha transactions (which accounts for most of JIB's lending) is agreed with clients at contract initiation and is therefore fixed; however, the bank has some flexibility to set profit-share rates on deposits. JIB estimates that a 1% shift in return rates at end-2011 would have resulted in a rise/fall in profits equivalent to 3% of equity.

Sensitivity of earnings to exchange-rate movements is also minimal as the bank primarily operates in local currency and targets closed on- and off-balance-sheet foreign-currency positions. The bank calculates that at end-2011 the impact of a 5% shift in the US dollar rate against the Jordanian dinar (unlikely in view of the stability of the dollar-dinar peg) would have amounted to JOD0.6m (or 1.5% of operating profit).

JIB's procedures for assessing and managing operational risk remain relatively basic (albeit gradually improving). JIB uses the basic indicator approach to operational risk (Basel II), as per CBJ guidelines. The bank has a business continuity plan in place, including an offsite disaster recovery location; loss events have been immaterial to date.

Funding, Liquidity and Capital

Funded by Customer Deposits

Non-equity funding consists entirely of customer deposits. JIB has two basic types of deposits: non-interest-bearing current accounts (around a third of deposits) and unrestricted investment accounts, the sharia-compliant equivalent of term deposits. Unrestricted investment depositors agree to place funds with the bank that may subsequently be used for any sharia-compliant activities. They then share in the profits from the bank's activities, in an amount that is approximately in line with market interest rates.

Deposit growth at JIB continued during 2011 (up 14% yoy versus banking sector growth of around 8.5%), significantly outpacing peers, although such growth appears to have slowed down in 2012, partly reflecting the wider market trend. The deposit base should continue to expand over the medium term, albeit at a slower pace.

JIB's deposit franchise is strongest amongst smaller retail depositors (including small businesses); over 90% of deposits are retail. Accordingly, deposit concentration is low: the 20 largest customer balances represented only 3.8% of the total at end-Q112.

Comfortable Liquidity

Liquidity is a strength and is underpinned by the bank's deep base of customer deposits, which has historically proved stable. At end-Q112, JIB had a financing/deposit ratio of 63%, up relative to end-2011, as lending growth significantly outpaced deposit gathering during the first quarter of the year. The bank carries a reasonable stock of liquid assets on its balance sheet; cash and interbank placements covered around 40% of total customer deposits at end-Q112.

Capital

Capital adequacy is satisfactory in light of the bank's credit exposures. At end-Q112, JIB had a Fitch core capital ratio (FCCR) of 23.3% and a Tier 1 ratio of 20.3%, with the difference being down to regulatory deductions (primarily the treatment of retained earnings). Fitch notes that JIB's capital ratio calculations are based on IFSB standards (as per CBJ guidelines for Islamic banks, since 2011), which differ greatly to Basel II, mainly due to significantly lower risk-weighted assets; as per Basel II, the FCCR and Tier 1 ratios would be substantially lower. The bank's capitalisation has typically lagged peers' (and the sector average). The equity/assets ratio was a low 7.3% at end-Q112. Cash dividends amounted to 53% of 2011 net income.

