



His Majesty
King Abdullah II Bin Al Hussein



His Royal Highness
Prince Al Hussein Bin Abdullah II
Crown Prince

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Value

قال تعالى:

«وَذَلِكَ دِينُ الْقِيَمَةِ»

سورة البينة الآية هـ

General meaning of the Holy Verse is:

...and that is the right Valuable religion.



Jordan Dubai Islamic Bank





In The Name of Allah, The Merciful, The Compassionate

Jordan Dubai Islamic Bank is a Public Shareholding Limited Liability Company

Established in Amman, the Hashemite Kingdom of Jordan, and registered as a public shareholding company in the Companies' Registry on 23/6/1963 under reference No. 8 in the name of the Industrial Development Bank.

Whereas it was established under Law No. 5 year 1972 which was hereafter canceled by the law canceling the law of the Industrial Development Bank No. 26 for year 2008, and legally and effectively replaced by Jordan Dubai Islamic.

Jordan Dubai Islamic Bank started its operations on 17/1/2010 according to Islamic Sharia laws and the regulations of the Central Bank of Jordan and the Jordanian Law of Banks.

Our Vision

Leading Islamic banking to serve all spectrums of the society.

Our Mission

To provide distinctive and innovative services emanating from the divine principles of Islam to build lasting and solid partnerships and to maximize benefits to all stakeholders.

Our Values

Innovation:

At Jordan Dubai Islamic Bank, we adhere to the principles of innovation and distinguish ourselves as a pioneering financial institution by combining traditional Islamic values with the latest technology and innovative products and services; thus delivering the best of modern Islamic banking.

Knowledge:

At Jordan Dubai Islamic Bank, our guiding principle of banking is inspired by the knowledge and doctrines embodied within the Islamic Sharia Principles. Built from these strong foundations, we are proud to introduce the new standard of modern Islamic banking in Jordan.

Quality:

Structuring products and providing service is implemented with the same principle of delivering quality through perfection. At Jordan Dubai Islamic Bank our wide array of solution driven products and services are created in harmony with our customers' specific financial needs.

Value:

Defined by our modern Islamic banking approach and the success of our customers, our commitment is to deliver value and measurable returns by providing the finest banking service available. It is our valued belief at Jordan Dubai Islamic Bank that our customer's benefit is key to our success.

World Class Service

At Jordan Dubai Islamic Bank we are a customer-centered modern Islamic banking institution that bases each of its relationships on unparalleled personal service and understanding. We care, we listen and we constantly deliver world class services.



Board of Directors

Mesc Investment Company, represented by:

H.E. Mr. Salem Ahmad Al Khaza'leh	Chairman until 6/9/2013
Mr. Mohammed Said Ahmad Abdullah Al Sharif	Deputy Chairman until 26/10/2013 & Chairman from 26/10/2013
Mr. Mohammed Salim Saif Al Falasi	Member
Mr. Maher Samir Shameyeh	Member until 1/8/2013
H.E. Mrs. Hala Numan Bseiso	Member until 26/9/2013

Al Hilal Company for Islamic Investments, represented by:

Mr. Ismail Nabil Abdul Mu'ti Tahboub	Member until 12/8/2013
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Orphans Fund Development Foundation represented by:

Dr. Faysal Abdel Razzaq Al Hyari	Member
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Jordan Ministry of Finance, represented by:

Dr. Ismail Said Zein Zaghloul	Member
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Social Security Corporation / Investment Unit of the Social Security Corporation, represented by:

D. Eng. Lo'ay Munir Tewfick Suhwail	Member
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FCP Fund, represented by:

Mr. Laith Munib Al Masri	Member until 15/9/2013
Mr. Shahm Munib Al Wir	Member from 15/9/2013

Mr. Raslan Nouri Raslan Deiranieh in his personal capacity

Member

Board of Directors



Mr.
Mohammed Said Ahmed Abdullah Al Sharif
Chairman



Mr.
**Mohammed Salim Saif
Al Falasi**
Member



Dr.
**Faysal Abdel Razzaq Al
Hyari**
Member



Dr.
**Ismail Said Zein
Zaghloul**
Deputy Chairman



Mr.
**Raslan Nouri Raslan
Deiranieh**
Member



Mr.
Shahm Munib Al Wir
Member
(from 15/9/2013)



Dr. Eng.
**Lo'ay Munir Tewfick
Suhwail**
Member



Sharia Supervisory Board



Professor Doctor
Hussein Hamed Hassan
Chairman and Executive Member



Professor Doctor
Ali Mohyiddin Al Quradaghi
Member



Professor Doctor
Ali Mohammed El Moussa (Al Sawa)
Member



Dr.
Ahmad Salem Mulhem
Member

Executive Management



Mr Sami "Husam Eddin" Sabri Al Afghani
Chief Executive Officer



Mr
Mohammad "Mohammad Fayyad" (Haj Ahmad)
Deputy CEO
Chief of Treasury & Investment



Dr
Haitham Marouf Hamad Jouher
Deputy CEO
Chief of Human Resources & Administration



Mr
Rami Ziad Abdel Fattah Al Khayyat
Deputy CEO
Chief of Corporate Banking



Mr
Hani "Mohammed Subhi" Al Zrari
Deputy CEO
Chief of Operations & Information Technology



Mr
Taj Omran Amin Khomosh
Deputy CEO
Chief of Retail Banking



Mr
Ziad Said Khalil Kokash
Deputy CEO
Chief of Risk Management



Mr.
Ibrahim Salah Mohammad Samha
Deputy CEO
Chief of Finance



Mr
Ajoud Sharafaldeen Ali Al Rousan
Head of Internal Audit



Mr
Masoud Ismail Masoud Sakfal-Hait
Head of Legal



Message of the Chairman

In The Name of Allah the Gracious the Merciful

**Peace Be Upon You and Allah's Mercy and Blessings,
Praise Be to Allah and Peace and Blessings on the Last of
the Prophets, our Master Mohammad, all his Family and
Companions,**

Dear Shareholders,

With all appreciation, pride and sincere affection, and on behalf of myself and members of the board, it is my great pleasure to introduce to you the annual report of the Bank's business results for the fiscal year ending December 31, 2013.



First, it is worthy to note the Bank's growth and successes for the fourth year in a row since the Bank's actual start-up in 2009, the most outstanding of which was the growth of operational profits by 185% before tax, as a result of the increase in the base of the Bank's customers and their confidence in the level of services and products provided. In addition, the total assets grew by 11.2% and customer account balances by 19.5% as the Bank kept a high percentage of capital adequacy ratios, compared to the Jordanian banking sectors 44.75%. Jordan Dubai Islamic Bank has been able to consolidate its competitiveness by focusing on the quality of the service provided to customers, introduction of new products, redoubling its marketing efforts, increasing the number of its branches to 15 in Jordan, and providing quality service to customers using the latest banking technology, which contributed to the increase in customer base.

During 2013, Jordan Dubai Islamic Bank also continued its tireless efforts towards more quality achievements to enrich the banking activity by emphasizing the importance of the application of advanced levels in banking technology in terms of diversification of products and services, efficiency of operation, following international quality standards in the development of the best banking services to its customers and the application of the principles of corporate governance. These endeavours and huge efforts by our employees culminated in achieving more successes in enhancing performance rates and improving financial and operational indicators, which led to reap numerous awards as a result of the application of international best practices, including the Fastest Growing Islamic Bank Award in Jordan, and Fastest Growing Retail Bank in Jordan Award by the Global Banking and Finance Review, in addition to Best Islamic Bank in Jordan Award for the year 2013 by Islamic Finance News Awards.

These awards were in recognition and honour of the successes of the Bank and confirmation of its customers' confidence in the quality and excellence of banking services, for the Bank has since its start-up in 2010 sought to offer an integrated system of Islamic Sharia compliant banking solutions within the modern foundations of high quality and international best practices.

These successes came in spite of factors that affected the performance of the local economy during the 2013 fiscal year, including global or regional factors related to the geopolitical circumstances and conditions in neighbouring countries which directly and substantially affected the performance of the Jordanian economy in general, and the banking sector in particular.

Moreover, one of the sources of our pride and pleasure is the Bank's keenness to assume its social responsibilities with their various themes to promote the principle of sustainable development. Based on this, the efforts of management and staff have combined together to promote the goal of serving the local community with all its spectra. Thus, during 2013, the Bank implemented a number of initiatives and achievements to support social activities such as health, educational, cultural, religious, humanitarian, sports and environmental institutions, in addition to organizing and sponsoring scientific conferences and seminars and other events that aim to serve and develop civil society institutions.

Needless to say that these achievements would not have been possible had the Bank not adopted flexible and sound plans and strategies, enabling us to adapt and qualifying us to deal with the changes, overcome many obstacles, and continue to succeed at a steady pace so as to enhance our vision of Jordan Dubai Islamic Bank becoming a distinguished Jordanian Islamic bank.

Due to our commitment to maintaining the reputation of the Bank and its assets, we believe it is incumbent upon us to inform you that we were involved in November 2013 in civil judicial proceedings before a US federal court concerning procedures to execute a court judgment in favor of a US company against a group of people and companies. The Bank's involvement there was intended to hedge against the possibility of being targeted by any judicial decision as a result of those judicial proceedings which had been carried out without the Bank knowing or being notified of them. Moreover, we assure you of the correctness and soundness of the Bank's legal position in these proceedings, which were built on legally and effectively baseless and unfounded statements of the assumptions.

We have decided that it was necessary to disclose a certain amount of information, despite the federal court's order to observe the confidentiality of judicial proceedings and abstain from disclosing the details and merits of such proceedings, which requires non-disclosure of further information in this regard, under penalty of perjury and in accordance with the provisions of US law.

Finally, we can't but thank the wise government and its official institutions for the care and consideration we have received from them. Particularly, the Central Bank of Jordan for its continued support for the activities of the banks and the adoption of prudent monetary policy.

I would also like to extend my thanks to the honorable members of the Board of Directors and Sharia Supervisory Board for the sustained efforts they have expended through appropriate strategic guidance which helped to facilitate the progress of the Bank and realize its vision.

I shall never fail to extend my thanks to members of the Executive Management and the Bank's staff for their perseverance and sincere efforts to perform the tasks assigned to them in service of this financial edifice to which we are proud to belong, and whose progress, superiority and success we strive to achieve.

Finally, we pray to Allah to help us to work for the benefit of our organization and service of dear Jordan, under the leadership of His Majesty King Abdullah II Bin Al Hussein, May Allah protects him.

Peace be upon you, and Allah's Mercy and Blessings,

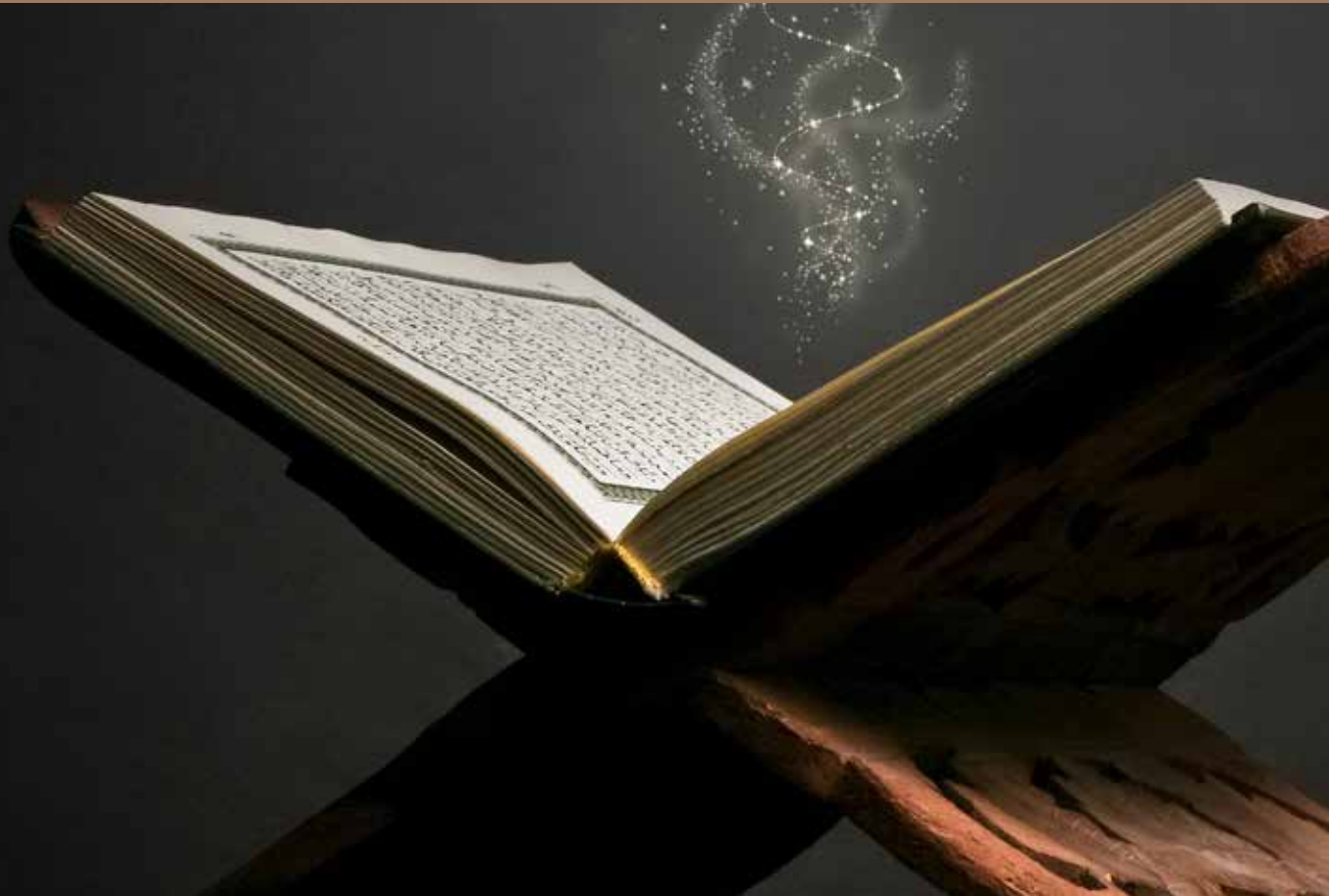
Mohammed Said Al Sharif
Chairman

Knowledge

قال رسول الله صلى الله عليه وسلم:
«وإنَّ فضلَ العالمِ على العابدِ
كفضلِ القمرِ ليلةَ البدرِ على سائرِ الكواكبِ»
صحيح أبو داود - حديث صحيح

General meaning of the Hadith Sharif is:

The advantage of those who know on worshipers is like the advantage of the full moon on all other planets AS they enlighten other's way.



Board of Directors Report

(Disclosure Requirements as per the Instructions of the
Financial Securities Commission)





Disclosure Requirements

Since the establishment of Jordan Dubai Islamic Bank in 2010, it has been working on providing fully integrated Islamic banking solutions combining the best of traditional Islamic values with cutting edge technology and innovation to deliver high quality personalized service to cater for its clients' needs. This philosophy is embodied in its slogan "Solid principles, innovative solutions".

To achieve its objectives, the Bank has sought to build a network of branches which currently stands at 15 branches located throughout the Kingdom and offering a suite of modern Sharia compliant financial solutions, including but not limited to:

Auto and Personal Finance through Murabaha, and Home Finance through Ijara (lease to own) as well as financing the purchase of land, commercial offices and clinics. The Bank also provides services ijara such as financing education and travel.

On the other hand, the Bank provides attractive checking, savings and investment accounts which have been designed with extremely flexible terms and conditions. The Bank also offers a host of modern services such as Internet Banking, Visa Electron plus Gold & Classic charge cards. As for corporate banking, the Bank works to offer diverse financial and Sharia compliant products and services for large and medium-sized enterprises. All this and more is provided by the Bank so that the Bank pursues its approach to fulfill its customers' needs and gain their satisfaction; going forward in its quest for innovation and modernity.

The main services and products offered by Jordan Dubai Islamic Bank

- **Corporate Banking services:** Jordan Dubai Islamic Bank provides a collection of Sharia compliant financial services which include direct facilities such as Murabaha, Murabaha agency and Ijaras, as well as indirect facilities such as letters of credit and letters of guarantee, besides the provision of innovative financial solutions under the umbrella of Islamic banking systems covering corporate finance to large and medium enterprises in the different economic sectors, focusing on distinctive service and understanding of the needs of customers and their financing needs.

- **Services for the VIPs "Safwa":** Jordan Dubai Islamic Bank distinguishes itself as the first Islamic bank in Jordan to offer Sharia compliant banking services for affluent banking customers. The Bank is keen that "Safwa" customers get the high-level innovative services through "Safwa" centres at a number of its branches. The service provides a special customer relations manager to help clients complete their banking transactions with all accuracy and ease. The Bank has also signed strategic partnerships with leading organizations in the Jordanian market to provide advantages and special discounts for Safwa clients.

- **Finance Services:** The Retail Banking Department offers a range of Sharia compliant personal retail finance products that have been designed to suit the different needs of customers. Our products include the following:

Finance service under the Murabaha system:

- Personal finance for the purchase of goods such as furniture, electric appliances and construction materials
- Auto finance program to own new and used cars through affordable finance terms

- Financing of travel expenses to perform Hajj and Omrah as well as financing of tours
- Covering education and marriage expenses, through the Services of Ijara Finance Program which is done by means of signing an ownership contract between the Bank and the client
- Purchase of residential lands and farms
- Al Yusur Program: the program enables customers to settle all their liabilities at commercial banks and to refinance them with JDIB in accordance with the provisions of Islamic Sharia

Finance Products in Accordance with the Lease-to-Own Program (Ijara):

- Financing the purchase of apartments and prefabricated houses
- Financing the purchase of lands in order to build on them and farms financing.
- Financing of commercial offices such as clinics and engineering offices
- Refinancing owned real estates

• **Account and Deposit Services:** including checking and saving accounts as well as investment deposit accounts / term deposits of different types.

