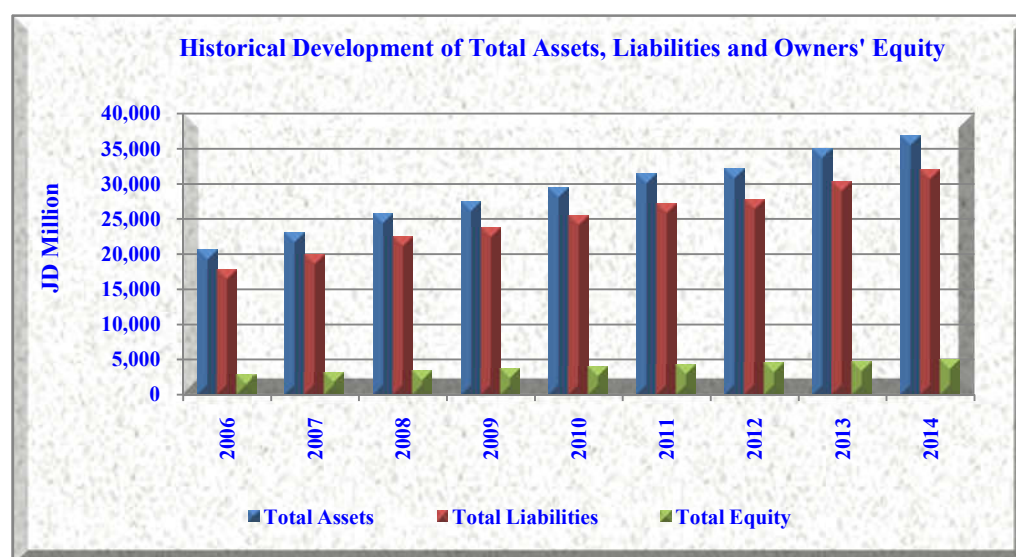


Financial Performance of Member Banks

It was obvious that the wise practices belongs the procedures of regulating the banking sector, in addition to the effective banking management and corporate governance regulations for banks that have been issued in 2014, is looking forward to mitigate various types of risks as well as being flexible and interactive with the Central Bank monetary policy and its prudential regulations led to maintain safe and sound banking sector, that became more stable and efficient in promoting economic growth. The main financial indicators for member banks –which represent 21 banks out of 25 banks operating in the kingdom- for the year 2014, showed that provisions are better off covering the non performing loans, and the nonperforming loans itself decreased compared to the previous year, and the high capital adequacy ratios are maintained, which support the stability and the solvency for these banks against any external and internal shocks, and next are some of these indicators.

- Member banks' total assets reached JD 36846.9 million by the end of 2014 compared to JD 35004.1 million a year earlier, with an increase of JD 1842.8 million or 5.3% compared to an increase of JD 2865.5 million or 8.9% by the end of the year 2013.
- Total liabilities reached JD 31894.5 million by the end of 2014 compared to JD 30306.1 million by the end of 2013, with an increase of JD 1588.4 million or 5.2% compared to an increase of JD 2609.4 million or 9.4% by the end of the year 2013.
- Total owner's equity reached JD 4952.5 million by the end of 2014 compared to JD 4698.0 million by the end of 2013, with an increase of JD 254.4 million or 5.4% compared to an increase of JD 255.8 million or 5.8% a year earlier.



▪ **Structure of Assets and Liabilities**

- Total deposits at member banks reached JD 25035.1 million by the end of 2014 compared to JD 22998.3 million by the end of 2013, with an increase of JD 2036.7 million or 8.9%. Deposits represented approximately 78.5% of total liabilities by the end of 2014 compared to 75.9% by the end of 2013.
- Direct credit facilities (net) granted by member banks reached JD 13911.3 million by the end of 2014 compared to JD 13299.5 million by the end of 2013, with an increase of JD 611.8 million or 4.6%. Direct credit facilities to total assets ratio decreased to reach approximately 37.8% by the end of 2014 compared to 38.0% a year earlier.
- Investments in amortized cost financial assets (held to maturity bonds) reached JD 9655.3 million by the end of 2014 compared to JD 8865.5 million by the end of 2013, with an increase of JD 789.9 million or 8.9%. The ratio of these assets to total assets increased to reach about 26.2% of total assets at the end of 2014 compared to 25.3% for the year 2013.
- Off balance sheet items (indirect credit facilities) reached JD 7634.0 million by the end of 2014 compared to JD 7684.1 million by the end of 2013, with a decrease of JD 54.7 million or 0.7%, representing approximately 20.7% of total assets at member banks by the end of 2014 compared to 22.0% by the end of 2013.