Jordan Islamic Bank
Income Statement

	31 Mar 2012			31 Dec 2011		31 Dec 2010		31 Dec 2009	
	3 Months - 1st Quarter USDm Unaudited	3 Months - 1st Quarter JODm Unaudited	As % of Earning Assets	Year End JODm Unqualified	As % of Earning Assets	Year End JODm Unqualified	As % of Earning Assets	Year End JODm Unqualified	As % of Earning Assets
1. Financing Income on Loans	43.8	31.1	6.45	102.5	6.28	93.8	5.98	83.6	6.09
2. Other Financing Income	0.3	0.2	0.04	0.9	0.06	0.8	0.05	1.4	0.10
3. Dividend Income	0.8	0.6	0.12	1.3	0.08	0.8	0.05	1.9	0.14
4. Gross Financing and Dividend Income	**44.9**	**31.9**	**6.62**	**104.7**	**6.42**	**95.4**	**6.08**	**86.9**	**6.33**
5. Financing Expense on Customer Deposits	14.5	10.3	2.14	38.5	2.36	37.4	2.38	41.2	3.00
6. Other Financing Expense	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
7. Total Financing Expense	**14.5**	**10.3**	**2.14**	**38.5**	**2.36**	**37.4**	**2.38**	**41.2**	**3.00**
8. Net Financing Income	**30.4**	**21.6**	**4.48**	**66.2**	**4.06**	**58.0**	**3.70**	**45.7**	**3.33**
9. Net Gains (Losses) on Trading and Derivatives	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
10. Net Gains (Losses) on Other Securities	0.6	0.4	0.08	3.5	0.21	4.0	0.25	5.2	0.38
11. Net Gains (Losses) on Assets at FV through Income Statement	0.4	0.3	0.06	7.2	0.44	4.5	0.29	11.5	0.84
12. Net Insurance Income	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
13. Net Fees and Commissions	3.8	2.7	0.56	10.4	0.64	10.2	0.65	10.6	0.77
14. Other Operating Income	2.1	1.5	0.31	6.5	0.40	4.4	0.28	4.6	0.34
15. Total Non-Financing Operating Income	**6.9**	**4.9**	**1.02**	**27.6**	**1.69**	**23.1**	**1.47**	**31.9**	**2.32**
16. Personnel Expenses	10.8	7.7	1.60	23.8	1.46	18.8	1.20	18.4	1.34
17. Other Operating Expenses	5.6	4.0	0.83	14.2	0.87	12.5	0.80	12.7	0.93
18. Total Non-Financing Expenses	**16.5**	**11.7**	**2.43**	**38.0**	**2.33**	**31.3**	**2.00**	**31.1**	**2.27**
19. Equity-accounted Profit/ Loss - Operating	0.4	0.3	0.06	1.0	0.06	0.9	0.06	0.3	0.02
20. Pre-Impairment Operating Profit	**21.3**	**15.1**	**3.13**	**56.8**	**3.48**	**50.7**	**3.23**	**46.8**	**3.41**
21. Loan Impairment Charge	7.2	5.1	1.06	17.1	1.05	10.0	0.64	7.9	0.58
22. Securities and Other Credit Impairment Charges	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
23. Operating Profit	**14.1**	**10.0**	**2.07**	**39.7**	**2.43**	**40.7**	**2.59**	**38.9**	**2.83**
24. Equity-accounted Profit/ Loss - Non-operating	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
25. Non-recurring Income	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
26. Non-recurring Expense	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
27. Change in Fair Value of Own Debt	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
28. Other Non-operating Income and Expenses	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
29. Pre-tax Profit	**14.1**	**10.0**	**2.07**	**39.7**	**2.43**	**40.7**	**2.59**	**38.9**	**2.83**
30. Tax expense	3.9	2.8	0.58	11.4	0.70	11.6	0.74	11.0	0.80
31. Profit/Loss from Discontinued Operations	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
32. Net Income	**10.1**	**7.2**	**1.49**	**28.3**	**1.74**	**29.1**	**1.85**	**27.9**	**2.03**
33. Change in Value of AFS Investments	0.3	0.2	0.04	0.0	0.00	-0.3	-0.02	0.1	0.01
34. Revaluation of Fixed Assets	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
35. Currency Translation Differences	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
36. Remaining OCI Gains/(losses)	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
37. Fitch Comprehensive Income	**10.4**	**7.4**	**1.54**	**28.3**	**1.74**	**28.8**	**1.84**	**28.0**	**2.04**
38. Memo: Profit Allocation to Non-controlling Interests	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
39. Memo: Net Income after Allocation to Non-controlling Interests	10.1	7.2	1.49	28.3	1.74	29.1	1.85	27.9	2.03
40. Memo: Common Dividends Relating to the Period	0.0	0.0	0.00	15.0	0.92	12.0	0.76	12.2	0.89
41. Memo: Preferred Dividends Related to the Period	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
Exchange rate	USD1 = JOD0.71000			USD1 = JOD0.71000		USD1 = JOD0.71000		USD1 = JOD0.71000	