• **Electronic Banking Services:** The Bank aims to continuously provide its clients with the latest means to complete their banking transactions easily and around the clock through the available electronic channels which include ATM machines , Internet banking, as well as SMS , mobile and landline phone banking services. Added to this is the call centre which in turn offers the customers assistance regarding their accounts, products and offers made by the Bank, as well as dealing with and following up complaints to ensure the provision of distinguished customer service.

• **Bank Cards:** the Bank provides free Visa Electron Cards which enable clients to perform many of the services on their accounts such as cash withdrawal, inquiring about accounts, etc.

The Bank also provides charge cards of both types, gold and classic, which have been designed to suit the different purchasing needs of clients and which may be used inside and outside Jordan.

• **Treasury and investment services:** The Bank provides current and potential clients with innovative and Sharia compliant financial services, which assist them in hedging their financial risk exposure. These products include FX Spot, FX Islamic Forward Based on Promise Contracts, Profit Rate Swap and Structured Products.



JDIB geographic locations and number of employees in each branch

Branch	District Name	Street	Building	Building No.	Tel.	Fax	Number of Employees
Head Office	2nd circle-- Jabal Amman	Islamic scientific College St.	-	-	4602200	4647821	211
Jabal Amman	2nd Circle- Jabal Amman	Islamic scientific College St.	-	-	4602110	4647821	10
Al-Bayader	Al-Rawnaq/ Wadi Essair	Husni Sobar	Mahmoud Bin Zakariah Abzakh	33	5803131	5803140	10
Al Madinah Al Monawarah	Assalam/ Tla'Al	Al Madinah Al Monawarah	Jordan Properties	121	5507444	5507440	10
Shmaisani	Abdali Area	Eilya Abu Madi	Wael Abu Hamdan	6	5630555	5630550	10
Al Wehdat	Al-Oudah/ Yarmouk Area Madaba	Prince Hassan	Eid Al-Fayez	313	4791111	4791112	9
Al-Khalidi	Al-Radwan Quarter/ Zahran Area	Ibn Khaldoun	Khalidi Medical Plaza	38	4630827	4630837	5
Khalda	Khalda Neighborhood/	Amer Bin Malek	-	49	5512526	5512657	5
Al Jubaiha	Tla' Al Ali	Queen Rania Al Abdullah	-	-	5301315	5301316	7
Al Swaifiyeh	-	Abdul Rahim Al Haj Mohammed	Hijazi Plaza	70	5810241	5824121	5
Taj Mall	-	Prince Hashem Bin Al-Hussein crossroad	Taj Mall	-	5931390	5810597	9
Irbid	-	Al Hashemi	Al-Rosan	-	7201800/02	7201814/02	10
Al-Zarqa'	-	36 Mecca Street	Al-Kurdi	-	3758111/05	3758102/05	10
Sahab	King Abdullah II Bin Al Hussein Industrial City	-	-	-	4602114	4602110	7
Al Hashemi Al Shamali	Al Hashemi Al Shamali	Bathaa	-	97	4602100	4602100	5
Jabal Al Hussein	-	Khalid Bin Al Waleed	-	203	4602100	4602413	10
Total							333

JDIB Capital Investment

The total volume of investment in 2013 Financial statement is JOD 528 Million consisting of the Bank's portfolio of direct and indirect financing, fixed and current assets and others, noting that the Bank's declared capital is JOD 100 Million and shareholders' equity reached JOD 127 Million as in 31/12/2013.

JDIB Subsidiaries

- MISC for Financial Brokerage, which started operations in 2011 with a capital of JOD 750,000, and its main activity is financial brokerage at Amman Exchange. It is fully owned by JDIB. The company's address is Housing Bank Complex, and the number of staff is (6).
- Jordan Dubai Properties for Reconstruction was established in October 2012 with a capital of JOD 100,000, and is fully owned by JDIB.*

* Jordan Dubai Properties for Reconstruction owns the following subsidiary:

- Al Faied Real Estate Investments: it was established in 2012 with a capital of JOD 5,000 and 100% ownership

The Members of the Board of Directors and an introductory brief on each

Mr. Mohammed Al Sharif/ Chairman of the Board / Representative of Mesc Investment Private Shareholding Company from 26/10/2013 until now

Date of Birth: 05/06/1965

Qualifications: Masters in Accounting/American Catholic University/USA 1991
B.A. in Accounting / Economy/ UAE University, 1986.

Professional Certifications: CPA from the Board of Accountants/Virginia State, USA, 1994.

Experience: Chief Executive Officer, DIB Capital Limited. From 2010 to date
Financial Director, Dubai Islamic Bank (1999 – 2010)
Occupied various posts at UAE Central Bank (14/10/1986-31/8/1999).

Board Memberships: Editor-in-Chief of the Journal of Islamic Economics Chairman
of the Board of Directors of Dubai Islamic Bank, Pakistan
Chairman of Khartoum Bank, Sudan
Board Member of Liquidity Management Center, Bahrain
Chairman of the Board of Directors of Faisal Islamic Bank, Cyprus
Board Member of Tamweel Company, UAE
Board Member of DIYAR Development Company, UAE
Chairman of the Board of Directors of Modern Real Estate Development Co., Egypt

H.E. Mr. Salem Al Khaza'leh / Chairman of the Board / Representative of Mesc Investment Private Shareholding Company from 27/1/2013 until 6/9/2013

Date of Birth: 1/2/1963

Academic Qualifications: Bachelor of Law / Jordan University, 1985

Experience: Minister of State for Legal Affairs, 2009-2010
Served as Chairman of the Ombudsman Bureau, 2009
Minister of Industry and Trade, 2006-2007
Minister of Public Sector Development, 2005-2006
President of the Audit Bureau, 2003-2005
General Controller of Companies, 1999-2003
Full- time Lawyer and Legal Advisor and Chancellor-at-Law for the Housing Bank
Executive Advisor to the Arab Council for Legislative and Legal Studies
Former lawyer, legal advisor and expert on issues of companies, banks, arbitration, financial markets, corporate restructuring and legal initiatives

Mr. Mohammed Al Falasi / Member of the Board of Directors / Representative of Mesc Investment Private Shareholding Company from 27/1/2013 until now

Date of Birth: 3/5/1964

Qualifications: MBA Leicester University / UK
BS Computer Science, University of Arkansas, USA 1985 – 1991

Professional Certifications: BAI Finance Diploma
Strategic and Innovation Diploma
IATA Program, Geneva, 1996 – 1997, Switzerland Airlines

Experience: SVP Head of Central Operations / Dubai Islamic Bank 2011 – to date



SVP Head of Direct Sales and Alternative Channels, Emirates NBD 2005 – 2011
 Head of Alternative Channels, Emirates NBD 2005 – 2009
 Regional Manager, Emirates Airlines, Saudi Arabia 2002 – 2005
 Area Manager, Emirates Airlines, Oman 2000 – 2002
 Area Manager, Emirates Airlines, Libya 1998 – 2000
 District Manager, Emirates Airlines, Riyadh 1996 – 1998
 Commercial Officer, Emirates Airlines, 1993 – 1996

Mr. Maher Shameyeh / Member of the Board of Directors / Representative of Mesc Investment Private Shareholding Company from 27/1/2013 until 1/8/2013

Date of Birth: 2/11/1970

Qualifications: Bachelor's degree in Accounting and Business Administration
 Mr. Maher Shameyeh is CEO and Financial Controller at Emaar Properties International, a leading real estates company headquartered in Dubai. Emaar Jordan is one of the subsidiary companies working to develop one of the largest tourism projects in the Kingdom (Samara Dead Sea Resort) with an investment estimated at a billion dollars. Mr. Shameyeh established the Finance and Accounting Section including development of policies and internal procedures of the Section, as well as management of all cash transactions since 2006. He played a key role in protecting the Section from fiscal deficit. Previously, Mr. Maher Shameyeh served as Business Development Director at Al Ittihad Factories Company for the production of tobacco and cigarettes for the Middle East Region, Financial Controller for Alpha International and Deputy CFO for a transport organization.
 Mr. Maher Shameyeh holds CFA Certificate from USA, a Bachelor of Accounting and Business Administration from Jordan University, and is a member of ACFE.

H.E. Hala Numan Bseiso / Member of the Board of Directors / Representative of Mesc Investment Private Shareholding Company from 27/1/2013 until 29/9/2013

Academic Qualifications: Master of Accounting and Financial Management from London School of Economics and Political Sciences, UK, 1990.
 Bachelor of Economics and Applied Statistics (Major) and Business Administration (Minor), Jordan University, 1987
 Experience: Associate Director-General, Ayah Consulting and Development, March – 2011 until now
 Social Development Secretary, 1 November 2007 until February 2011
 Director of the Office of Her Majesty Queen Rania Al Abdullah, May 2007 – November 2007
 Executive Director of World Links Arab Region non-profit organization, May 2005 – May 2007
 Government of the Hashemite Kingdom of Jordan 2002-2005, including:
 Advisor to Deputy Prime Minister / Minister of State for

Board Memberships:

Monitoring Government Performance, January 2005 – May 2005

Secretary-General of the Ministry of Public Sector Development / Public Sector Reform Unit

Secretary-General of the Ministry of Planning and International Cooperation

Team Leader / Program Management Unit, United Nations Development Program (UNDP), Jordan, 1997-2002

World Bank Coordinator / Ministry of Tourism and Archaeology, The World Bank Jordanian Government, 1995-1997

Administrative Officer, International Medical Institute, USA, 1991-1993

Credit Manager / International Branches Management, Arab Bank-Jordan, 1990-1991

Financial Analyst / Ministry of Finance / Minister's Office, Government of Jordan, 1990

Analyst for dealing and trading with Foreign Currency, Investment Financing Institution (currently Investment Bank)

Currently:

Member of Jordan River Foundation's Board of Trustees since 2001.

Member of the Royal Scientific Society's Board of Trustees .

Member of the Board of Trustees of the Royal Society of Fine Arts

Chairman of a local charity offering scholarships for Jordanian girls

Founding Member of International Women's Forum (IWF)

Previously:

Board Member of Industrial Development Bank

Board Member of Jordan Telecom Company

Board Member of the Supreme Council of the General Organization for the Protection of the Environment

Board Member of the General Organization for Housing and Urban Development

Member of the National Council for Tourism

Member of the Technical and Vocational Training Council's Executive Committee

Deputy Chairman of Jordan Post

Member of the Executive Committee of the Arab Women's Summit

Mr. Ismail Tahboub / Member of the Board of Directors / Representative of Al Hilal Company for Islamic Investments

From 27/1/2013 – 12/8/2013

Date of Birth: 20/12/1973

Qualifications: Bachelor of Accounting/ Jordan University 1995

Professional Certifications: Accounting Certificate from Montana State for CPA Board, Also a member of American Institute of Public Accountants (AICPA)

Experience: Experience Executive Chairman of Jordan Dubai Capital Co.

Board Memberships: Chairman of Board of Directors of First Insurance Company.



Chairman of Board of Directors of Mesc Investment Company.
 Chairman of Board of Directors of Jordan Dubai Properties.
 Deputy Chairman of Board of Directors of MADAEN AL-SHOROUC for Investment and Real Estate Development.
 Member of Board of Directors of Ahya Amman Real Estate Development Company.

Dr. Faysal Al Hyari / Member of the Board of Directors / Representative of Orphans Fund Development Foundation From 27/1/2013 until now

Qualifications: Ph.D. in Economics, Leicester University, UK, 1990.
 Masters of Economics of Public Policy, Leicester University, UK, 1987.
 Bachelor of Economics and Statistics, Jordan University, 1979.

Experience: Deputy Chairman of Orphans Fund Development Foundation/
 General Manager of Orphans Fund Development Foundation.
 Financial and Economic Advisor to the Minister of Finance, 2002-2007.
 Full-time Financial Expert, 1997-2002 Technical Team for Restructuring Royal Jordanian and companies emanating from it.
 Director of the Directorate of Studies, Research and Information / General Budget Department 1992-1997.
 Head of Studies and Research / General Budget Department 1990-1992.
 Budget Organizer / General Budget Department 1979-1986.
 Researcher and Founder of the Economic Studies Unit at the Centre of Strategic Studies / Jordan University.
 External Examiner of Master Theses / Economics Department / Jordan University.

Current Board Memberships: Board Member of the National Company for the manufacture of Electric Cables and wires.

Previous Board Memberships: Board Member of the Wool Industries Company.
 Board Member of the Arab Centre for Pharmaceutical Industries.
 Board Member of the Real Estate Portfolio Company.
 Board Member of the Real Estate Complexes Company.
 Board Member of the Company for Paper and Cardboard Factories.
 Board Member of the Jordan National Shipping lines.
 Board Member of Awqaf Fund Development Foundation.
 Board Member of Aqaba Railway Corporation.

Dr. Ismail Zaghloul / Deputy Chairman / Representative of Jordan Ministry of Finance
Date of Birth: 01/01/1947

Qualifications: Ph.D. of Finance – Amman Arab University
 Masters of Economics & Statistics – Jordan University, 1984.
 Bachelor of Economics & Statistics – Jordan University, 1970.

Experience: General Manager of the General Budget Department.
 Director of Studies & Research Department, Ministry of Finance, (01/08/2001 -14/ 05/ 2007).
 Executive Manager, Islamic Development Bank – Jeddah (2000 – 2001).

Board Memberships:

General Supervisor of Studies & Research Department/
Central Bank of Jordan (1996 – 2001).
Economist/ Qatar Central Bank (1985 – 1992)
Former Council Member of Yemen Islamic Bank.
Board Member of Nature Protection Society Investment Fund .
Deputy Chairman of the Board of Directors of Al-Samra Electric
Company
Board Member of the Agricultural Credit Corporation
Board Member of the Jordan Enterprise Development
Corporation

Dr. Eng. Lo'ay Suhwail / Member of the Board of Directors / Representative of Social Security Corporation / Investment unit of the Social Security Corporation

Date of Birth: 4/5/1977

Qualifications: Ph.D. in Industrial Engineering & Administration, Oklahoma
University Jul, 2006
Masters in Industrial Engineering & Administration, Oklahoma
University May, 2001
Bachelor of Industrial Engineering & Administration, Jordan
University May, 1999

Professional Certifications: Six Sigma Black Belt by American Society for Quality
Improvement
Associate by American Society for Quality
Internal Auditor by SGS ISO 9000
Certified instructor in the supply chain management from the
International trade Center
Experience: Director General, Jordan Industrial Estates
Corporation March 2012 to date
Director of Industrial Development, Ministry of Industry &
Trade – Jordan from 03/ 2008 until March 2012
Assistant Professor at University of Wisconsin, USA, 2007
Advisor at a number of large US corporations 2001 – 2007
Board Memberships: Board Member of the Jordanian Corporation for Enterprise
Development
Board Member of the Jordan Investment Board
Board Member of Maan Development Corporation
Deputy Chairman of the Board of the Jordanian Company for
Innovation
Board Member of Al Mutarabetta (previously)

Mr. Laith Al Masri / Member of the Board of Directors/ Representative of FCP Fund from 21/1/2013 until 15/9/2013

Mr. Al Masri is one of the founding partners at Fursan Organization, one of the private sector's leading investment companies in the Middle East Region for it contributes to the investments of fast-growing companies in the Middle East. It also runs the Jordan Investment Fund which is dedicated to investment opportunities in Jordan, as well as Fursan Capital Partners Fund which aims at contributing to investment projects in the Middle East.



Previously, Mr. Al Masri worked for Blackstone Group, New York, US, which is an investment company dedicated to contributing to investment opportunities. Mr Al Masri is also Chairman of Estarta Solutions besides being a director at EDGO Group, Fursan Capital Partners Fund and Palestinian Telecoms Group. Mr. Al Masri is a lawyer and member of the New York Bar Association and holds a Ph.D. in Law, Masters of Business Administration from the University of Stanford and a Bachelor of Economics from Harvard University.

Shahm Al Wir / Member of the Board of Directors / Representative of FCP Fund from 15/9/2013 until now

Qualifications: A Bachelor of Political Science with honors from Harvard University
Ph.D. in Law from the Faculty of Law at Virginia University

Experience: Partner at Al Fursan Group. Before joining Al Fursan, he worked for Debevoise & Plimpton in New York, one of the most leading attorney companies in the world, spending six years and focusing on mergers and acquisitions in the US and the Middle East and consultation business and investment market transactions.

Board Memberships: Board Member at Fursan Capital Partners.
Board Member at Estrata Solutions.
Board Member at Siniora Food Industries.
Honorary President and Board Member of Harvard Arab Alumni Association.
Member of the Advisory Council of Beirut Foundation.
Member of the Board of Trustees of Baccalaureate School – Amman.
Lawyer and Member of the New York Bar Association.

Mr. Raslan Deiranieh / Member of the Board of Directors/ in his personal capacity
Date of Birth: 17/11/1963

Qualifications: Masters in Accounting, Jordan University, 1992.
Bachelor of Accounting and Computer Science, Yarmouk University 1985.

Professional Certifications: Orange Certificate in Finance and Control, Paris University – ESCP

Experience: Chief Financial Officer, Orange Jordan, 05/ 2001 to date.
Director of Treasury Department, Jordan Telecommunications , (1998 – 5/2001).
Head of Foreign Investment, Central Bank of Jordan
Board Memberships: Chairman of the Board of Directors of Light Speed, Bahrain.
Board Member of Jordan Metal Company
Vice-President of Jordan Administrative Accountants Society.
Board Member of the Jordan Press Foundation, (Al Rai) formerly.

