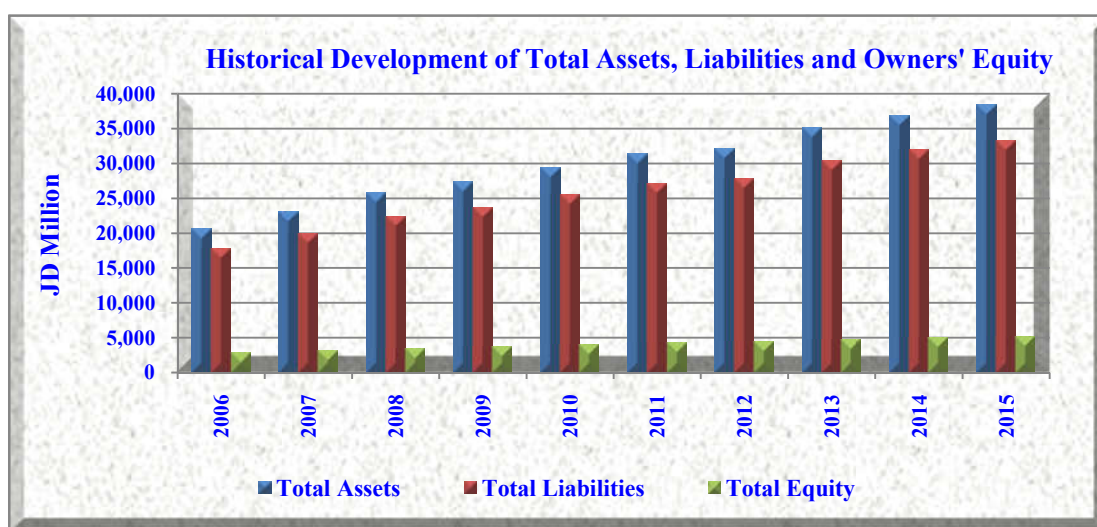


## Financial Performance of Member Banks

The main financial indicators for member banks –which represent 21 banks out of 25 banks operating in the kingdom- for the year 2015, showed the prudence of its financial performance, as nonperforming loans decreased compared to the previous year, and their net income improved, Also; the capital adequacy hiked to exceed the determined limits from Basel II and Central Bank of Jordan. And next are some of these indicators.

- Member banks' total assets reached JD 38365.8 million by the end of 2015 compared to JD 36843.5 million a year earlier, with an increase of JD 1522.3 million or 4.1% compared to an increase of JD 1839.4 million or 5.3% by the end of the year 2014.
- Total liabilities reached JD 33244.2 million by the end of 2015 compared to JD 31894.4 million by the end of 2014, with an increase of JD 1349.7 million or 4.2% compared to an increase of JD 1588.4 million or 5.2% by the end of the year 2014.
- Total owner's equity reached JD 5121.6 million by the end of 2015 compared to JD 4949.0 million by the end of 2014, with an increase of JD 172.6 million or 3.5% compared to an increase of JD 251 million or 5.3% a year earlier.



### Structure of Assets and Liabilities

- Total deposits at member banks reached JD 26759.7 million by the end of 2015 compared to JD 25035.1 million by the end of 2014, with an increase of JD 1724.6 million or 6.9%. Deposits represented approximately 80.5% of total liabilities by the end of 2015 compared to 78.5% by the end of 2014.

- Direct credit facilities (net) granted by member banks reached JD 15158.1 million by the end of 2015 compared to JD 13910.5 million by the end of 2014, with an increase of JD 1247.6 million or 9.0%. Direct credit facilities to total assets ratio increased to reach approximately 39.5% by the end of 2015 compared to 37.8% a year earlier.
- Investments in amortized cost financial assets (held to maturity bonds) reached JD 9078.0 million by the end of 2015 compared to JD 9655.3 million by the end of 2014, with a decrease of JD 577.3 million or 6.0%. The ratio of these assets to total assets decreased to reach about 23.7% of total assets at the end of 2015 compared to 26.2% for the year 2014.
- Off balance sheet items (indirect credit facilities) reached JD 7576.6 million by the end of 2015 compared to JD 7398.0 million by the end of 2014, with a increase of JD 178.6 million or 2.4%, representing approximately 19.7% of total assets at member banks by the end of 2015 compared to 20.1% by the end of 2014.