Jordan Islamic Bank
Balance Sheet

	31 Mar 2012			31 Dec 2011		31 Dec 2010		31 Dec 2009	
	3 Months - 1st Quarter USDm	3 Months - 1st Quarter JODm	As % of Assets	Year End JODm	As % of Assets	Year End JODm	As % of Assets	Year End JODm	As % of Assets
Assets									
A. Loans									
1. Residential Mortgage Loans	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
2. Other Mortgage Loans	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Other Consumer/ Retail Loans	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
4. Corporate & Commercial Loans	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
5. Other Loans	2,335.2	1,658.0	56.50	1,383.0	47.72	1,267.1	48.67	1,095.0	50.16
6. Less: Reserves for Impaired Loans/ NPLs	72.0	51.1	1.74	53.5	1.85	35.8	1.37	23.3	1.07
7. Net Loans	**2,263.2**	**1,606.9**	**54.76**	**1,329.5**	**45.87**	**1,231.3**	**47.29**	**1,071.7**	**49.09**
8. Gross Loans	**2,335.2**	**1,658.0**	**56.50**	**1,383.0**	**47.72**	**1,267.1**	**48.67**	**1,095.0**	**50.16**
9. Memo: Impaired Loans included above	128.2	91.0	3.10	83.7	2.89	63.1	2.42	48.5	2.22
10. Memo: Loans at Fair Value included above	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
B. Other Earning Assets									
1. Loans and Advances to Banks	181.7	129.0	4.40	117.8	4.06	136.3	5.23	106.2	4.86
2. Reverse Repos and Cash Collateral	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Trading Securities and at FV through Income	169.7	120.5	4.11	101.5	3.50	121.4	4.66	n.a.	-
4. Derivatives	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
5. Available for Sale Securities	n.a.	n.a.	-	n.a.	-	n.a.	-	98.5	4.51
6. Held to Maturity Securities	n.a.	n.a.	-	n.a.	-	n.a.	-	14.5	0.66
7. At-equity Investments in Associates	20.6	14.6	0.50	14.5	0.50	15.2	0.58	19.8	0.91
8. Other Securities	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
9. Total Securities	**190.3**	**135.1**	**4.60**	**116.0**	**4.00**	**136.6**	**5.25**	**132.8**	**6.08**
10. Memo: Government Securities included Above	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
11. Memo: Total Securities Pledged	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
12. Investments in Property	95.2	67.6	2.30	67.6	2.33	64.7	2.48	62.0	2.84
13. Insurance Assets	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
14. Other Earning Assets	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
15. Total Earning Assets	**2,730.4**	**1,938.6**	**66.06**	**1,630.9**	**56.27**	**1,568.9**	**60.26**	**1,372.7**	**62.88**
C. Non-Earning Assets									
1. Cash and Due From Banks	1,316.2	934.5	31.85	1,216.0	41.96	988.1	37.95	771.3	35.33
2. Memo: Mandatory Reserves included above	253.0	179.6	6.12	175.7	6.06	153.3	5.89	127.0	5.82
3. Foreclosed Real Estate	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
4. Fixed Assets	62.5	44.4	1.51	43.9	1.51	38.5	1.48	32.7	1.50
5. Goodwill	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
6. Other Intangibles	1.1	0.8	0.03	0.6	0.02	0.3	0.01	0.0	0.00
7. Current Tax Assets	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
8. Deferred Tax Assets	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
9. Discontinued Operations	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
10. Other Assets	22.7	16.1	0.55	6.9	0.24	7.9	0.30	6.4	0.29
11. Total Assets	**4,133.0**	**2,934.4**	**100.00**	**2,898.3**	**100.00**	**2,603.7**	**100.00**	**2,183.1**	**100.00**
Liabilities and Equity									
D. Interest-Bearing Liabilities									