Names of the Members of Sharia Supervisory Board and a Brief Introduction to Each Member

His Eminence Prof. Hussein Hamed Hassan / Chairman of the Sharia Supervisory Board & Executive Member

Date of Birth:	1932
Qualifications:	Ph.D. of Jurisprudence and its Principles (Islamic Law & Sharia), Al Azhar University, Egypt 1965. Master of Comparative Jurisprudence, International Institute of Comparative Law, New York University – USA, 1964. Diploma of Comparative Law, New York University – USA, 1963. Diploma of Islamic Sharia, Cairo University – Egypt, 1962. Diploma of Special Law, Cairo University – Egypt, 1961. High Certificate of Sharia, Al Azhar University – Egypt, 1960. Bachelor of Law and Economy, Cairo University – Egypt, 1959.
Experience:	Chairman of Sharia Supervisory Boards for more than 13 Islamic Financial Institutions
Islamic	Member of the Sharia Supervisory Board for more than 9 Islamic Banks & Financial Institutions Chairman of Sharia Jurists Assembly in USA. Member of Islamic Jurisprudence Assembly of the World Islamic Assembly Member of the Sharia Board of Accountancy & Revision Committee for Islamic Financial Institutions

His Eminence Prof. Dr. Ali Muhieddin Al Quradagi / Member of the Sharia Supervisory Board

Date of Birth:	1949
Qualifications:	Ph.D. in Sharia & Law, in the field of Financial Contracts & Transactions, Al Azhar University, 1985 Master of Comparative Jurisprudence, Sharia & Law College, Al Azhar University, 1980 Bachelor of Islamic Sharia, Baghdad, 1975 Scientific Certificate of Islamic Sciences at the hands of the sheikhs, 1970 Graduate of Islamic Institute, 1969
Experience:	Secretary-General of the World Federation of Muslim Scholars. Islamic Jurisprudence Assembly Expert affiliated to ICO, Jeddah. Vice-Chairman of the European Council of IFTA' & Research Professor & Head of the Department of Jurisprudence at the Faculty of Sharia, Law and Islamic Studies at Qatar University (formerly). Member of the Sharia Assembly for Reviewing Islamic Financial Institutions. Chairman of Kurd Islamic Foundation Chairman & Executive Member of Sharia FATWA & Supervisory Boards for several Islamic Banks and Islamic Insurance Companies in Qatar, like Qatari Islamic Insurance Co., and outside Qatar, including Dubai Islamic Bank, Investors Bank in Bahrain, and the First for Investment in Kuwait.



His Eminence, Prof. Ali Mohamad Al Hussein El Moussa "Al Sawa"/ Member of the Sharia Supervisory Board.

Date of Birth:	1948
Qualifications:	Ph.D. of Comparative Jurisprudence, Al Azhar University, Egypt, 1978 Master of Comparative Jurisprudence, Al Azhar University, Egypt 1973 Bachelor of Sharia, Al Azhar University, Egypt, 1970
Experience:	Worked at more than 7 Universities in Jordan and the GCC as Professor or Associate Professor or Dean of Sharia Colleges Committee Membership: Member of several Preparatory Committees Permanent Member of the Islamic Studies Association Permanent Member of Jordan AL-AFAF Charity Foundation Chairman of Sharia Committee of Advice House Center, Jordan 2004 to date. Member of Sharia Supervision Committee of the Islamic Insurance Co., Jordan, 1996 to date Chairman of the Sharia Supervision Committee of the Engineers Union Investment Funds, Jordan, 2000 to date Member of the Sharia Committee of Advice House Center, Kuwait 2002-2004.

His Eminence, Dr. Ahmed Salim Mulhim/ Member of Sharia Supervisory Board

Qualifications:	Ph.D. of Comparative Jurisprudence 1994 Master of Jurisprudence & Sharia 1987 Bachelor of Jurisprudence & Sharia 1982.
Experience:	Legal Advisor to the Sharia Supervisory Board affiliated to World Federation of Takaful Companies and Islamic Insurance in Khartoum Legal Advisor to North Africa Bank Consultative Committee, Libya. Part-time Lecturer at Arab Academy of Financial & Banking Sciences Part-time Lecturer at Al Zaitounah Private University

Names and Positions of the Executive Management and an Introductory Brief about each

Mr. Sami Husam Eddin Sabri Al Afghani **Chief Executive Officer**

Mr. Sami Al Afghani joined Jordan Dubai Islamic Bank on 28/12/2009 with extensive experience of more than 25 years in the banking sector locally and regionally. He held many important positions at reputable banks; the most recent positions was Senior Vice President - Corporate Banking Group (Dubai and the Northern Emirates at Abu Dhabi Islamic Bank in the United Arab Emirates before joining JDIB. Mr. Sami also held several positions in the banking sector regionally and internationally, Such As Regional Director for the Western Region at the Arab National Bank in Jeddah and Director of the Credit Group in Riyadh.

Mr. Sami Al Afghani holds a master's degree in Business Administration, Northrop University-USA, and a bachelor degree in Civil Engineering, University of Southern California USA.

Mr. Mohammad Mohammad Fayyad (Haj Ahmad) **Deputy CEO, Chief of Treasury & Investment**

Mr Mohammad Haj Ahmad joined JDIB on 19/11/2009 as Deputy CEO, Chief of Treasury and Investment bringing extensive experience of 20 years in banking and investments. He started his career as an Assistant Head of Foreign Investment – Central Bank of Jordan and then moved to work for Jordan Investment Trust as Manager , Capital Market then as an Executive Board Member in an Investment Company Afterwards he held the position of Assistant General Manager of the Treasury and Investment at Capital Bank of Jordan and then Deputy CEO of United Arab Investors.

Mr Mohammad holds M.B.A degree in Accounting from the University of Jordan and a bachelor degree in Accounting from Yarmouk University in Jordan.

Dr Haitham Marouf Hamad Jouher **Deputy CEO, Chief of Human Resources & Administration**

Dr Haitham Jouher joined the Bank on 27/12/2009 as Deputy CEO, Chief of Human Resources and Administration with extensive experience up to 18 years in human resources and administration at local, regional and international organizations in Canada, South Korea, Kuwait, Saudi Arabia, the United Arab Emirates and Jordan, such as Chief of HR and Administration at Sheikh Saif bin Zayed Al Nahyan's private Office - United Arab Emirates, and Burgan Bank in Kuwait's and Jordan Kuwait Bank.

Dr Haitham holds a bachelor's and master's degrees and PHD in international relations from Concordia, Horizons and warnborough universities in Canada, France and the United Kingdom.



Mr. Rami Ziad Abdel Fattah Al Khayat
Deputy CEO, Chief of Corporate Banking

Mr. Rami Khayat joined the Bank on 01/03/2010 as Deputy CEO, Chief of Corporate Banking with extensive experience of 20 years in corporate banking in prestigious commercial and Islamic Jordanian and regional banks. He started his career as credit officer at Cairo Amman Bank and then moved to work in Saudi Arabia as Head of Business Services Unit in the Western Region at the Arab National Bank. Afterwards, he worked as Head of Dubai Northern Emirates Facilities Department at Abu Dhabi Islamic Bank in the United Arab Emirates. He also worked as a part-time lecturer at the Arab Academy for Financial and Banking Sciences.

Mr. Rami holds a master's degree in Banking from the Arab Academy for Financial and Banking Sciences and a bachelor's degree in Accounting from Yarmouk University in Jordan.

Mr. Hani (Muhamad Subhi) Ahmad Al Zrari
Deputy CEO, Chief of Central Operations and Information Technology

Mr. Hani Al Zrari joined the Bank on 01/07/2010 as Deputy CEO, Chief of Central Operations and Information Technology with vast experience of 25 years in central operations and information technology.

He started his career at Cairo Amman Bank and then moved on to work at Citibank, then moved to Dubai to work at Dubai Islamic Bank as Head of International Project Support Unit. Mr. Hani holds a bachelor degree in Economics from Yarmouk University in Jordan.

Mr. Taj Omran Amin Khomosh
Deputy CEO, Chief of Retail Banking

Mr. Taj Komosh joined the Bank on 05 / 02 / 2012 as Deputy CEO, Chief of Retail Banking with extensive experience of 20 years in retail banking and marketing. He worked at Mashreq Bank as Director of Marketing then moved to Al Ahli Bank to work as Manager of Direct Sales Centers. Then he moved to work at the Arab Bank as a Head of Retail Banking Group - Syria.

Mr. Taj holds a Bachelor degree in Business Administration from University of Jordan.

Mr. Ziad Said Khalil Kokash
Deputy CEO, Chief of Risk Management

Mr. Ziad Kokash joined the Bank on 16/09/2012 as Deputy CEO, Chief of Risk Management and bringing wide experience of 22 years in risk management. He started his career at Cairo Amman Bank / Credit Department as Account officer, credit risk then he became an Account Manager, Credit risk at Arab Banking Corporation Bank (ABC) and then moved on to work at Al Ahli Bank. The last position he occupied was Assistant General Manager (AGM), Head of Group Risk Management.

Mr. Ziad holds a master's degree in Financial Management from the Arab Academy for Banking and Financial Sciences and a Bachelor's degree in Finance and Banking Sciences from Yarmouk University in Jordan.

Mr. Ibrahim Salah Mohammad Samha
Deputy CEO, Chief of Financial Management

Mr. Ibrahim Samha joined the Bank on 21/03/2013 as Deputy CEO, Chief of Finance with 20 years of experience in financial management. He started his career at HSBC Bank in the Financial Control Department then moved to work for Capital Bank as an Assistant General Manager , Head of Financial Control. Then he moved to Al Rajhi bank in Jordan as a Chief Financial Officer (CFO).

Mr. Ibrahim holds a master's degree in Finance and Banking Sciences from the Institute of Banking Studies and a Bachelor degree in Accounting from University of Jordan.

Mr. Ajoud Sharafaldeen Ali Al Rousan
Head of Internal Audit

Mr. Ajoud Rousan joined the Bank on 20 / 12 / 2009 as Head of Internal Audit with extensive experience of 21 years in internal audit. He started his career as a budget analyst - General Budget Department, Ministry of Finance, Jordan and Director of Performance and Risk Review at Abu Dhabi Accountability Authority.

Mr. Ajoud holds a Master's degree in Accounting and Finance from the Arab Academy for Banking Sciences and a Bachelor's degree in Accounting from Aleppo University, Syria.

Mr. Ajoud qualified as a Certified Public Accountant "CPA" from Illinois State Board of Accountancy/USA in 1999 and a Certified Information Systems Auditor "CISA"/USA in 2001.

Mr. Masoud Ismail Masoud Sakfal-Hait
Head of Legal

Mr. Masoud Sakfal-Hait joined the Bank on 01/04/2012 as Head of Legal Department with extensive experience of 25 years in legal sector . He started his life as a lawyer at the Arab Bank and then moved to work for Capital Bank as Head of the Legal Department. Later, he worked as lawyer at Ali Sharif Al Zoubi's Office.

Mr. Masoud holds a Bachelor degree in Law from Jordan University in Jordan.



Major Shareholders and Number of Shares Owned by Each Compared to the Previous Year

Name	Nationality	Percentage of Contribution	Number of Shares	Percentage of Contribution	Number of Shares
		31/12/2012		31/12/2013	
Jordan Mesc Investment Company	Jordanian	52.0000%	52,000,000	52.0000%	52,000,000
FCP Fund	Cayman Islands	6.8987%	6,898,737	6.8976%	6,898,737
Social Security Corporation	Jordanian	5.9677%	5,967,651	5.9677%	5,967,651
Ministry of Finance	Jordanian	5.5500%	5,550,000	5.5500%	5,550,000

JDIB Competitive Position within the Banking Sector

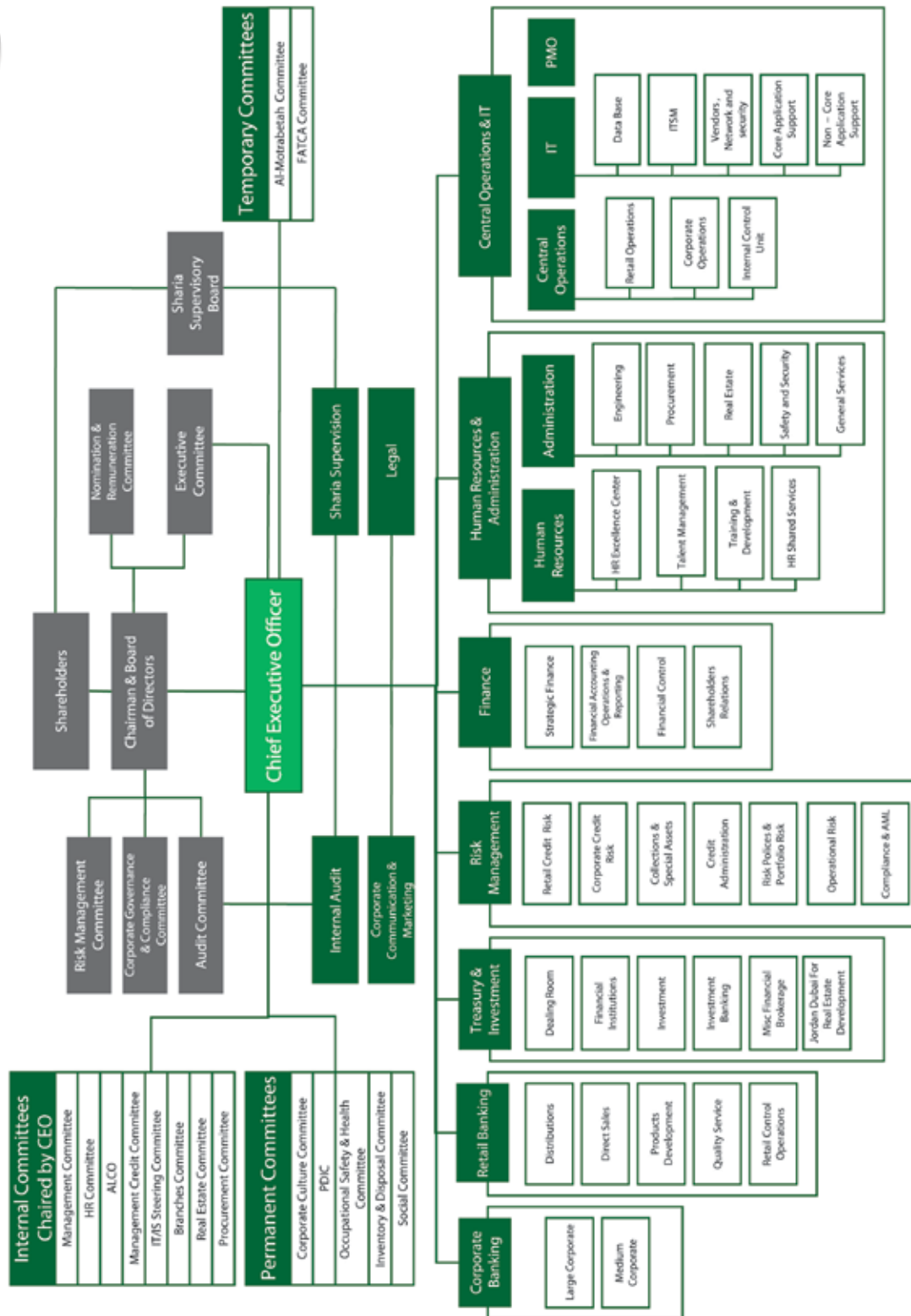
The Bank's facilities portfolio share in the local market increased from 1.68% to 1.93%, where the facilities portfolio increased by 65 million JOD (24%) compared with 6% in the banking sector. The bank's assets grew by 53 million JOD (11%) compared with 9% in the banking sector. This amounts to a 6% share of the rise in the entire banking sector. As for deposits, the Bank's deposits increased by 59 million dinars (21%).

There is no dependence on specific vendors or major customers locally or abroad representing 10% or more of the gross procurement or sales.

There is no government protection or privileges for the Bank or any of its products under the laws, regulations, or others. There are no patents or franchise rights obtained by the Bank.

There are no decisions issued by the government, international organizations or others which have material effect on the Bank activity, its products or its competitiveness, and the international quality standards are not applicable to the Bank.

Jordan Dubai Islamic Bank Organization Structure 2013





Number of the Bank's and subsidiaries' employees by qualification:

Qualification	JDIB Employees	MISC for financial Brokerage Employees
PHD	1	0
Masters Degree	28	0
Bachelors	261	4
Higher Diploma	3	0
Community College Diploma	13	1
Diploma	8	0
Tawjihi (high school)	5	1
Lower than High School	14	0
Total	333	6

Training Programs for JDIB Employees

Serial No.	Category	Number of Programs	Number of Participants	General Description of Program Objectives
1	General Training and Qualification Programs	45	2078	
1.1	Training and qualification of new staff	2	70	The program aims at providing new employees with general information and knowledge of Islamic banking, particularly the nature of the Bank's business. The program's sessions were designed to ensure that new employees acquire comprehensive information on the Bank's administration, departments and branches, as well as knowledge of the general framework of some of the basic concepts such as Bank's values and objectives, business policies and procedures, selling skills, quality of service, etc.
1.2	Emergency Plan and Evacuation at Jordan Dubai Islamic Bank	4	338	Increase security awareness among staff and ensure their readiness to deal with emergency situations, in addition to reviewing the topics of the security emergency plan approved by the Bank's management.
1.3	Writing Internal and External Letters and Reports	6	139	Provide participants with the basic knowledge and information on writing reports of all types, administrative correspondence and writing minutes of meetings, and equip them with the necessary skills in the field of administrative writing to enable them to perform their business efficiently and effectively, which will be reflected positively on achievement of the institutional objectives.
1.4	Refreshing Workshop for Kinz Website Users	1	9	To bring the knowledge of Kinz Website users up to date. It is a program that contains queries about the clients of all companies in the Kingdom.
1.5	Time Management and Work Pressure Program	3	125	Develop useful ways to the employee where specific targets have been set for the employee to achieve through his/her work, including: organize self and your work space for maximum effectiveness, know what you want to achieve, set out plans to achieve this, learn what you need to authorize and how you authorize it well, know the symptoms that indicate contracting "chronic stress burden", know the situations that cause you a considerable amount of stress in your life.
1.6	Change Management Program	4	89	Introduce the concept of change and provide participants with mechanisms of change in organizations and how change takes place. The program also reviews how to apply the correct change process, as well as the properties of the aspects of change.
1.7	ITSM Training Program (Management) Requests	8	332	Automation of department requests from the Department of Information Technology to facilitate things to employees and save time and effort.
1.8	New Credit Policies Program	2	332	Introduce concerned staff of all functional ranks to the new retail credit policy.