Credit Facilities

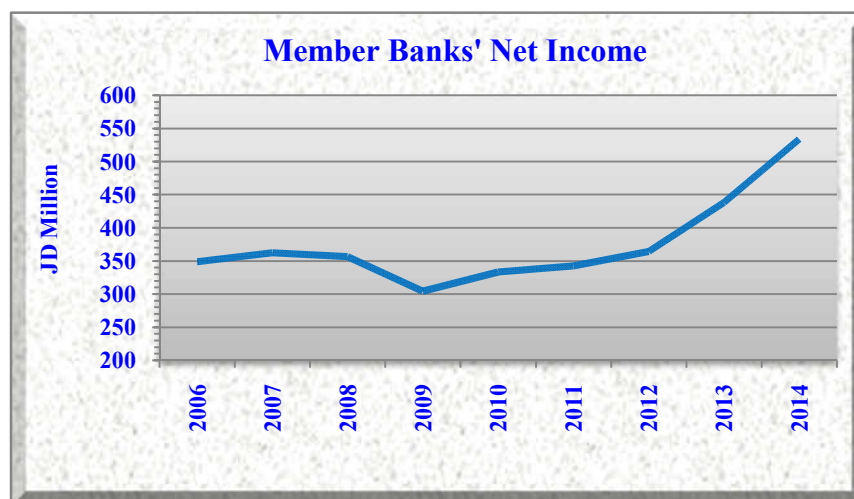
- The ratio of non-performing loans, suspended interests, and written off debts to total direct credit facilities granted by member banks reached 9.5% by the end of 2014 compared to 10.6% by the end of 2013.
- Loan loss provisions to gross loans reached 87.3% by the end of 2014 compared to 83.1% a year earlier.
- Loan loss provisions deducted during the year to interest revenues reached 10.3% by the end of 2014 compared to 14.2% by the end of 2013.
- Direct credit facilities granted to related parties to gross credit facilities reached 2.2% by the end of 2014 compared to 2.1% a year earlier.

Capital Adequacy Ratio

- Member banks recorded a capital adequacy ratio of 17.9% by the end of the year 2014 compared to 18.2% by the end of the year 2013, 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 733.8 million by the end of 2014 compared to JD 628.5 million by the end of 2013, with an increase of JD 105.3 million or 16.8%.
- The income before taxes to average total assets at member banks (return on average assets (ROAA)) reached 2.0% during the year 2014 compared to 1.9% during the year 2013.
- The income before taxes to average owner's equity at member banks (return on average equity (ROAE)) reached 15.2% during the year 2014 compared to 13.8% during the year 2013.
- The net interest income to average direct credit facilities (net) granted by member banks reached 8.0% by the end of the year 2014 compared to 8.1% by the end of the year 2013.



Key Indicators for Member Banks' Financial Performance (2009-2014)

Financial Performance Ratios	2009	2010	2011	2012	2013	2014
Direct Credit Facilities (Net) to Total Assets	38.5%	37.6%	33.3%	39.4%	38.0%	37.8%
Investments in Held to Maturity Financial Assets to Total Assets	7.5%	6.0%	20.1%	21.9%	25.3%	26.2%
Non-Performing Loans, Suspended Interest, and Written off Debts to total Credit Facilities	8.4%	9.9%	9.6%	12.0%	10.6%	9.5%
Loan Loss Provisions to Net Interest Income	21.2%	22.1%	25.7%	24.5%	14.2%	10.3%
Cash and Quasi Cash to Deposits (More than JD 100,000)	69.9%	69.8%	61.0%	66.3%	51.3%	54.4%
Capital Adequacy Ratio	19.8%	19.8%	18.6%	18.4%	18.0%	17.9%
Return on Average Assets (Before Tax)	1.6%	1.7%	1.5%	1.6%	1.9%	2.0%