1. Customer Deposits - Current	1,182.0	839.2	28.60	850.0	29.33	741.1	28.46	668.6	30.63
2. Customer Deposits - Savings	521.1	370.0	12.61	362.8	12.52	321.1	12.33	279.5	12.80
3. Customer Deposits - Term	2,010.8	1,427.7	48.65	1,403.3	48.42	1,238.5	47.57	975.4	44.68
4. Total Customer Deposits	**3,713.9**	**2,636.9**	**89.86**	**2,616.1**	**90.26**	**2,300.7**	**88.36**	**1,923.5**	**88.11**
5. Deposits from Banks	38.5	27.3	0.93	19.5	0.67	44.0	1.69	5.2	0.24
6. Repos and Cash Collateral	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
7. Other Deposits and Short-term Borrowings	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
8. Total Deposits, Money Market and Short-term Funding	**3,752.4**	**2,664.2**	**90.79**	**2,635.6**	**90.94**	**2,344.7**	**90.05**	**1,928.7**	**88.35**
9. Senior Debt Maturing after 1 Year	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
10. Subordinated Borrowing	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
11. Other Funding	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
12. Total Long Term Funding	**n.a.**	**n.a.**	**-**	**n.a.**	**-**	**n.a.**	**-**	**n.a.**	**-**
13. Derivatives	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
14. Trading Liabilities	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
15. Total Funding	**3,752.4**	**2,664.2**	**90.79**	**2,635.6**	**90.94**	**2,344.7**	**90.05**	**1,928.7**	**88.35**
E. Non-Interest Bearing Liabilities									
1. Fair Value Portion of Debt	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
2. Credit impairment reserves	14.1	10.0	0.34	7.3	0.25	14.6	0.56	20.7	0.95
3. Reserves for Pensions and Other	24.6	17.5	0.60	28.6	0.99	32.5	1.25	39.2	1.80
4. Current Tax Liabilities	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
5. Deferred Tax Liabilities	2.5	1.8	0.06	1.7	0.06	3.9	0.15	3.3	0.15
6. Other Deferred Liabilities	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
7. Discontinued Operations	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
8. Insurance Liabilities	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
9. Other Liabilities	36.3	25.8	0.88	17.5	0.60	13.8	0.53	13.8	0.63
10. Total Liabilities	**3,830.0**	**2,719.3**	**92.67**	**2,690.7**	**92.84**	**2,409.5**	**92.54**	**2,005.7**	**91.87**
F. Hybrid Capital									
1. Pref. Shares and Hybrid Capital accounted for as Debt	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
2. Pref. Shares and Hybrid Capital accounted for as Equity	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
G. Equity									
1. Common Equity	301.7	214.2	7.30	206.9	7.14	193.6	7.44	176.8	8.10
2. Non-controlling Interest	1.3	0.9	0.03	0.7	0.02	0.6	0.02	0.6	0.03
3. Securities Revaluation Reserves	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
4. Foreign Exchange Revaluation Reserves	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
5. Fixed Asset Revaluations and Other Accumulated OCI	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
6. Total Equity	**303.0**	**215.1**	**7.33**	**207.6**	**7.16**	**194.2**	**7.46**	**177.4**	**8.13**
7. Total Liabilities and Equity	**4,133.0**	**2,934.4**	**100.00**	**2,898.3**	**100.00**	**2,603.7**	**100.00**	**2,183.1**	**100.00**
8. Memo: Fitch Core Capital	301.8	214.3	7.30	207.0	7.14	193.9	7.45	177.4	8.13
9. Memo: Fitch Eligible Capital	301.8	214.3	7.30	207.0	7.14	193.9	7.45	177.4	8.13
Exchange rate		USD1 = JOD0.71000		USD1 = JOD0.71000		USD1 = JOD0.71000		USD1 = JOD0.71000	