1.9	Workshop – Project Management Presentation	1	24	A workshop for project managers to describe the procedures of project management work sequence and how to align those procedures with generally accepted principles and frameworks in project management - PMBOK Framework – which are based on the general procedures of Plan-Do-Check-Act (PDCA).
1.10	Awareness and Education Program in the field of combating money laundry and terrorism financing	6	317	In order to protect the Bank and its staff from exposure to risks associated with money laundering which may lead to financial losses and criminal and administrative sanctions. The program deals with all topics related to laws, legislation and the relevant regulatory authorities, as well as its economic and social implications and the stages during which it is carried out. The program also aims at keeping up with the constant development in local and international laws governing the banking sector and enriching the knowledge of staff in the field of combating terrorism and money laundering.
1.11	Functions of Branch Operation Control and Support Unit	1	6	Acquaint concerned employees with the nature of tasks assigned to them and review the general description and functions required from the Branch Operation Control and Support Unit.
1.12	Information Security Awareness Program	7	297	Information security and protection to all staff of the Bank at all levels. The program is intended to familiarize staff with their role in ensuring the security of information and its technology, as well as ensuring employees' awareness and commitment to information security policies and procedures in the Bank. The program also covers the basic concepts of information security, levels of securing information and other relevant topics.
2	Local and International Conferences and Events	29	50	Ensure integration in the training process due to the benefit of participation from the scientific and practical points of view on one hand, and for the purposes of ensuring the Bank's active participation in local and international events on the other hand.
3	Professional Certifications	11	20	The Bank contributed to the granting of specialized local and international certificates because they provide employees at various levels with support and performance development since professional certificates are concerned with the practical side and professional experience of employees occupying various positions, as well as acquainting them with international standards and best practices related to the functions of their jobs.
4	Specialized Courses and Programs	67	186	
4.1	Human and Administrative Resources Management	6	7	Ensure keeping pace with international best practices in human and administrative resources management and its various applications.
4.2	Sharia Department	1	1	Follow up developments in the field of Sharia and its banking applications.
4.3	English and Communication Skills	1	49	Equip employees with the basic skills of communication in English.
4.4	Computer and I.T.	8	18	Follow the latest developments in the field of information technology and be familiar with all applications concerned with the security and protection of information and telecommunications.
4.5	Marketing	2	3	Ensure effective participation in all local and international events and activities and reflect the Bank's image in all sectors, as well as participation in media and marketing training.
4.5	Financial	12	16	Ensure keeping pace with developments in financial management within the framework of the best and latest international standards in Islamic finance and accounting.
4.7	Central Operations	9	30	Various courses have been offered to all departments to ensure the best return on training in the overall results of each department.
4.8	Retail Banking	5	13	A number of sections have been targeted with a number of training programs in most relevant fields to ensure the best performance results.
4.9	Legal	3	12	Participation in training courses on laws and legislation related to the Bank's business and Islamic banking.
4.10	Audi	1	1	Courses in Internal Audit in banks and follow the best practices in this area.
4.11	Treasury	5	13	Participate in treasury and investment courses.
4.12	Risk Management	14	23	Participate in training programs and activities related to risk management, credit facilities and operation risks.
Total	152	2334		



Risks Faced by the Bank

The banking risks faced by Jordan Dubai Islamic Bank fall within the level acceptable to the Board of Directors if compared with the high ratio of capital and liquidity that the Bank enjoys. The Board of Director's Risk Management Committee sets out the overall framework of risk management strategies and policies that are adopted by the Board as a whole. Operationally, the Risk Management Department is managed by specialized and qualified cadres in line with the Board's directives, and the general strategy of the Bank. This Department works on implementing the best international practices in risk management (Basel II & III), in line with the Central Bank of Jordan's instructions and requirements and the specificity of Jordan Dubai Islamic Bank.

Awards Earned by the Bank during the Fiscal Year

Jordan Dubai Islamic Bank spares no effort in developing its products, services and methods of work which are characterised by innovation and new inventions. These ongoing efforts in development which covers all aspects of Jordan Dubai Islamic Bank's business have borne fruit on the ground resulting in winning many awards from internationally recognized institutes despite the Bank's early development. These are:

1. **Best Islamic Bank Award for 2013** by Islamic Finance News Awards (IFN Group) (member of the Red Money Group), which is a well-known global organization specialized in assessment of Islamic banks and responsible for the development of Islamic banking all over the world. Obtaining such global award has ensured the sound approach and proper strategic planning followed by the Bank in order to maintain the leading positions in providing modern innovative products and services to enrich the Islamic banking experience for all spectra of the Jordanian society.



2. **The Fastest Growing Islamic Bank Award in Jordan 2013** by the Global Banking and Finance Review, which the Bank earned as a result of working with sustained efforts to expand its business and branch network to 15 branches, in addition to the branches of Safwa Centre for VIP clients. This steady growth is an achievement that deserves award and recognition.



3. **The Fastest Growing Retail Bank Award in Jordan 2013** by Global Banking and Finance Review. Jordan Dubai Islamic Bank is characterized by excellence in its retail banking services and the diversity of its products as the Bank has been able to design and innovate excellent and high quality services and products within a short time to be within the reach of everyone up to the highest international standards and levels.





Since its start-up in 2010, Jordan Dubai Islamic Bank sought to implement its approach to expansion day after day, as its branch network continued to grow steadily to reach 15 branches today spread around the Kingdom, offering an integrated system of Sharia compliant banking solutions within modern bases. Thus, during 2013, the Bank achieved 11.2% growth in total assets compared to 2012, and 2.3% growth in shareholders' equity, and here are further achievements made by the Bank in 2013:

I. Corporate Banking Services

The Corporate Banking Department continued to lead the Bank's performance and profitability in 2013, for the fourth consecutive year, by building a diversified portfolio of new clients in the large and middle corporate sectors despite the continuing difficult economic and political conditions in the region, which directly and indirectly affected the various economic sectors.

The quality of services provided by the Department to its customers and the ability to understand their needs by providing Sharia compliant financial products and services suitable to them was reflected in the portfolio growth of direct and indirect facilities which increased by 150% compared with the first year of the Bank's startup in 2010 within diverse economic sectors and distributed over a group of elite dealers in the various fields of industry, trade, service, energy, real estates, Governmental Institutions, etc.

II. Retail Banking Services

Jordan Dubai Islamic Bank has developed since its startup, and its branch network started to increase steadily to become 15 branches today in the capital city of Amman and in the two provinces of Irbid and Zarqa, providing a full range of Sharia compliant products and services to meet the needs and wants of a wide range of clients, including programs of: Auto Finance, Murabaha Personal Financing, Ijara Lease-to-Own Home Financing. The Bank also provides services for current, saving and investment deposit accounts whose terms have



The Training Program (Customer Experience) for branches and direct sales staff

been designed to be extremely flexible, in addition to a package of modern services such as internet banking services, visa electron cards and golden and classic visa cards for monthly settlement.

The Bank continued executing the strategic plans that aim at delivering the Bank's Islamic Sharia compliant banking services to all spectrums of the society and using latest technologies to provide high quality services through its widespread branches and direct sales agents to maintain the supreme level of services provided and to focus on quality and dealing professionally with clients in order to enlarge customers' base and support sales activities. This is in addition to continuing the development and improvement of electronic banking services to best serve its customers.

Safwa Centre has also been opened at the Bank's branch in Bayader Wadi Al Seer besides the existing one at Shmeisani Branch. These are specialized centres to provide banking services for VIP customers as the Bank has focused the bulk of its attention on building a closer relationship with VIP customers by providing excellent personalized services that combine established Islamic values with modern technology, and innovation in advanced banking business.



SAFWA Centre / For affluent Banking customers (VIPs)



Safwa Centre / VIP customer service centre

The Electronic Banking Services Department has replaced magnetic ATM cards with smart-chip cards, as well as replacing all ATM magnetic cards with smart-chip cards to all clients due to the element of safety, protection and technological modernization such cards enjoy in this field.

The Mobile Banking Service has also been launched. The service allows subscribers to access their accounts at all times and places through their smart phones which are compatible with (APP STORE / ANDROID STORE) safely and quickly.

Moreover, the Electronic Account Statement Service has been launched to allow subscribers to receive the account statement by email through their own email addresses.

The second level of Internet Banking Service has also been launched. This is a free 24-hour service that allows clients to check their accounts, balances, transactions, transfer between accounts, request checkbooks, view prices of selling and buying currencies, view branch information and many other features.

Safwa Customer Service, which enables Safwa clients to book their turn in the queue through their smart phones automatically before arriving at the branch.

In terms of deposits, the bank has been able to expand the customer base as the number of accounts exceeded 23000 accounts, and this has been achieved thanks to the diverse and innovative accounts launched by the Bank from current and investment accounts and the distribution of the highest returns which are compatible with the provisions of Islamic Sharia.

III. Treasury and Investment

The Department of Treasury and Investment and financial institutions has worked to:

- Manage the Bank's assets and liabilities effectively and maintain the required liquidity levels to meet the Bank's needs at all times
- Expertly utilize the excess liquidity through investing in Wakala, International Murabaha and Capital Markets.
- Manage foreign currency exchange risks, risks of profit rates in money market, and capital market to ensure the highest possible returns for the lowest possible risks.
- Expand the Bank's relations network with corresponding banks to meet the Bank's needs and its clients' requirements at the lowest possible cost.
- Providing Sharia compliant brokerage services through MISC, a JDIB wholly-owned Brokerage Company
- Providing Foreign Exchange trading and investment services to our clients.
- Providing Regional and International Sukuk trading and investment services to our clients.
- Open new accounts with international banks to streamline the Bank's business.

IV. Human Resources Management:

Based on the HR strategy for the years 2012-2014, and to complement the efforts made in 2012, the Human Resources Department adopted in 2013 thorough and concerted plans in promoting the concept of organizational culture which is based on the engagement of staff in the change process and raise the level of responsibility they have in addition to the continuation of efforts to achieve the desired results. The concept of change management in the Bank and the concepts related to leading change have been presented in line with the overall objectives of the Bank and the framework within which change management is performed. Several steps have been taken, focusing on bringing about change such as embracing the concept of partnership between management and staff in effecting change, managing several activities and institutional training programs which will enhance understanding of planning , change management, , models and strategies to manage and lead change.

The Human Resources Department's commitment to the success of the strategy developed for the years 2012-2014 has formed the key driver in achieving impressive results regarding improving staff engagement among employees and achieving the greatest part of the formation of organizational culture which is considered as a fertile environment to achieve the Bank's desired objectives with the required efficiency and in accordance with the timetable to increase the Bank's competitiveness. The overall rate of job engagement and satisfaction for the year 2013 has achieved 92.3% with 2.3% increase compared with the results of 2012. The job engagement standard achieved 96.3% with 9.3% increase compared with 87% for the year 2012. This standard is related to the incentives and benefits offered by the Bank to the staff, job security, opportunities for career promotion, development and motivation and performance management process, as well as the measure of the ease of communication between management and branches.



Mr. Sami Al Afghani, CEO, honours employee of the month

Enhancing staff engagement aims at increasing productivity, commitment to the Bank's strategy, vision and objectives, building the feeling of loyalty to the Bank among staff by focusing on such essential concepts as communication and participation between staff and management, and provide opportunities for career development and advancement, perseverance and persistence to provide the best and participate in achievement inside and outside the boundaries of the job, as well as the appreciation granted to employees who adopt the staff engagement approach. This will result in more productivity and commitment to the objectives, visions and values of the Bank besides heightening the employees' sense of team spirit and loyalty to one another on the one hand and to the Bank on the other, thus more staff empowerment.

The Human Resources Department team's efforts were focused on achieving progress in the process of building and strengthening the internal identity of the Bank, realizing what amounts to a rate of 92.3% and an improvement of 5.3% compared with 87% for the year 2012. This standard is related to the effectiveness of communication and dealing between management and staff; management's pursuance of the principles of justice, transparency and equality; commitment to policies and procedures; and the clarity of the goals that Bank's management aspires to achieve, in addition to the quality of services provided to employees.



Mr. Sami Al Afghani, CEO, honours best employee for the year

The efforts of the Human Resources Department in the building of a special internal identity of the Bank can be made by working to create a solid healthy working environment so as to make the staff the best ambassadors of the Bank, by means of strengthening and enhancing the means of communication among the employees at all levels in addition to instilling the Bank's identity and strengthening the sense of belonging they have by focusing on such concepts and principles as transformational leadership, which goes beyond the traditional management principles to the development and encouragement of intellectual and inventive leaders and conversion of their self-interests to be an essential part of the mission of the Bank.



Team Building

With respect to the third aspect of the Human Resources Management Strategy, the change management standard achieved 81.5%. This standard covers the extent of management's support of the process of staff's involvement in contributing to the achievement of strategic objectives, participation in the provision of ideas, communication and decision-making, development of the capabilities of highly qualified individuals, support of the staff training and development process, and staff confidence in their managers' commitment to improve performance and increase their practical experience, which reflects alignment with the objectives under which the management of change takes place.

The concepts of Change Management have to do with the harmonization of the existing resources within the Bank and the employees' sense of the need to participate in leading change, which will be reflected positively on their performance to create a system built on trust, knowledge and a sense of responsibility, thus enriching the competencies and ensuring the ability to achieve the objectives as well as to achieve the desired return on investment in human resources.

In furtherance of the efforts made to achieve the strategy for the years 2012 – 2014, the Human Resources Department was keen in 2013 to continue reviewing the competitiveness of the compensation and benefits granted to employees, it increased the benefits of the products granted to employees at preferential rates. It was also keen to automate the HR



system (MENA ITECH) where performance planning and performance evaluation processes were carried out electronically on the system, allowing employees to meet, view and follow their targets directly. All operations related to employees, their claims and expenses have also been automated through the HR Management System, which in turn has had the effect of reducing the time and effort and completing operations accurately. Moreover, to complement the development of a system of competitive incentives for the employees of the Bank in 2012, work has continued on the development of a mechanism for calculating incentives to increase productivity in order to ensure the best for employees.

One of the most prominent achievements that would raise the Human Resource Management System productivity is to create an integrated simulator branch for management of processes and services related to human resources HR Branch in order to ensure confidentiality, accuracy of the matches and ease of implementation, achieving significant progress in the completion of the services required of the staff, which contributed to the increase in job satisfaction and increase confidence in the operations and services of the Human Resources Department.

The Human Resources Department was also keen to add new features and insurance coverage for the beneficiaries from the Bank employees and their families, taking into account employees' suggestions and the results of the questionnaire regarding that benefit.

In the context of maintaining internal talent and investment in human resources available, the number of internal recruitment opportunities has been increased through career path and succession programs to reach a record rate of 66 opportunities in addition to charging 40 employees with new jobs and tasks that will improve the talents of the Bank. Jobs have also been analyzed and evaluated in accordance with the best practices and work continued on the effectiveness of the Bank's career succession plan set in 2012, where the number of candidates in the career succession plan for the year 2013 amounted to fifty-two candidates (52) distributed among various bank departments, and the candidates' percentage of the total number of employees amounted to 13%. They were sent on training programs with focus on practical training and development, in addition to engaging them in the various decision-making committees and different projects in accordance with the development plan. The percentage of training and development programs for candidates in the succession plan amounted to 42% of the training programs. As a pioneering step within this framework, a system of exams (tests) has been adopted to test candidates in the succession plan to ensure raising the efficiency of the results of the plan.

As a continuation to the plan set for the process of career path for all employees in the Bank in order to create stability of corporate work and to ensure the continuity of the existence of leaders who are qualified and ready to assume leadership positions at the Bank, a 360 degrees assessment was conducted over three stages, the first of which covered 29 employees within the succession plan in the Bank, the second 10 were heads of departments, and the third 15 branch managers. A model has been designed so as to comprise three main themes (interpersonal skills, leadership skills and performance at work).

In the training and development framework and for the purpose of supporting the needs of employees in line with their career path, the Human Resources Department coordinated and conducted (45) internal training programs at the Training Center and provided 2078 internal training opportunities so the total number of internal, local and external training opportunities for this year has amounted to 2334 covering 152 training programs, addressing

many areas and topics directly related to the Bank's business in order to improve the quality of service, such as Customer Experience Program and service & sales skills, which aims to teach employees the skills needed to keep up with the different needs of customers and foster a spirit of cooperation and teamwork among various departments. Moreover, the leadership qualification and training program has been designed and conducted in order to provide leaders in the Bank with the necessary skills that will enable them to guide the work progress towards the right direction effectively and with precision, as well as equip them with leadership skills necessary to hire the efforts towards achieving the strategic objectives of the Bank and form teams and Islamic banking programs for the purpose of ensuring the effectiveness of the training process for the induction training program.