## **Credit Facilities**

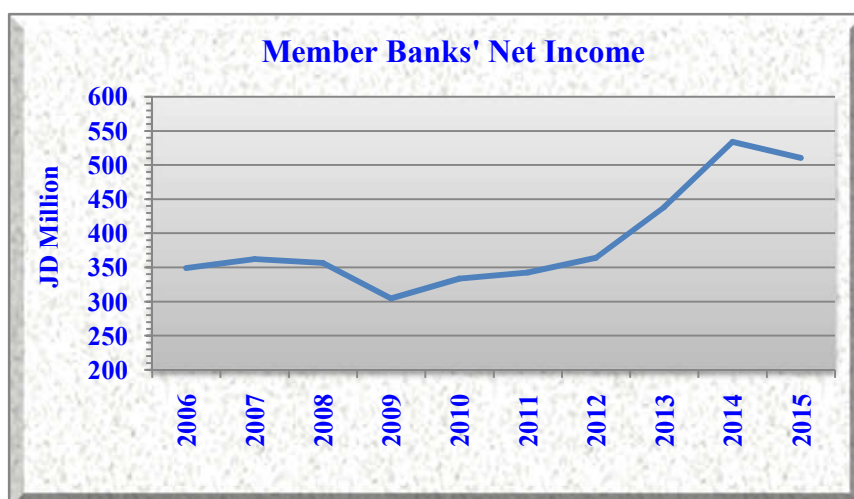
- The ratio of non-performing loans, suspended interests, and written off debts to total direct credit facilities granted by member banks reached 7.6% by the end of 2015 compared to 9.0% by the end of 2014.
- Loan loss provisions to non-performing loans reached 92.8% by the end of 2015 compared to 87.3% a year earlier.
- Loan loss provisions deducted from revenues during the year to interest revenues reached 6.0% by the end of 2015 compared to 10.3% by the end of 2014.
- Direct credit facilities granted to related parties to gross credit facilities reached 2.3% by the end of 2015 compared to 2.2% a year earlier.

## Capital Adequacy Ratio

Member banks recorded a capital adequacy ratio of 18.4% by the end of the year 2015 compared to 17.5% by the end of the year 2014, whereas the minimum requirement ratio set by the Central Bank of Jordan is 12% and by Basel II is 8%.

## Profitability Indicators

- With regard to income statement indicators; the net profit before taxes reached JD 752.5 million by the end of 2015 compared to JD 733.8 million by the end of 2014, with an increase of JD 18.7 million or 2.5%.
- The income before taxes to average total assets at member banks (return on average assets (ROAA)) remained at 2.0% during the year 2015.
- The income before taxes to average owner's equity at member banks (return on average equity (ROAE)) reached 14.9% during the year 2015 compared to 15.2% during the year 2014.
- The net interest income to average direct credit facilities (net) granted by member banks reached 7.7% by the end of the year 2015 compared to 8.0% by the end of the year 2014.



### Key Indicators for Member Banks' Financial Performance (2010-2015)

Financial Performance Ratios	2010	2011	2012	2013	2014	2015
Direct Credit Facilities (Net) to Total Assets	37.6%	33.3%	39.4%	38.0%	37.8%	39.5%
Investments in Held to Maturity Financial Assets to Total Assets	6.0%	20.1%	21.9%	25.3%	26.2%	23.7%
Non-Performing Loans, Suspended Interest, and Written off Debts to total Credit Facilities	9.9%	9.6%	12.0%	10.6%	9.5%	7.6%
Loan Loss Provisions to Net Interest Income	22.1%	25.7%	24.5%	14.2%	10.3%	6.0%
Cash and Quasi Cash to Deposits (More than 100,000)	69.8%	61.0%	66.3%	51.3%	54.4%	32.3%
Capital Adequacy Ratio	19.8%	18.6%	18.4%	18.0%	17.9%	18.4%
Return on Average Assets (Before Tax)	1.7%	1.5%	1.6%	1.9%	2.0%	2.0%