Jordan Islamic Bank
Summary Analytics

	31 Mar 2012 3 Months - 1st Quarter	31 Dec 2011 Year End	31 Dec 2010 Year End	31 Dec 2009 Year End
A. Interest Ratios				
1. Financing Income on Loans/ Average Gross Loans	8.18	7.84	8.04	8.10
2. Financing Expense on Customer Deposits/ Average Customer Deposits	1.58	1.60	1.80	3.05
3. Financing Income/ Average Earning Assets	7.19	6.48	6.56	6.59
4. Financing Expense/ Average Financing Expense-bearing Liabilities	1.56	1.56	1.79	2.34
5. Net Financing Income/ Average Earning Assets	4.87	4.10	3.99	3.46
6. Net Fin. Inc Less Loan Impairment Charges/ Av. Earning Assets	3.72	3.04	3.30	2.86
7. Net Financing Inc Less Preferred Stock Dividend/ Average Earning Assets	4.87	4.10	3.99	3.46
B. Other Operating Profitability Ratios				
1. Non-Financing Income/ Gross Revenues	18.49	29.42	28.48	41.11
2. Non-Financing Expense/ Gross Revenues	44.15	40.51	38.59	40.08
3. Non-Financing Expense/ Average Assets	1.61	1.40	1.33	1.55
4. Pre-impairment Op. Profit/ Average Equity	28.73	28.56	27.39	27.64
5. Pre-impairment Op. Profit/ Average Total Assets	2.08	2.09	2.16	2.34
6. Loans and securities impairment charges/ Pre-impairment Op. Profit	33.77	30.11	19.72	16.88
7. Operating Profit/ Average Equity	19.03	19.96	21.99	22.98
8. Operating Profit/ Average Total Assets	1.38	1.46	1.73	1.94
9. Taxes/ Pre-tax Profit	28.00	28.72	28.50	28.28
10. Pre-Impairment Operating Profit / Risk Weighted Assets	6.59	7.35	6.17	3.87
11. Operating Profit / Risk Weighted Assets	4.36	5.14	4.95	3.22
C. Other Profitability Ratios				
1. Net Income/ Average Total Equity	13.70	14.23	15.72	16.48
2. Net Income/ Average Total Assets	0.99	1.04	1.24	1.39
3. Fitch Comprehensive Income/ Average Total Equity	14.08	14.23	15.56	16.54
4. Fitch Comprehensive Income/ Average Total Assets	1.02	1.04	1.23	1.40
5. Net Income/ Av. Total Assets plus Av. Managed Securitized Assets	n.a.	n.a.	n.a.	n.a.
6. Net Income/ Risk Weighted Assets	3.14	3.66	3.54	2.31
7. Fitch Comprehensive Income/ Risk Weighted Assets	3.23	3.66	3.50	2.32
D. Capitalization				
1. Fitch Core Capital/Weighted Risks	23.25	26.79	23.58	14.68
2. Fitch Eligible Capital/ Weighted Risks	23.25	26.79	23.58	14.68
3. Tangible Common Equity/ Tangible Assets	7.31	7.14	7.45	8.13
4. Tier 1 Regulatory Capital Ratio	20.34	24.41	21.24	13.33
5. Total Regulatory Capital Ratio	20.46	24.48	21.57	14.47
6. Core Tier 1 Regulatory Capital Ratio	n.a.	n.a.	n.a.	n.a.
7. Equity/ Total Assets	7.33	7.16	7.46	8.13
8. Cash Dividends Paid & Declared/ Net Income	0.00	53.00	41.24	43.73
9. Cash Dividend Paid & Declared/ Fitch Comprehensive Income	0.00	53.00	41.67	43.57
10. Cash Dividends & Share Repurchase/Net Income	n.a.	n.a.	n.a.	n.a.
11. Net Income - Cash Dividends/ Total Equity	13.46	6.41	8.81	8.85
E. Loan Quality				
1. Growth of Total Assets	1.25	11.31	19.27	18.11
2. Growth of Gross Loans	19.88	9.15	15.72	13.86
3. Impaired Loans(NPLs)/ Gross Loans	5.49	6.05	4.98	4.43
4. Reserves for Impaired Loans/ Gross loans	3.08	3.87	2.83	2.13
5. Reserves for Impaired Loans/ Impaired Loans	56.15	63.92	56.74	48.04
6. Impaired Loans less Reserves for Imp Loans/ Equity	18.55	14.55	14.06	14.21
7. Loan Impairment Charges/ Average Gross Loans	1.35	1.31	0.86	0.77
8. Net Charge-offs/ Average Gross Loans	n.a.	n.a.	n.a.	n.a.
9. Impaired Loans + Foreclosed Assets/ Gross Loans + Foreclosed Assets	5.49	6.05	4.98	4.43
F. Funding				
1. Loans/ Customer Deposits	62.88	52.86	55.07	56.93
2. Interbank Assets/ Interbank Liabilities	472.53	604.10	309.77	2,042.31
3. Customer Deposits/ Total Funding excl Derivatives	98.98	99.26	98.12	99.73