Bank Leadership Training & Qualification Programs

V. Corporate Communication and Marketing Department:

The Corporate Communication and Marketing Department is concerned with consolidating the corporate identity and designing and managing marketing campaigns for the various products and services of the Bank. It also works to promote a positive image of Jordan Dubai Islamic Bank among all segments of the society and excellence in the banking market through mixing various means of marketing, communication and brand management, interviews and press conferences and other activities in an effective manner and in a way that will achieve the Bank's objectives and reflect its vision and mission genuinely and transparently.

Bank's Corporate Social Responsibility :

At the level of the Bank's commitment to the development of society with all its segments, the Bank is keen to continue the approach that it had adopted in the past years, focusing on strengthening its role in raising the local community and participating in its development, by offering financial and incorporeal support for the community initiatives in educational, humanitarian, social and other areas. This has emanated from the Bank's values and vision, which aim to serve the community with all its spectra. Examples of Jordan Dubai Islamic Bank's contributions to community service include:



Educational and Religious Initiatives:

- paying tuition fees for university students in collaboration with the Amana Fund for the Future of Orphans.
- purchasing school bags for needy students at the beginning of 2013 school year.
- Support Competitions of Memorization of the Qur'an in collaboration with the Qur'an memorization centres and participation in honouring outstanding participants in religious contests.
- Sponsor the Scientific Research Award Initiative which is organized at the level of local Jordanian universities.



Jordan Dubai Islamic Bank sponsors an award ceremony for the students of Islamic Centres for the competition of memorising the Holy Qur'an

Humanitarian and Health Initiatives:

- Support medical and health activities of charities which offer health assistance in poverty areas
- Support special needs foundations and charities, such as the support which the Bank offers to Al Hussein Cancer Centre and charities which care for people with special needs.
- Distribution of Food Parcels during the holy month of Ramadan and the project of distribution of Adahi on Eid Al Adha to poor families registered at Jordanian charities.
- Sponsor Companions Campaign and Welcome Ramadan Campaign which were launched during the holy month of Ramadan in collaboration with the non-profit centres and associations to support families in need, besides supporting Winter Clothing Project to help the poor people in the cold season of year.



A visit to Al Eman Orphanage and inspecting the conditions of orphans

Environmental Initiatives:

- Contribution to the second campaign to cultivate one million trees in Palestine to plant olive and fruit trees.
- Support environmental conferences which are concerned with environment protection and protection of the earth from pollution

VI. Risk Management:

In the context of work to achieve the Bank's strategy adopted for the year 2013, and within the scope of the Department's business in the management of all risks to which the Bank is exposed, the Risk Management Department has made tangible achievements in the past year, the most important of which is perhaps the following:

- **Credit Risks:** Initiate the application of Portfolio Strategist Management System which enables the Department to monitor the credit portfolio of company clients automatically and simultaneously, including monitoring of credit risks and banking facility concentration risks.

A specific policy covering comprehensive standards to define credit risk mitigators acceptable to the Bank at the retail and corporate levels has also been adopted.

- **Operational Risks:** The Operational Risk Management System has been adopted and implemented in the Bank, and a matrix for the risks of the Bank's branches has also been identified through the Risk and Control Self-Assessment (RCSA) workshop which was set up in 2013. Moreover, the Information Security Policy Manual has been adopted by the Board of Directors.



A visit to Dar Al Amal for the Elderly to inspect the conditions of the elderly



Implementation of PCI DSS Project, which is related to the security informations of the cards, has been implemented, and all the requirements to obtain the certificate have been completed. It is expected to obtain the certificate during the second quarter of next year, knowing that this certificate is a requirement of the Central Bank of Jordan.

Compliance:

According to the Central Bank of Jordan's instructions related to transparency of dealing with clients, a Customer Complaint Unit has been set up and activated under the umbrella of the Department to ensure impartiality and to insure the Bank compliance with the instructions of dealing with clients fairly and transparently.

VII. Administrative Affairs:



The new Head Office Building in Al Abdali

Continuing to implement Jordan Dubai and Islamic Bank's strategic plan which aims at providing high quality Islamic products and services, work is being carried out to equip the new Head Office Building within Al Abdali Project with the latest technology media and in line with Bank's future needs and in a way that meets the clients' expectations and customer service. Designs have been developed in accordance with the latest technical standards. The designs of employees' offices are characterized by modernity and novelty through the adoption of open area policy through which spaces and energy are utilized in a way that promotes a spirit of cooperation among employees of the Bank. The building has been equipped with modern technology for the Data center, Call Centre, and security systems that provide monitoring and control over the headoffice departements and branches, as well as meeting environmental preservation standards.



Meeting Room in Al-Abdali Building



MISC Brokerage in Al-Abdali Building



Staff Break Area in Al-Abdali Building



Employees' Offices in Al-Abdali Building

The financial effect of non-repeated transactions that occurred during the fiscal year and not included in the Bank's main activity

The Bank, through non-repeated operations, sold real estates whose ownership has been devolved to the Bank for unpaid debts in the amount of JOD 506 Thousand noting that its value on our book records is JOD 340 Thousand, which achieves capital gains due to this sale of JOD 166 Thousand.

The Time Sequence for Realized Profit or Loss, Earnings by tax, Shareholders' Equity and earning per share since the Establishment of the Bank:

Statement/Year	2011 JOD	2012 JOD	2013 JOD
Operating Profits	17,557,882	14,486,460	17,305,945
Earnings (loss) before tax	5,021,770	761,906	2,170,312
Shareholders' Equity	115,057,565	127,059,464	129,315,082
Earnings per share	0,06	0,023	0,015
Share price	0,87	0,92	0,84

* No dividends were distributed to shareholders

Analysis of the Bank's Financial Position and its Results during the Fiscal Year:

Most Important Results of Transactions	2012	2013
Credit Commissions	2,763,586	3,320,764
Net profits (losses) before tax	761,906	2,170,312
Net profits (losses) after tax	2,134,899	1,470,591
Most important budget items		
Total Assets	475,217,035	528,462,073
Finance and Investment	392,422,864	389,743,416
Total Customer Deposits	306,912,832	366,931,924
Number of Shares	100,000,000	100,000,000
Some Financial Ratios		
Return on assets average	%0,52	%0,29
Return on shareholders' equity	%1,76	%1,15
Operation expenses/operation revenues	%77	%75
Shareholders' equity / total Assets	%26,7	%24,5
Off Balance Sheet Items		
Letters of credit	22,069,754	11,387,133
Guarantees	5,261,724	4,630,439
Acceptances	6,896,206	5,202,647



Important Future Developments and the Bank's Strategic Plan for the Next Three Years 2015-2017

The Bank's management seeks to consolidate the Bank's financial and competitive position in the Jordanian banking sector as a whole and the Islamic banking sector in particular through the management of the Bank's assets and liabilities in order to achieve investors' and depositors' objectives and in line with all the standards of financial control and solvency set by the operating policies in the Bank, in addition to the control criteria set by the regulatory authorities in Jordan.

Continuing with the Bank's approach to meet the financing needs of companies and medium enterprises, and through a variety of services that meet the needs of this sector, the Bank will seek to provide more financing solutions for companies through a dedicated team and a varied menu of products in addition to a network of distinctive correspondent banks around the world.

The Bank works to enhance the principle of overall quality of the products and services provided by the Bank through the development of after-sales service, customer satisfaction measurement and the study of segments of the society and the market by developing Islamic Sharia compliant products and services that meet the needs of all customers. Moreover, the Bank is working on the continuous strengthening of the branch network of the Bank in accordance with a long-term plan to reach out to all segments of the society, increase the number of (Safwa) Centres dedicated to the service of VIP clients, and expand the external automatic teller machine network to facilitate things easier for Bank customers and provide cash services round the clock.

In the field of the development of electronic channels, the Bank will work to expand the package of electronic services via mobile phones and the Internet to cover most of the banking services needed by the Bank's clients (individuals and companies), in addition to all the e-payment services which the Central Bank of Jordan is working to manage their development.

As a complement to the achievements of the Human Resources Department in 2013 and continuation of the implementation of the strategy set for the years 2012 - 2014, and based on its principal themes, the promotion of the concept of change management in the Bank and provision of the concepts related to leading change will continue in 2014 in line with the overall objectives of the Bank. A system of plans and work procedures concerned with the development of corporate culture and completion of achievements in the constructions of the internal identity of the Bank has also been built, as the Human Capital Management has under the Corporate Excellence Department adopted plans that will improve policies, work procedures and methods of communication and contact among the employees and departments in general, in addition to the plans of redesigning of the organizational structure of the Bank and boosting the efficiency job description for many of the posts in order to ensure the integration of workflow procedures, thus ensuring the high quality of the services provided starting from the services provided among the departments to be reflected as a result on clients, suppliers or any other entities that have contacts with the Bank. This will enhance the results achieved in the previous years and confirm the validity of the course taken in achievement of the strategy.

Moreover, among the most important priorities of the Human Resources Department in

2014 to raise the overall efficiency and the level of the quality of service is the amendment to the organizational structure, in particular the introduction of corporate excellence for the management of human resources and quality of services, and the addition of new sections to the organizational structure to keep in pace with the evolution in communications and methods of cooperation and communication to accomplish tasks, in addition to the expansion in the volume of the Bank's business.

In addition, the concept of corporate excellence necessarily requires work to lay special foundations and criteria for policies and procedures, whether internal or external to reach all customers with different ways of dealing with the Bank.

Therefore, the Human Resources Department is devising action plans under the guidance of organizational excellence in order that the Bank obtains the ISO 9001 certification, which requires great and concerted efforts towards making this achievement, and the most important of such efforts is applying of policies and procedures in line and conformity with international standards.

Working according to internal policies and procedures that meet international standards makes the responsibility borne by the Corporate Excellence Department an inevitable priority for the purposes of keeping up with any developments in Islamic banking services in the area of the quality of services. It also makes commitment to the application of these standards an urgent need which must be followed up and the development of which must be ensured.

The Human Resources Department recognizes the importance of directing energies towards the continued support of corporate excellence; therefore, a series of action plans have been designed to supplement the Bank's departments with services that support the facilitation of their functions and integration with other departments. Thus, the Human Resources Department has worked to establish information and services centre specifically for Human Resources Department so that work with it will

be done at the beginning of 2014 so as to ensure the follow-up of services provided to employees and for the purposes of optimum utilization of time and effort of the cadre of the Human Resources Department, where inquiries and applications are distributed among sections according to their specialization by the person concerned until the allocation of time to answer those queries. A draft of the most common questions and inquiries has also been drawn up so that they are answered automatically or through the automated answering service. Work will also be continuing to increase the competitiveness of incentives and benefits systems provided to employees in order to maintain the internal talent and increase highly qualified individuals at the Bank.

In the framework of keeping up with the advancement in communication systems and as an addition to what has been achieved in automation of applications and different needs of employees in previous years, work is being done to launch new services to keep pace with the development in communication systems in the Bank such as the service of queries by smart phones MENA Mobile, which facilitates the query process or request any of the services of the Human Resource Department through the use of a special application that authorizes staff to access the staff human resources database. This service includes enquiries about salaries, application for vacation and leaves, and many other services.

Based on the Bank's role as one of the pillars of the Jordanian banking sector and the belief in the importance of the social role that should be played by banks, the Bank will work to



enhance its social image and the consolidation of its brand among all sectors of the society through the continuation on the part of the Bank's management in supporting social activities and sponsoring charitable, social, cultural and educational initiatives.

Total amount of audit fees for the Bank and its subsidiaries is JOD 52,200.

Number of Securities Owned by Board Members and Senior Management Members

Number of Securities Owned by Board Members as of 31/12/2013				
Name of Member Representing the Legal Entity	Nationality	Name of the Legal Entity Represented	No. of Shares of Legal Entity	Persons Ownership
Mohammed Said Abdullah Al Sharif	UAE	Mesc Investment Co.	52,000,000	-
Mohammad Salim Saif Hameed Al Falasi	UAE			
*Mr. Salim Ahmad Jameel Al Khaza'leh	Jordanian			
*Mr. Maher Samir Androus Shamieh	Jordanian			
*Mrs. Hala Numan Kheiruddin Bseiso	Jordanian			
*Mr. Ismael Nabeel Abdul Muti Tahboub	Jordanian			
Shahm Munir Al Wir	Jordanian	FCP Fund	6,897,587	-
Ismael Saeed Zain Zaghloul	Jordanian	Jordanian Ministry of Finance	5,550,000	-
Lo'ay Munir Tawfeeq Suhwail	Jordanian	Social Security Corporation	5,967,651	-
Faisal Abdul Razzaq Al Hayyari	Jordanian	Orphans Fund Development Foundation	1,212,359	-
Raslan Nouri Raslan Deiranieh	Jordanian	In his personal capacity	-	1,780

- There is no ownership for relatives of the Board members.
 - There is no ownership for the companies controlled by Board members except as stated above.
 - There is no ownership for any senior management members, their relatives or companies controlled by them.
- * Resigned from Board during 2013.

Benefits and Rewards Earned by the Chairman and Board Members

Name of Board Member	Committee Membership	Transportation and Attendance of Meetings	Income Tax	Net
Mr. Salim Ahmad Jameel Al Khaza'leh	300	10,200	(735)	9,765
Mr. Mohammad Salim Saif Al Falasi	1,800	15,300	(1,197)	15,903
Mr. Mohamad Saeed Ahmad Abdullah Al Sharif	1,200	15,300	(1,155)	15,345
Mr. Maher Samir Androus Shamieh	1,500	8,500	(700)	9,300
Mrs. Hala Numan Kheiruddin Bseiso	1,200	11,900	(917)	12,183
Mr. Ismael Nabeel Abdul Muti Tahboub	1,800	8,500	(721)	9,579
Dr. Faisal Abdul Razzaq Moussa Al Hayyari	1,800	15,300	(1,197)	15,903
Mr. Raslan Nouri Raslan Deiranieh	1,800	15,300	(1,197)	15,903
Dr. Ismael Saeed Zain Zaghloul	2,400	15,300	(1,239)	16,461
Social Security Corporation / Investment Unit of the Social Security Corporation	1,200	15,300	(1,155)	15,345
Total	15,000	130,900	(10,213)	135,687

Benefits & Bonuses Earned by Top Management Members

Total Top Management salaries and bonuses in 2013 amounted to JOD 1,664,263, only, one million six hundred and sixty-four thousand two hundred and sixty-three dinars.



Donations and Grants Paid by the Bank During 2013

No.	Entity Receiving Donation	Amount / JOD
1	Jordan Medical Aid for Palestinians / Donation to medical projects in Hitteen and Jarash Camps	4200
3	Support Karak Children Innovation Club / Donation to the club's cultural and sports activities	500
4	Donation to the team of HRH Prince Ali Bin Al Hussein Club for the Deaf to participate in Chess Championship for Deaf Girls	1500
6	Support the Hashemite Banner Sports Club	
	1000	
7	Amman Fund for the Future of Orphans / education sponsorship of two university students	3600
8	Orphans' Fund Development Foundation / cash donation to help in the distribution of parcels to needy families during the holy month of Ramadan	10000
9	Support the activities of the Social and Cultural Commission in helping the orphans and the elderly	1500
10	Donation to the Summer Club of the Islamic Centre Charity / Hitteen Camp Centre	700
11	Donation and support to poor and needy families of Jordan Star Charitable Society for the Deaf	200
12	Donation to HRH Prince Ali Club for the Deaf's activity to train deaf girls on crafts such as embroidery works, arranging flowers and sewing	500
13	Distribution of Al Kheir Parcels during the holy month of Ramadan to needy families in cooperation with Sheikh Noah Refadah Foundation	1500
14	Donation to the Jordanian Association for Supporting the People of Gaza to distribute school bags to the children of Gaza camps	600
15	Donation to Ramadan Contest Award Ceremony with Charity Hands & Giving Association	300
16	Donation to build the new Al Hussein Cancer Centre Building	1500
17	Donation to distribute Eid Adahi in cooperation with the Jordanian Association for Supporting the People of Gaza	500
18	Support award ceremony for Holy Qur'an Memorizers from boy and girl students of Islamic centres Qur'an in cooperation with the Council of Islamic Organization and Associations	1400
19	Support award ceremony of high achievers in the Sheikh Ibrahim Al Kilani Qur'anic Contest in cooperation with the Association for the Conservation of the Holy Qur'an / Ein Al Basha Branch	500
20	Support winter clothing for orphans and poor families in cooperation with Islamic Centre Charity / Al Nour Orphans Centre – Al Qweismeh	1000
21	Support Summer Club for the Memorization of the Qur'an at the Madina Qur'anic Centre	500
22	Support Companions Campaign to support needy families and orphans in cooperation with Islamic Centre Charity	6000
23	Other	2911
	Total	53911

Executive Management's Evaluation of the Effectiveness of Internal Control Systems:

The Bank's strategy, operational plans emanating from it, and related policies in various fields (credit, risk, human resources, information technology) are adopted by the Board of Directors. The Bank's Executive Management prepares the working procedures that govern all the Bank's operations, works to implement the policies adopted efficiently and effectively, conducts periodic review of these procedures, ensures alignment with the environment and work requirements, and makes sure of their ability to optimally implement the policies adopted.

The implementation of supervision and internal control procedures is achieved through the following authorities:

Sharia Supervisory:

Sharia Supervisory is an essential part of the control systems falling within the Bank's organizational structure, as the Sharia Supervisory Board examines all issues, inquiries and funding formulas that the Bank handles.

The Sharia Supervisory Department within the Bank examines and assesses the extent of the institution's adherence to the principles and provisions of the Islamic Sharia, Fatwas, guidelines and instructions issued by the Sharia Supervisory Board of the Bank and the standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI).

Sharia Supervisory Board expresses its conviction and issues reasonable assurance that the Bank's management took on responsibility to abide by the principles and rules of Islamic Sharia.

The Sharia Supervisory Apparatus at the Bank obtains full and continuing support from Management and the Board of Directors, and this ensures the independence of belief among Sharia internal observers during performance of Sharia supervisory activities.

The Sharia Supervisory Board issues a report attached to the annual report of the Bank about the Sharia opinion on the Bank's work and activities, including the balance sheet and profit and loss account based on the Sharia audit reports and any other clarifications stating the presence of any violations of Sharia.

Human Capital Management:

Human Resources Department activities include the development and activation of all controls to place every employee in the proper position, according to the qualifications and job requirements, in addition to the continuous follow-up of his performance and evaluation on a semi-annual basis. This will be achieved by the preparation of a job description specifically for each employee in line with the organizational structure of the Bank and the human capital management policy, as well as what can be achieved through continuous training for all Bank employees in order to promote their competencies to make sure they possess the qualifications required to perform their job professionally.



Internal Audit:

The basis for the process of internal audit are the internal audit policy, the Charter of the Internal Audit Committee, the internal audit, and the annual plan approved for the audit process within the Bank. A documented audit process is conducted for all operations, branches and departments of the Bank periodically to ensure the accuracy of work in each of them to determine the extent of progress in achieving the target in work, and to prepare a report that includes the extent of the correction required in each area. The Internal Audit Department also develops its working methods towards risk-based audit approach in order to increase its effectiveness, and the audit procedures are implemented with complete independence and reports are submitted to the Audit Committee of the Board.

Risk Management:

The general framework of risk management includes the main umbrella for risk management at the Bank, the ensuing credit guide, operational risk management policy, control and compliance policy and anti-money laundering policy and related procedures.

The Department of Risk/Compliance Management in line with its functions ensures the Bank's commitment to the approved Corporate Governance Guide, and direct communication is established for this purpose with the Corporate Governance Committee emanating from the Board of Directors.

It must also be noted that any new product or action is prepared by the concerned party, referred to the Department of Risk / Operational Risk Management in advance to make sure it contains all the necessary controls and ensure their effectiveness in reducing the perceived risk.

The Department is also involved in making credit decisions after reviewing requests for banking facilities in a neutral and objective manner. In addition, the Department exercises through its various sections diligent oversight to facilities activities upon granting them, including dealers assessment on «Optimist Rating System» SunGard. Focused reviews on the credit portfolios and their evaluation are also performed from the risk management perspective. The level of privileges and completeness of guarantees offered to the Bank will be ascertained before using any credit facilities through various levels of control. Existing guarantees whose value is prone to change, and guarantees associated with specific deadlines are also reviewed.

Credit facilities will only be activated on the basic banking system after ensuring the safety of all granting procedures and proper legal documentation.

As for the accounts that show signs of delinquency, the early warning procedures and applicable vigorous follow-up ensure taking the necessary corrective and preventive steps, and these procedures adopt too conservative standards in order to allow for quick move to ward off the risk of delinquency.

Finance Department:

The consolidated financial statements of the Bank and its subsidiaries are prepared in accordance with the standards issued by the Accounting and Auditing Financial Institutions

and in accordance with local laws in force and the instructions of the Central Bank, as separation between what belongs to the owner of equity rights and the owners of the joint investment accounts is taken into account. The aim is to show the financial position of the Bank in a just and true manner and provide the necessary information needed for the decision-maker to take the appropriate decision.

The quarterly performance of the Bank is assessed objectively and impartially based on the targets specified in work plans and estimated budget. The Department of Finance also follows the implementation of policy approved for the measures to adjust current and capital expenses at the Bank, which include all relevant aspects in terms of the privileges, limits, approvals, exceptions, methods of measurement and analysis and monitoring of compliance with the action plans and estimated budget for the expenses of all departments, either the expenditure of new projects or ongoing expenses.

Operations and Information Technology Department

Operations:

The Operations Department is keen through its various sections to apply integrated steps in banking operations, the primary objective of which is to make sure that the implementation of these operations is in accordance with the banking principles and within an effective control framework. All procedures which show the implementation mechanisms of various banking operations that are prepared in accordance with international quality standards, including the necessary regulatory procedures are also documented. The Internal Control Unit also undertakes the tasks of reviewing reports and daily audit engagements to records, reconciliations, bank accounts, foreign balances, investments, etc. and ensures compatibility of implementation with the instructions adopted.

Information Technology:

The Information Technology Department operates according to a methodology through which it determines owners of systems, thus specifying the responsibilities, so as to ensure the safety of the use of the automated system in accordance with effective controls in systems subject to constant monitoring, including system maintenance operations, and any emerging applications are made within strict procedures ensuring the protection of the systems and data at all times.

Security and Safety Requirements:

The Bank is committed to the enforcement of strict requirements of security and safety in accordance with the best international and regulatory standards, and this is checked routinely and continuously.

Through this evaluation, the Executive Management can ascertain that the departments concerned with oversight and internal control had carried out their set plans, and that work was at a high level of discipline and professionalism.



Declarations

1- The Bank's Board of Directors declares the absence of any material issues that may affect the continuation of the Bank during the upcoming financial year.

2- The Board of Directors declares its responsibility for the preparation of the financial statements and providing an effective control system.

Chairman

Mr. Mohammed Said Al Sharif

Member

Dr. Eng. Lo'ay Suhwail

Member

Mr. Mohammed Al Falasi

Deputy Chairman

Dr. Ismail Zaghloul

Member

Mr. Raslan Deiranieh

Member

Mr. Shahm Munib Al Wir

Member

Dr. Faysal Abdel Razzaq
Al Hyari

3- We the undersigned declare the accuracy, clarity and completeness of the information and data enclosed in the Annual Report.

Deputy CEO Chief of Finance

Mr. Ibrahim Salah Samha

Chief Executive Officer

Mr. Sami Husam Eddin
Sabri Al Afghani

Chairman

Mr. Mohammed Said
Al Sharif

In the Name of Allah, Most Gracious, Most Merciful

ANNUAL REPORT OF SHARIA SUPERVISORY BOARD FOR JORDAN DUBAI ISLAMIC BANK FOR THE YEAR 31/12/2013

Praise be to Allah and peace and blessings be upon our Prophet Mohammad and his family and companions,

To respected shareholders of Jordan Dubai Islamic Bank,

Peace and Allah's mercy and blessings be upon you,

Pursuant to the Jordanian Banking Law No. 28 of 2000 regarding Islamic banks, the Bank's Articles of Association as well as the controls included in the accounting and auditing standards and the controls for Islamic financial institutions issued by the Audit and Accountancy Organization for Islamic Financial Institutions (AAOIFI); the Sharia Supervisory Board presents the following report:

The Board has supervised the principles used and the contracts concerning transactions and applications offered by the Bank during the financial period ending on 31/12/2013. It has also carried out due surveillance to give its opinion whether the Bank has been compliant with regulations and principles of the Islamic Sharia, and how far its observance of Fatwas (Sharia decisions) was, as well as the defined resolutions and directions that we had issued, and to make sure of the Bank's observance thereof.

The Bank's management is responsible for the execution of the bank's activities in accordance to the Islamic Sharia and ensuring that all times. However, Our responsibility is limited to providing an independent opinion based on our supervision of the Bank's operations and preparing a report for you.

We performed supervision which included the inspection of the Bank's documentation and procedures based on testing each type of operations through Sharia Supervisory Department.

We have planned and executed supervision to obtain all information and explanations deemed necessary to provide us with sufficient evidence to give reasonable confirmation that the Bank has did not intend to violate the regulations and principles of the Islamic Sharia. The Board has also continued, through meetings and discussions of the agenda items proposed by the Sharia Controller, to develop required provisions and instructions for emerging topics that arise during the practical application and indicate the Sharia regulations for those topics.

In our opinion:

A. The members of the Sharia Supervisory Board reviewed the Bank's general budget and income statement as of 31/12/2013 and the explanations concerning them, considering that they provide a description of the Bank's activities; and the Board did not find any Sharia violation in those it acknowledged thereon.

B. The contracts, operations and transactions conducted by the Bank during the year ending 31/12/2013, that we reviewed have been conducted according to the regulations and principles of the Islamic Sharia.

C. The Bank's management enabled the Board to review all books and records it demanded,



and has obtained the data it requested to enable it to perform its duty of audit on the Bank's executed transactions.

D. The Board revised the structures of financing and its terms and conditions, and contracts by which transactions were executed during the current year as of 31/12/2013 which we reviewed according to regulations and principles of the Islamic Sharia.

E. Distribution of profits and burdening loss on investment accounts, agrees with the basis approved by us according to regulations and principles of Islamic Sharia.

F. Sums that came to the Bank from resources or by ways that are non-compliant with the regulations and principles of Islamic Sharia were moved to the Account of benefits (Khairat) to be spent in charitable fields, and were not included in the Bank's revenues.

G. The Board replied to inquiries presented to it and issued the necessary Fatwas (Sharia opinion); and the Bank's management showed a remarkable positive reaction in applying those (Fatwas) opinions and observance of them.

H. Issuance of Zakat is the task of shareholders, and there is no entitlement of the Bank's management to issue it directly because there is no official law for collecting it; and because no mention of such thing in the Bank's Articles of Association or the decision of the General Assembly, or authorization by shareholders. Therefore, the shareholder has to issue (Zakat) of his shares when Sharia conditions and controls of Zakat apply, taking the following into considerations.

- If the intention on purchasing shares or underwriting was to trade with them and circulation, the shareholders will issue (Zakat) of the share's market value and the dividends distributed at the end of the year by (2.5%) of this value in the Hijri year, and the calendar year (2.577%).
- If the intention on purchasing shares or underwriting was to obtain profits not trading, he will issue (Zakat) (2.5%) in the Hijri year or (2.577%) in the calendar year in the value of (Zakat) assets in addition to the dividends either distributed or not.

Praise be to Allah

Date: January 23, 2014

Chairman and Executive Member
Prof. Dr. Hussein Hamed Hassan

Board Member
Prof. Dr. Ali Al Mousa Al-Sawa

Board Member
Dr. Ahmad Mulhem

Board Member
Prof. Dr. Ali Al Quradaghi

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF JORDAN DUBAI ISLAMIC BANK AMMAN - JORDAN

Report on the financial statements

We have audited the accompanying consolidated financial statements of JORDAN DUBAI ISLAMIC BANK (a public shareholding company) "the Bank", and its subsidiaries, which comprise the consolidated statement of financial position as at 31 December 2013 and the consolidated income statement, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Board of Directors Responsibility for the Financial Statements

The Board of Directors is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the Shari'a rules and principles as determined by the Shari'a Supervisory Board of the Bank and the Financial Accounting Standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI)

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate for the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Bank as of 31 December 2013 and its financial performance and cash flows for the year then ended in accordance with AAOIFI.

Emphasis of matter

As disclosed in note (57) to the consolidated financial statements, in October 2013 the Bank decided to enter into legal proceedings against a legal case in the Federal Courts of New York State related to obligatory enforcement of a court order issued by that court in favor of a US company against group of individuals and companies related to one of the foreign families. The Bank entered into the legal proceedings for the purpose of seeking to protect itself from the court order in which the Bank was considered to be a proxy of that foreign family without the Bank's knowledge. The Federal Court ordered the confidentiality of most of the legal proceedings and prevented the disclosure of the details of the legal case subject to liability under the US laws.

As disclosed in note (57) to the consolidated financial statements, legal expenses amounting to JD1,500,000 were recorded during 2013, and the amount was recorded on the unrestricted investments revenues according to the fatwa issued by the Sharia Supervisory Board of the Bank.

Report on other legal and regulatory requirements

The Bank maintains proper books of account and the accompanying consolidated financial statements and financial information presented in the Board of Directors' report are in agreement therewith.

Amman – Jordan
26 May 2014

Innovation

قال تعالى:

« صُنْعَ اللَّهِ الَّذِي أَتْقَنَ كُلَّ شَيْءٍ »

سورة النمل الآية ٨٨

General meaning of the Holy Verse is:
The work of ALLAH who perfected all things.



Financial Statements





JORDAN DUBAI ISLAMIC BANK CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2013

	Notes	31 December 2013 JD	31 December 2012 JD
Assets			
Cash and balances with Central Banks	4	112,003,406	43,279,033
Balances at banks and financial institutions	5	3,862,588	11,540,775
International wakala investments	6	-	9,217,000
Financial assets at fair value through profit or loss	7	424,854	1,679,417
Deferred sales receivables and other receivables-net	8	236,996,523	263,724,258
Unconverted loans-net	9	183,783	245,282
Financial assets at fair value through unrestricted investment accounts	10	1,141,307	20,532,330
Investment in associate	11	362,729	336,947
Local wakala investments	12	8,142	452,963
Ijara muntahia bittamleek assets-net	13	143,187,633	96,234,667
Investment in properties	16	7,438,445	-
Property and equipment-net	14	16,095,934	12,655,647
Intangible assets	15	1,542,050	1,698,222
Deferred tax assets	C/23	1,291,812	1,991,533
Other assets	17	3,922,867	11,628,961
Total Assets		528,462,073	475,217,035
LIABILITIES, UNRESTRICTED INVESTMENT ACCOUNTS AND SHAREHOLDERS' EQUITY			
Liabilities			
Banks and financial Institutions accounts	18	1,001,598	10,208,332
Customers' current accounts	19	73,233,657	58,449,958
Cash margin accounts	20	15,058,783	17,316,600
Borrowed funds	21	1,255,277	1,792,117
Other provisions	22	84,603	136,635
Other liabilities	24	12,231,418	9,876,496
Total Liabilities		102,865,336	97,780,138
Unrestricted Investment Accounts			
Unrestricted investment accounts	25	293,698,267	248,462,874
Fair value reserve – net	27	(238,342)	65,835
Profit equalization reserve related to unrestricted investment accounts	28	465,481	-
Income tax provision for profit equalization reserve	28	199,492	-
Deferred tax liabilities	C/23	-	28,215
Total equity of unrestricted investment accounts		294,124,898	248,556,924
Investment Risk Fund			
Investment risk fund	26	-	-
Tax provision for investment risk fund	26	2,156,757	1,820,509
Shareholders' Equity			
Paid in capital	29	100,000,000	100,000,000
Share premium	29	(1,100,000)	(1,100,000)
Statutory reserve	30	20,367,839	20,150,808
Voluntary reserve	30	1,943,336	1,943,336
Profit equalization reserve	28	785,027	-
General banking risk reserve	30	300,000	300,000
Retained earnings	31	7,018,880	5,765,320
Total Shareholders' Equity		129,315,082	127,059,464
Total Liabilities, Unrestricted Investment Accounts and Shareholders' Equity		528,462,073	475,217,035

The accompanying notes from 1 to 58 form part of these consolidated financial statements

JORDAN DUBAI ISLAMIC BANK CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2013

	Notes	2013 JD	2012 JD
Deferred sales revenues	32	16,932,255	14,074,235
Ijara muntahia bittamleek revenues	33	11,576,341	6,705,462
Local wakala investments profits	34	7,054	122,576
International wakala investments profits	35	7,416	202,578
Profit from financial assets at fair value through unrestricted investment accounts	36	834,269	697,500
Profit from financial assets at amortized cost	37	-	47,637
(Losses) gains from financial assets at fair value through profit or loss	38	(150,696)	41,113
Profit from investment in associate	11	25,782	42,111
Foreign currencies revaluation losses (gains)	39	(5,748)	213,360
Legal expenses	57	(1,500,000)	-
Revenues from unrestricted investments		27,726,673	22,146,572
Profits equalization reserve	28	(1,450,000)	-
Share of unrestricted investment accounts holders'	40	(11,275,827)	(7,952,583)
Investment risk fund	26	(2,772,668)	(3,321,986)
Bank's share of revenues from unrestricted investments as a mudarib and rab mal	41	12,228,178	10,872,003
Bank's self financed revenues	42	725,894	340,686
Gain from foreign currencies	43	527,745	313,498
Banking services revenues	44	3,320,764	2,763,586
Other revenues	45	503,364	196,687
Total income		17,305,945	14,486,460
Employees' expenses	46	(7,618,994)	(7,202,486)
Depreciation and amortization	14 & 15	(1,826,363)	(1,508,364)
Ijara muntahia bittamleek assets depreciation - self financed	33	(546,797)	(197,374)
Excess in deferred sales receivables and other receivables provision	8	1,000	1,750
Excess in other provisions	22	50,000	100,000
Profit paid on wakala bank		(114,939)	(43,500)
Other expenses	47	(5,079,540)	(4,874,580)
Total expenses		(15,135,633)	(13,724,554)
Profit for the year before tax		2,170,312	761,906
Income tax expense (benefit)	B/23	(699,721)	1,372,993
Profit for the year		1,470,591	2,134,899
		Fils / JD	Fils / JD
Basic and diluted earnings per share	48	0/015	0/023

The accompanying notes from 1 to 58 form part of these consolidated financial statements



JORDAN DUBAI ISLAMIC BANK CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2013

	Paid in capital JD	Share discount JD	Statutory reserve JD	Voluntary reserve JD	Profits equalization reserve JD	General banking risk reserve JD	Retained earnings JD	Total JD
For the year ended 31 December 2013								
Beginning balance	100,000,000	(1,100,000)	20,150,808	1,943,336	-	300,000	5,765,320	127,059,464
Total Comprehensive income for the year	-	-	-	-	-	-	1,470,591	1,470,591
Shareholders share of profit equalizer reserve	-	-	-	-	785,027	-	-	785,027
Transfers to reserve	-	-	217,031	-	-	-	(217,031)	-
Balance as at 31 December 2013	100,000,000	(1,100,000)	20,367,839	1,943,336	785,027	300,000	7,018,880	129,315,082
For the year ended 31 December 2012								
Beginning balance	89,000,000	-	20,074,617	1,943,336	-	300,000	3,739,612	115,057,565
Total Comprehensive income for the year	-	-	-	-	-	-	2,134,899	2,134,899
Capital increase fees	-	-	-	-	-	-	(33,000)	(33,000)
Capital increase	11,000,000	(1,100,000)	-	-	-	-	-	9,900,000
Transfers to reserve	-	-	76,191	-	-	-	(76,191)	-
Balance as at 31 December 2012	100,000,000	(1,100,000)	20,150,808	1,943,336	-	300,000	5,765,320	127,059,464

- Retained earnings balance as at 31 December 2013 includes an amount of JD 1,087,327 (2012: JD 1,991,533) which represents deferred tax assets restricted from use according to the Central Bank of Jordan regulations.