Jordan Islamic Bank
Reference Data

	31 Mar 2012 3 Months - 1st Quarter USDm	31 Mar 2012 3 Months - 1st Quarter JODm	As % of Assets	31 Dec 2011 Year End JODm	As % of Assets	31 Dec 2010 Year End JODm	As % of Assets	31 Dec 2009 Year End JODm	As % of Assets
A. Off-Balance Sheet Items									
1. Managed Securitized Assets Reported Off-Balance Sheet	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
2. Other off-balance sheet exposure to securitizations	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Guarantees	108.3	76.9	2.62	78.6	2.71	77.3	2.97	76.9	3.52
4. Acceptances and documentary credits reported off-balance sheet	67.7	48.1	1.64	52.1	1.80	39.5	1.52	43.0	1.97
5. Committed Credit Lines	96.1	68.2	2.32	67.1	2.32	66.3	2.55	67.5	3.09
6. Other Contingent Liabilities	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
7. Total Business Volume	4,405.1	3,127.6	106.58	3,096.1	106.82	2,786.8	107.03	2,370.5	108.58
8. Memo: Total Weighted Risks	1,298.0	921.6	31.41	772.8	26.66	822.3	31.58	1,208.1	55.34
9. Fitch Adjustments to Weighted Risks.	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
10. Fitch Adjusted Weighted Risks	1,298.0	921.6	31.41	772.8	26.66	822.3	31.58	1,208.1	55.34
B. Average Balance Sheet									
Average Loans	2,141.5	1,520.5	51.82	1,307.7	45.12	1,166.1	44.79	1,032.2	47.28
Average Earning Assets	2,513.8	1,784.8	60.82	1,615.5	55.74	1,455.2	55.89	1,319.4	60.44
Average Assets	4,107.6	2,916.4	99.39	2,716.4	93.72	2,348.0	90.18	2,002.5	91.73
Average Managed Securitized Assets (OBS)	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Average Interest-Bearing Liabilities	3,732.3	2,649.9	90.30	2,463.4	84.99	2,092.0	80.35	1,757.8	80.52
Average Common equity	296.6	210.6	7.18	197.8	6.82	184.1	7.07	167.6	7.68
Average Equity	297.7	211.4	7.20	198.9	6.86	185.1	7.11	169.3	7.76
Average Customer Deposits	3,699.3	2,626.5	89.51	2,412.5	83.24	2,073.5	79.64	1,350.4	61.86
C. Maturities									
Asset Maturities:									
Loans & Advances < 3 months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Loans & Advances 3 - 12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Loans and Advances 1 - 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Loans & Advances > 5 years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Debt Securities < 3 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Debt Securities 3 - 12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Debt Securities 1 - 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Debt Securities > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Interbank < 3 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Interbank 3 - 12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Interbank 1 - 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Interbank > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Liability Maturities:									
Retail Deposits < 3 months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Retail Deposits 3 - 12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Retail Deposits 1 - 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Retail Deposits > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Other Deposits < 3 Months	n.a.	n.a.	-	770.9	26.60	670.4	25.75	587.5	26.91
Other Deposits 3 - 12 Months	n.a.	n.a.	-	579.3	19.99	506.9	19.47	418.3	19.16
Other Deposits 1 - 5 Years	n.a.	n.a.	-	1,240.4	42.80	1,092.6	41.96	888.8	40.71
Other Deposits > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Interbank < 3 Months	n.a.	n.a.	-	19.5	0.67	44.0	1.69	5.2	0.24
Interbank 3 - 12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Interbank 1 - 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Interbank > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Senior Debt Maturing < 3 months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Senior Debt Maturing 3-12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Senior Debt Maturing 1- 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Senior Debt Maturing > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Total Senior Debt on Balance Sheet	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Fair Value Portion of Senior Debt	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Covered Bonds	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Subordinated Debt Maturing < 3 months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Subordinated Debt Maturing 3-12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Subordinated Debt Maturing 1- 5 Year	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Subordinated Debt Maturing > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Total Subordinated Debt on Balance Sheet	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Fair Value Portion of Subordinated Debt	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
D. Equity Reconciliation									
1. Equity	303.0	215.1	7.33	207.6	7.16	194.2	7.46	177.4	8.13
2. Add: Pref. Shares and Hybrid Capital accounted for as Equity	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
3. Add: Other Adjustments	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
4. Published Equity	303.0	215.1	7.33	207.6	7.16	194.2	7.46	177.4	8.13
E. Fitch Eligible Capital Reconciliation									
1. Total Equity as reported (including non-controlling interests)	303.0	215.1	7.33	207.6	7.16	194.2	7.46	177.4	8.13
2. Fair value effect incl in own debt/borrowings at fv on the B/S- CC only	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
3. Non-loss-absorbing non-controlling interests	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
4. Goodwill	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
5. Other intangibles	1.1	0.8	0.03	0.6	0.02	0.3	0.01	0.0	0.00
6. Deferred tax assets deduction	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
7. Net asset value of insurance subsidiaries	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
8. First loss tranches of off-balance sheet securitizations	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
9. Fitch Core Capital	**301.8**	**214.3**	**7.30**	**207.0**	**7.14**	**193.9**	**7.45**	**177.4**	**8.13**
10. Eligible weighted Hybrid capital	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
11. Government held Hybrid Capital	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
12. Fitch Eligible Capital	**301.8**	**214.3**	**7.30**	**207.0**	**7.14**	**193.9**	**7.45**	**177.4**	**8.13**
Exchange Rate	USD1 = JOD0.71000			USD1 = JOD0.71000		USD1 = JOD0.71000		USD1 = JOD0.71000	

The ratings above were solicited by, or on behalf of, the issuer, and therefore, Fitch has been compensated for the provision of the ratings.