- The general banking risks reserve amounting to JD 300,000 as at 31 December 2013 is restricted from use subject to the Central Bank of Jordan approval.

- An amount equal to the negative balance in the investment risk reserve is restricted from use from retained earnings.

The accompanying notes from 1 to 58 form part of these consolidated financial statements

JORDAN DUBAI ISLAMIC BANK CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2013

	Notes	2013 JD	2012 JD
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the year before tax		2,170,312	761,906
Adjustments for non monetary items:			
Depreciation and amortization		1,826,363	1,508,364
Profit from investment in associate		(25,782)	(42,111)
Investment risk fund		2,772,668	3,321,986
Profit equalization reserve		1,450,000	-
The excess of deferred sales receivable and other receivables provision		(1,000)	(1,750)
Excess in other provisions		(50,000)	(100,000)
Unrealized loss of financial assets at fair value through profit or loss		175,998	47,600
Loss on sale of property and equipment		5	4,205
Gain on sale of repossessed asset against debts – self financed		(165,691)	(194,965)
Cash flows from operating activities before changes in operating assets and liabilities		8,152,873	5,305,235
Changes in assets and liabilities:			
(Increase) in restricted balances at banks and financial institutions		(492,317)	-
Decrease (Increase) in financial assets at fair value through profit or loss		1,078,565	(1,195,318)
Decrease (Increase) in deferred sales receivables and other receivables		24,787,867	(70,750,875)
Decrease in unconverted loans		61,499	88,460
Decrease in local wakala investments		444,821	2,174,582
Increase in Ijara muntahia bittamleek assets		(46,952,966)	(27,387,506)
(Increase) decrease Investment in properties		(7,438,445)	-
Decrease (increase) in other assets		7,365,840	(4,562,817)
Increase in customers' current accounts		14,783,699	19,806,706
Decrease (increase) in cash margin accounts		(2,257,817)	12,852,881
Decrease in other provision		(2,032)	(15,083)
(Decrease) increase in other liabilities		2,354,922	(1,620,363)
Net cash from (used in) operating activities before income tax paid		1,886,509	(65,304,098)
Income tax paid		(495,552)	(569,503)
Net cash from (used in) in operating activities		1,390,957	(65,873,601)
CASH FLOWS FROM INVESTING ACTIVITIES			
Financial assets at fair value through unrestricted investment accounts – net		19,058,631	(13,343,281)
Financial assets at amortized cost - net		-	2,231,690
Purchase of intangibles assets		(378,237)	(874,638)
Cash dividends from associate company		-	28,126
Purchase of property and equipment		(4,732,246)	(2,978,971)
Proceeds from sale of repossessed asset against debts		505,945	420,000
Sale of international wakala investments		9,217,000	2,742,000
Net cash from (used in) from investing activities		23,671,093	(11,775,074)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in unrestricted investment accounts		45,235,393	85,155,307
Increase in capital		-	9,900,000
Decrease in borrowed funds		(536,840)	(489,959)
Capital increase fees		-	(33,000)
Net cash from financing activities		44,698,553	94,532,348
Net increase in cash and cash equivalents		69,760,603	16,883,673
Cash and cash equivalents, beginning of the year		44,611,476	27,727,803
Cash and cash equivalents, end of the year	49	114,372,079	44,611,476

The accompanying notes from 1 to 58 form part of these consolidated financial statements

Service

قال رسول الله صلى الله عليه وسلم:

« وَاللَّهُ فِي عَوْنِ الْعَبْدِ، مَا كَانَ الْعَبْدُ فِي عَوْنِ أَخِيهِ »

الترمذي - حديث صحيح

General meaning of the Hadith Sharif is:

ALLAH will help his worshiper as long as the worshiper helps his brother.



Notes to the Financial Statements





NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2013

(1) GENERAL

Jordan Dubai Islamic Bank - Jordanian public shareholding company - is the legal successor of Industrial Development Bank that was established in 1965 in accordance with a special law (Industrial Development Bank Law). Law No. (26) of 2009 was issued on 30 April 2008 for the cancelation of Industrial Development Bank, which cancelled Industrial Development Bank Law No. (5) of 1972. The Board of Directors have prepared the Bank's Articles of Association and bylaws in accordance with the Jordanian Companies Law and authorized by Companies Controller Department on 17 June 2008. The Bank's General Assembly decided to change the Bank's name to "Jordan Dubai Islamic Bank" after obtaining the required licenses from Central Bank of Jordan to operate as an Islamic bank, in accordance with the Banking Law.

The Bank's principal activities include the provision of Shari'a compliant alternatives to the financial needs of customers currently being met through the Bank's head office and its fifteen branches and subsidiaries within the Kingdom, in accordance with the Banking Law.

The financial statements were authorized for issue by the Bank's Board of Directors in their meeting No. (4/2014) held on 26 May 2014 and it is subject to the approval of General Assembly, and Central Bank of Jordan.

The Shari'a Supervisory Board issued its report in their meeting No. (1/2014) held on 23 January 2014.

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis Of Preparation

- The accompanying consolidated financial statements for the Bank and its subsidiaries have been prepared in accordance with the standards issued by Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI), and in conformity with the applicable laws and regulations of the Central Bank of Jordan.
- The consolidated financial statements are prepared on the historical cost basis except for the financial assets at fair value through profit or loss and through unrestricted investment accounts that have been measured at fair value.
- The financial statements have been presented in Jordanian Dinars (JD) which is the functional currency of the Bank.
- Shareholders' equity is separated from the unrestricted investment account holders.
- Investment risk fund is used to cover the impairment in financing and investment accounts funded by the unrestricted investment accounts.
- The standards issued by the International Accounting Standards Board and the

interpretations released by the International Financial Reporting Interpretations Committee are applied in the absence of an Islamic standard and will be replaced later by the Islamic Standards when then New Islamic standard is issued.

-The term Unrestricted investment Accounts, wherever mentioned, refers to Joint Investment Accounts.

Basis Of Consolidation

The consolidated financial statements comprise the financial statements of the Bank and its subsidiaries where the Bank has the power to govern the operational and financial policies of the entities so as to obtain benefits from their activities.

All intra-company balances, transactions, income and expenses and profits and losses resulting from intra-company transactions that are recognized in assets or liabilities are eliminated in full.

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

The subsidiaries included in the financial statements as of 31 December 2013 are as follows:

Company	Paid in Capital (JD)	Source of Funding	Ownership %	Main Activity	Location	Acquisition Date
Misc for brokerage	750,000	Self	%100	Brokerage	Amman	2011
Jordan Dubai Real Estate Investment *	100,000	Joint	%100	Real state Investment	Amman	2012

* Jordan Dubai Real Estate company owns the following subsidiary:

Company	Paid in Capital (JD)	Source of Funding	Ownership %	Main Activity	Location	Acquisition Date
AlFaid for Real State Investment	5,000	Joint	%100	Real state Investment	Amman	2012

Subsidiaries are fully consolidated from the date the Bank obtains control, and continue to be consolidated until the date that such control ceases.

Non-controlling interests represent the portion of profit or loss and net assets not held by the Bank.

Investments in subsidiaries are stated at cost when preparing stand-alone financial statements.

Upon the approval of the Board of Directors in its meeting held on 19 December 2013 to convert the investment of the subsidiary Jordan Dubai Real Estate Investment and its subsidiary "Al Faid for Real Estate Investment Co. from self-funds to joint funds, and no revenues resulted from the conversion. The net assets for both companies are JD 99,502 and JD 4,986 JOD respectively.



Changes in accounting policies

The accounting policies adopted in the preparation of the consolidated financial statements for the year ended 31 December 2012 are consistent with those of the previous financial year. However, the Bank has implemented the Financial Accounting Standard No. (26) issued by the Accounting and Auditing Organization for Islamic Financial Institutions «Investment in Real Estate» as of 1 January 2013, which includes the initial recognition of real estate investment at cost plus the direct costs, and subsequently measured depending on its application whether it is for use or for sale.

For the purpose of use the cost model or fair value are used.

Cost Model: real estate investments are recorded at cost less accumulated depreciation and provision for impairment, if any.

The fair value model : In case the Bank has decided to apply this model it should be applied on all investments in real estate. These investments are measured at fair value and the increase in fair value in the fair value reserve and any decrease in the fair value is deducted from the increase that had been previously recorded in the fair value reserve, and in case these was no increase in the fair value which was previously recorded, the difference is recognised in the consolidated income statement.

For the purpose of selling : recorded at the carrying value or fair value less costs to sell, whichever is less , and not depreciated. Differences shall be recorded in the consolidated income statement .

The application of the new standards did not have a significant impact on the consolidated financial statements as at 31 Decemeber 2013 and 31 December 2012.

Segment reporting

Business segments represent distinguishable components of the Bank that are engaged in providing products or services which are subject to risks and rewards that are different from those of other segments and are measured based on the reports sent to the chief operating decision makers.

Geographical segments are associated to products and services provided within a particular economic environment, which are subject to risks and rewards that are different from those of other economic environments.

Basis of distribution of unrestricted investments profits between equity shareholders' and unrestricted investment accounts holders

The unrestricted investment profits are distributed between equity shareholders and unrestricted investment accounts holders for the year 2012 as follows:

	Percentage
Unrestricted investment accounts share	%58
Equity shareholder's share	%32
Investment risk fund share	%10

joint investment account to be involved in the conclusions of the investment earnings and to be distributed to all depositors by taking into consideration his participation with weights of the concerned joint investment accounts and conditions of the account agreement which is signed between the bank and the depositor.

Unrestricted investment accounts participate in the profit as follows:

- 50% of the minimum balance of JD saving accounts.
- 25% of the minimum balance of foreign currencies saving accounts.
- 57% to 90% of the average JD term accounts
- 20% to 42% of the average foreign currencies term accounts.

The Bank bears all administrative expenses except for marketing and insurance for Ijara Muntahia Bittamleek assets which are allocated to the unrestricted investment accounts.

The Bank mixes its own funds with the unrestricted investment accounts.

Zakat

Due to the absence of an existing law that authorises the Bank to directly collect and pay the Zakat without acknowledging the holders, the responsibility of Zakat solely rest on the shareholders and the unrestricted investment account holders.

The Zakat on investment in Bank's shares is calculated as follows:

1. The Zakat applied by Islamic Shari'a on the purchased shares with the intent of trading equals to (2.5%) for Hijri year and (2.577%) for Gregorian year of the market value for the shares as at the end of the year.
2. The Zakat applied by Islamic Shari'a on the purchased shares for generating profit with no intent of trading equals to (2.5%) for Hijri year and (2.577%) for Gregorian years of the assets applicable for the Zakat plus the realized gains whether distributed or not.

Revenues, gains, expenses and losses incompatible with the Islamic Shari'a.

The Bank records these amounts in a separate account in the other payables and are not included in the Bank's revenues; these amounts are distributed to charities according to the Shari'a Supervisory Board resolutions.

Deferred sales receivables

Murabaha contracts

Murabaha is selling the commodity for a purchase price plus an agreed profit margin based on a percentage of the price or fixed amount and it is part of Amanah Boy'ou that depends on the price or cost.

Murabaha purchase orderer is the transaction whereby the Bank sells a commodity according to the specifications requested by the buyer for a purchase price plus a certain profit margin (Murabaha-by-promise profit).



The Bank applies the commitment to the promise principle in Murabaha purchase orderers in accordance with the standards issued by Accounting and Auditing Organization for Islamic Financial Institutions.

Deferred sales profit (by which the buyer will pay the price of the commodity at a future date in a lump sum or instalments) is recorded when the transaction takes place and is allocated to the financial periods until the maturity date of the contract, regardless whether the payment is settled through cash or credit payments.

Murabaha revenues are recognized when they occur by its nominal value, and are measured at the end of the financial period on the basis of monetary value expected to be recognized.

Impairment of deferred Sales receivable and accounts receivable is to be configured if the possibility is not found that collect the amounts owed to the bank and when there is objective evidence that an event may impact negatively on the future cash flows of Sales receivable and accounts receivable, and when they can estimate this decline and record amount of the provision in the statement income.

By the end of the financial period the financing assets are to be recorded at cost or cash realizable value, whichever is less, and prove the difference as a provision declining funding.

Revenue is suspended non-deferred sales to customers in accordance with the instructions of the Central Bank of Jordan.

Deferred sales receivables and financings funded are written off from unrestricted investment accounts in the event of the futility of the actions taken to collect the fund investment risk (except what is granted / funded and then write-off of deferred sales receivables and financings in the same year, where it is recorded in the income statement / on investment income) and added Proceeds from receivables / funds

that had been previously written off to fund investment risk (except for what has been recorded in the income statement / on investment income) , regarding sales receivables and deferred funds financed from the funds of the bank and prepared her self impairment losses are written off in the event of the futility of the actions taken to collect downloaded from the dedicated and convert any surplus in the total allocation - if any - to the income statement and added Proceeds from receivables / funds previously written off to income.

Financial assets at fair value through profit or loss :

Financial assets at fair value through profit or loss, are those purchased with the intent to resell in the near future to generate gains as a result of changes in market prices of such investments.

They are initially recognized at the fair value of consideration given (transaction costs are recorded in the consolidated statement of comprehensive income) and subsequently re measured at fair value. All realised and unrealised gains or losses are transferred to the consolidated statement of comprehensive income including any gains or losses resulting from the translation of such assets held in foreign currencies to the functional currency.

Interest earned and dividends received are recorded in the consolidated statement of comprehensive income.

Financial assets at fair value through unrestricted investment accounts:

These assets represent investments in equity instruments and funded by unrestricted investment accounts in order to keep them in the long term .

These assets are recognized when you buy at fair value plus acquisition expenses , and later re-evaluated at fair value , and shows the change in fair value are included in the fair value reserve in equity unrestricted investment account holders .

In the event of the sale of these assets or any part thereof or for impairment are recorded gains or losses resulting in the consolidated statement of income , including amounts previously recorded in the rights of the owners of the accounts of joint investment .

Can be retrieved by the impairment loss previously recognized in the consolidated statement of income if it is objectively evident that the increase in the fair value occurred in the period subsequent to the recording of impairment losses during the fair value reserve within the apparent joint investment accounts .

Gains derived from these financial assets on the date of the announcement of the distribution in the consolidated statement of income .

Gains and losses resulting from foreign currency translation differences for these assets under the fair value reserve .

The financial assets that can not determine the fair value reliably at cost , and are tested impairment of these assets at the end of each financial period and are recorded any impairment in the consolidated statement of income , and can not be retrieved impairment loss of these assets in subsequent periods .

Financial assets at amortized cost:

Financial assets are measured at amortized cost only if these assets are held within a business model whose objective is to hold the asset to collect their contractual cash flows and that the contractual terms of the financial asset give rise, on specified dates, to cash flows constituting solely principal and interest on the outstanding principal amount.

Debt instruments are initially measured at amortized cost plus transaction costs. Subsequently they are amortized using the effective interest method. The losses arising from impairment are recognized in the consolidated statement of comprehensive income.

The amount of the impairment consists of the difference between the book value and present value of the expected future cash flows discounted at the original effective interest rate.



Investments in Associates

The Bank's investment in associates is accounted for using the equity method of accounting. An associate is an entity in which the Bank has significant influence over financial and operating policies this is evidenced when the Bank hold a rate between 20% to 50% of the voting rights.

Under the equity method, investment in the associate is carried in the statement of financial position at cost plus the Bank's share of net assets of the associate. Goodwill relating to an associate is included in the carrying amount of the investment and is not amortized. The statement of comprehensive income reflects the share of the results of operations of the associate.

Where there has been a change recognized directly in the equity of the associate, the Bank recognizes its share of any changes and disclose this, when applicable, in the statement of changes in equity. Profit and losses resulting from transactions between the Bank and the associate are eliminated to the extent of interest in the associate.

When issuing separate financial statements, the investment in associates is recorded at cost.

Fair value of financial assets

For investments quoted in an active market, fair value is determined by reference to quoted market prices.

For financial instruments where there is no active market, fair value is normally based on comparison with the current market value of a highly similar financial instruments:

Where the fair value of an investment cannot be reliably measured, it is stated at the fair value of consideration given or amortised cost and any impairment in the value is recorded in the statement of comprehensive income.

Impairment of financial assets

The Bank assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. If such evidence exists, the recoverable amount is estimated in order to determine the amount of impairment loss.

Leases and Ijara Muntahia Beltamleek -

Leases are divided into:

Operating leases: Are leases which do not transfer the risks and benefits incidental to ownership of the leased item to the lessee.

Ijara Muntahia Beltamleek: Are leases which transfer to the lessee the entire risks and benefits incidental to ownership of the leased item according to the Financial Accounting Standard issued by the Accounting and Auditing Organization for Islamic Financial Institutions.

Assets acquired to be leased are measured at cost which includes direct costs incurred for making the asset ready for use at the date of lease agreement. Leased assets are depreciated over the useful life used by the Bank.

The carrying values of leased assets are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amounts, the leased assets are written

down to their recoverable amount, and the impairment is recorded in the statement of comprehensive income.

Revenues from lease agreement are allocated according to the financial periods included in the lease agreement.

Maintenance expenses incurred in relation to the leased assets are recognized when incurred.

Investments in Real Estate

The measurement of real estate investment depends on the purpose whether for use or for sale.

Investments in real estate acquired for expected increase in the fair value and real estate acquired in order to obtain periodical income are classified within the category acquired for use and are recognized and measured at cost plus any related expenses. These properties are depreciated according to the depreciation policy adopted by the Bank (excluding lands). When the carrying value exceeds the estimated recovered amount, the investment property is written down to their recoverable amount and impairment is recognized in the consolidated income statement.

Conversion of assets

- The Bank discloses transfers of tangible and financial assets which are transferred between funded through unrestricted investment accounts, equity, restricted investment accounts, investment funds and the basis for the transfer and the used accounting policies including the movement and the financial impact.
- The Bank discloses all transfers made with related parties with the nature of the relationship and the type of operations that took place and the total value of transactions at the beginning of the financial period and end with the financial implications of it.
- The Bank discloses of the principles followed by the Bank in the revaluation of assets when making the conversion processes.
- The Bank discloses the differences resulting from the conversion processes that are denominated in foreign currencies with the financial implications of it.
- The Bank discloses the nature and terms of the assets that have been converted whether



they are indivisible and any related provisions.

- The Bank discloses the reasons and bases that govern the transfer of assets between different investment accounts.

Investment Risk Fund

The Bank appropriates 10% or more of the profit from the jointly fund, this percentage increases based on the Central Bank of Jordan instructions, the amended percentage is applicable at beginning of the proceeding year. Starting from 1 January 2011 the percentage had increased to 15% based on the Central Bank of Jordan approval.

The balance of Investment Risk Fund returns to Zakat Fund after all expenses and losses covered, the investors do not have any right in the amounts deducted and accumulated in the Investment Risk Fund.

If losses occurred in some of the jointly financed operations that started and ended in the same year, they will be covered from the profits of the same year. If losses exceeded profits in the same year, they will be covered from the Investment Risk Fund.

If joint investment operations were initiated and continued from preceding years with losses, it should be covered from the fund.

Profit Equalization Reserve

It is an amount that is set aside from the total revenues of the unrestricted investment accounts before deducting share of Mudarib (the Bank) in order to maintain a certain level of return on investment for unrestricted investment accounts. This reserve is recognized when the bank management decide and with the conditional approval of the unrestricted investment accounts holders. If the balance of this reserve increased more than the amount that it considered necessary by management the reserve will be reduced by the excess amount and added to the revenues of unrestricted investment accounts investment income. In the case of the liquidation of the Bank the profit reserve rate will be transferred to Zakat Fund.

Fair Value Non-Financial Assets

Market prices represent the fair value for non-financial assets. In case market prices are not available, they are assessed by taking average value of 3 assessments from experienced and certified parties

Property and Equipment

Property and equipment are measured at cost less accumulated depreciation and accumulated impairment in value. Depreciation is calculated using the straight-line method to write down the cost of property and equipment to their residual values over their estimated useful lives. Land is not depreciated. Depreciation rates used are as follows:

Buildings	%2
Equipments, tools and furniture	%15
Vehicles	%15
Computers	%20

The carrying values of property and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amounts, the assets are written down to their recoverable amount, and the impairment is recorded in the statement of comprehensive income.

The useful lives of property and equipment are reviewed annually. If expected useful lives vary from the estimated ones; the change in estimate is adjusted prospectively.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal.

Intangible Assets

Intangible assets are classified according to their useful life for a specified or unspecified period of time. Intangible assets with finite useful life are amortized during that life, and amortization is recorded in the consolidated statement of comprehensive income. For intangible assets with infinite useful life; Impairment in value is reviewed at the date of financial statements and any impairment in their value is recorded in the consolidated statement of income.

Intangible assets arising from the Bank's operations are not capitalized and are recorded in the consolidated statement of income as incurred.

Any indications of impairment of intangible assets are reviewed at the date of financial statements; in addition, the useful lives of these assets are reviewed annually. If expected useful lives vary from the estimated ones; the change in estimate is adjusted prospectively.

Amortization rates as follows:

Software	25%
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Repossessed Assets by the Bank Against Debts

Repossessed assets are shown in the statement of financial position under "Other assets" at the lower of their carrying value or fair value. Assets are revalued at the reporting date on an individual basis and losses from impairment are recorded in the consolidated statement of comprehensive income, while revaluation gains are not recognized as income. Reversal of previous impairment losses shall not result in a carrying value that exceeds the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years.



Provisions

Provisions are recognized when the Bank has a present obligation (legal or constructive) arising from a past event and the costs to settle the obligation are both probable and able to be reliably measured.

Income Tax

Tax expense comprises current tax and deferred taxes.

Current tax is based on taxable profits, which may differ from accounting profits published in the consolidated statement of comprehensive income. Accounting profits may include non-taxable profits or tax deductible expenses which may be exempted in the current or subsequent financial years.

Tax is calculated based on tax rates and laws that are applicable in the country of operation.

The Bank calculates a provision for income tax in accordance with Income Tax Law No. (28) of 2009, and the International Accounting Standard No. (12), which requires recognition of deferred taxes arising from timing difference.

Deferred tax is provided on temporary differences at the statement of financial position date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on laws that have been enacted or substantially enacted at the reporting date.

The carrying values of deferred income tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Offsetting

Financial assets and financial liabilities are only offset and the net amount is reported when there is a legally enforceable right to set off the recognized amounts and the Bank intends to either settle on a net basis, or to realize the asset and settle the liability simultaneously.

Revenue and Expense Recognition

Revenues and expenses are recognized based on accrual basis except for revenue on non performing deferred sales and non performing facilities, on which revenue is transferred to the revenue in suspense account and not recognized in the consolidated statement of comprehensive income.

Commission income is recognized upon rendering the services. Dividend income is recognized when the right to receive payment is established.

Trade Date Accounting

Sale or purchase of financial assets is recognized at the trade date, i.e. the date that the Bank commits to purchase or sell the asset.

Foreign Currencies

Transactions in foreign currencies are initially recorded in the functional currency at the rate of exchange ruling at the date of the transaction.

Monetary assets and liabilities in foreign currencies are translated to the functional currencies at the rates of exchange prevailing at the consolidated statement of financial position date as published by the Central Bank of Jordan. Any gains or losses are taken to the consolidated statement of comprehensive income.

Non- monetary assets and liabilities in foreign currencies carried at fair value are translated at the date in which the fair value was determined.

Translation gains or losses on non monetary items carried at fair value (such as shares) are included as part of the fair value reserve.

Cash and Cash Equivalents

Cash and cash equivalents comprises cash on hand and cash balances with banks and financial institutions that mature within three months, less banks and financial institutions accounts that mature within three months and restricted balances.

(3) USE OF ESTIMATES

The preparation of the 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 necessarily 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.

- Impairment provision for deferred sales and finances: the Bank appropriate 10% (2012: 15%) 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 as required by the Central Bank of Jordan.

- Income tax provision: the fiscal year is charged with its related income tax according to the laws and accounting standards. Also, the deferred tax assets and liabilities as well as the required tax provision are estimated and recorded.



- Management periodically revaluates 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:

	2013 JD	2012 JD
Cash on hand	5,484,324	6,322,857
Cash and balances with Central Bank of Jordan:		
Current accounts	82,122,300	15,793,960
Statutory cash reserve	24,396,782	21,162,216
Total	112,003,406	43,279,033

Except for the statutory cash reserve, there are no other restricted cash accounts as at 31 December 2013 and 31 December 2012.

(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	
	2013 JD	2012 JD	2013 JD	2012 JD	2013 JD	2012 JD
Current and on -Demand accounts	1,222,417	960,222	2,640,171	10,580,553	3,862,588	11,540,775
Total	1,222,417	960,222	2,640,171	10,580,553	3,862,588	11,540,775

The restricted balances amounted to JD 492,317 as at 31 December 2013 (Nil at 31 December 2012 JD).

(6) INTERNATIONAL WAKALA INVESTMENTS

The details of this item are as follows:

	Joint	
	2013 JD	2012 JD
Within a month	-	5,672,000
Month to three months	-	921,700
Three to six months	-	2,623,300
Total	-	9,217,000

(7) FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

The details of this item are as follows:

	Joint	
	2013 JD	2012 JD
Quoted shares	424,854	1,679,417
Total	424,854	1,679,417

(8) DEFERRED SALES RECEIVABLES AND OTHER RECEIVABLES- NET

The details of this item are as follows:

	Joint		Self financed		Total	
	2013 JD	2012 JD	2013 JD	2012 JD	2013 JD	2012 JD
Individuals (retail)-						
Purchase orderer Murabaha	57,332,633	34,424,992	784,283	989,242	58,116,916	35,414,234
Ijara Muntahia Beltamleek - receivables	118,543	71,805	-	-	118,543	71,805
Other receivable	-	-	292,472	88,699	292,472	88,699
Real estate funds	3,855,363	4,211,840	-	-	3,855,363	4,211,840
Corporate	-	-	-	-	-	-
International Murabaha	15,654,737	61,600,651	-	-	15,654,737	61,600,651
Purchase orderer Murabaha	159,540,362	148,093,427	-	-	159,540,362	148,093,427
Ijara Muntahia Beltamleek - receivables	4,214,748	425,853	-	-	4,214,748	425,853
Governmental and public section	25,549,458	33,946,381	-	-	25,549,458	33,946,381
Other receivable	-	-	14,664	738,656	14,664	738,656
Total	266,265,844	282,774,949	1,091,419	1,816,597	267,357,263	284,591,546
Less: deferred revenues	23,697,341	16,203,657	83,027	113,372	23,780,368	16,317,029
Suspended revenues	394,515	278,902	-	-	394,515	278,902
Impairment provision	6,184,716	4,247,854	1,141	23,503	6,185,857	4,271,357
Deferred sales receivable, other assets – Net	235,989,272	262,044,536	1,007,251	1,679,722	236,996,523	263,724,258

The non- performing deferred sales receivables, other receivables, finances and Ijara Muntahia Beltamleek receivables amounted to JD 16,521,629 representing 4.02% as at 31 December 2013 of deferred sales receivables, other receivables, finances and Ijara Muntahia Beltamleek receivables (31 December 2012: JD 8,744,980 representing 2.29 %).

The non- performing deferred sales receivables, other receivables, and the Ijara Muntahia Beltamleek receivables net of the suspended revenues amounted to JD 16,127,114 representing 3.92% as at 31 December 2013 of deferred sales receivable, other receivables, and the Ijara Muntahia Beltamleek receivables, (31 December 2012: JD 8,508,097 representing 2.23%).



The balance of the fund investment risk, according to the Banking Law, paragraph (55) amounted to JOD 6,184,716 as of December 31, 2013, compared to JOD 4,247,854 as of December 31, 2012. Provision for impairment of the jointly financed facilities which is calculated based on portfolio (watch list) amounted to JD 44,238 and the provision calculated based on "individual customer" amounted to JD 7,986,887 as at 31 December 2013 (31 December 2012: JD 72,780 and JD 5,049,279, respectively).

The deferred sales receivables, other receivables, and other facilities granted to and guaranteed by the Government of Jordan amounted to JD 25,549,458 representing 9.55% share of the total deferred sales receivables, other receivables and facilities as at 31 December 2013 (31 December 2012: JD 33,946,381 representing 11.9%).

Suspended revenues

	Joint					
	31 December 2013			31 December 2012		
	Retail JD	Corporate JD	Total JD	Retail JD	Corporate JD	Total JD
Beginning balance	2,849	276,053	278,902	638	71,092	71,730
Add: Suspended revenues for the year	9,812	150,640	160,452	2,211	204,961	207,172
Less: suspended revenues reversed to revenues	1,381	42,686	44,067	-	-	-
Less: suspended revenues written off	772	-	772	-	-	-
Ending balance	10,508	384,007	394,515	2,849	276,053	278,902

(9) UNCONVERTED LOANS - NET

The details of this item are as follows:

	Self financed					
	31 December 2013			31 December 2012		
	Retail JD	Corporate JD	Total JD	Retail JD	Corporate JD	Total JD
Gross unconverted loans	98,425	1,233,552	1,331,977	98,425	1,323,594	1,422,019
Less:						
suspended revenues	-	7,112	7,112	-	35,655	35,655
Impairment provision	-	1,141,082	1,141,082	-	1,141,082	1,141,082
Net unconverted loans	98,425	85,358	183,783	98,425	146,857	245,282

Movement on Unconverted Loans Impairment Provision – Self Financed

	Corporate	
	31 December 2013 JD	31 December 2012 JD
Beginning balance	1,141,082	1,141,082
Provision	-	-
Less: Released to revenues	-	-
Used during the year (write offs)	-	-
Ending Balance	1,141,082	1,141,082

General banking risks reserve against receivables and self financed facilities amounted to JD 300,000 as at 31 December 2013 (31 December 2012: JD 300,000).

There is no provision rettled as a result of settlements or payments of debts which were converted to receivables and other funds as at December 31, 2013 and December 31, 2012.

Impairment provision of the self financed facilities amounted to JD 59,880 as at 31 December 2013 calculated based on individual customer (31 December 2012: JD 50,517).

Suspended Revenues

	Self financed		
	Retail JD	Corporate JD	Total JD
31 December 2013			
Beginning balance	-	35,655	35,655
Add: Suspended revenues during the year	-	-	-
Deduct: suspended revenues transferred to revenues	-	28,543	28,543
Ending Balance	-	7,112	7,112
31 December 2012			
Beginning balance	-	30,635	30,635
Add: Suspended revenues during the year	-	5,020	5,020
Deduct: suspended revenues transferred to revenues	-	-	-
Ending Balance	-	35,655	35,655



(10) FINANCIAL ASSETS AT FAIR VALUE THROUGH UNRESTRICTED INVESTMENT ACCOUNTS

The details of this item are as follows:

	Joint	
	2013 JD	2012 JD
Quoted Investments:		
Shares	1,034,533	1,094,086
Islamic Sukuk	-	19,355,470
Total quoted investment	1,034,533	20,449,556
Unquoted Investments		
Shares	106,774	82,774
Total unquoted financial assets at fair value unrestricted investment	106,774	82,774
Total Financial Assets At Fair Value Through Unrestricted investment accounts	1,141,307	20,532,330

Financial assets stated at cost for which fair value cannot be measured reliably amounted to JD 106,774 as of 31 December 2013 (2012: JD 82,774).

(11) INVESTMENT IN ASSOCIATE

Investment in associated company (joint)

	Percentage of ownership	Country	Principal activity	2013 JD	2013 JD
Jordan Blending and Packing of Fertilizers Company	25%	Jordan	Manufacturing	362,729	336,947

The movement on the investment in associates amounts is as follows:

	Joint	
	2013 JD	2012 JD
Beginning balance	336,947	322,963
Share of profit	30,705	49,958
Share of taxes	(4,923)	(7,848)
Dividends received	-	(28,126)
Ending balance	362,729	336,947

Share of associates assets and liabilities:

	Joint	
	2013 JD	2012 JD
Total assets	565,422	349,406
Total liabilities	836,59	402,69
Net assets	729,362	947,336
Total revenues	915,311	519,424

(12) LOCAL WAKALA INVESTMENTS

The details of this item are as follows:

	Joint	
	2013 JD	2012 JD
Local Wakala Investments	8,142	452,963
Total	8,142	452,963



(13) IJARA MUNTAHIA BITTAMLEEK ASSETS - NET

	Joint			Self financed			Total		
	Cost JD	Accumulated Depreciation JD	Net Book Value JD	Cost JD	Accumulated Depreciation JD	Net Book Value JD	Cost JD	Accumulated Depreciation JD	Net Book Value JD
31 December 2013									
Ijara Muntahia Bittamleek assets-Real Estate	151,401,001	(20,680,431)	130,720,570	3,469,568	(205,564)	3,264,004	154,870,569	(20,885,995)	133,984,574
Ijara Muntahia Bittamleek assets-Machines	13,201,721	(3,998,662)	9,203,059	-	-	-	13,201,721	(3,998,662)	9,203,059
Total	164,602,722	(24,679,093)	139,923,629	3,469,568	(205,564)	3,264,004	168,072,290	(24,884,657)	143,187,633
31 December 2012									
Ijara Muntahia Bittamleek assets-Real Estate	96,287,644	(9,823,190)	86,464,454	2,250,510	(104,200)	2,146,310	98,538,154	(9,927,390)	88,610,764
Ijara Muntahia Bittamleek assets-Machines	10,158,468	(2,534,565)	7,623,903	-	-	-	10,158,468	(2,534,565)	7,623,903
Total	106,446,112	(12,357,755)	94,088,357	2,250,510	(104,200)	2,146,310	108,696,622	(12,461,955)	96,234,667

- The accrued Ijara installments amounted to JD 4,333,291 as at 31 December 2013 (31 December 2012: JD 497,658) were presented under deferred sales receivables and other receivables (Note 8).

- The non-performing Ijara Muntahia Bittamleek amounted to JD 4,154,440 representing 2.9% as at 31 December 2013 (31 December 2012: JD 189,896 representing 0.2%).

(14) PROPERTY AND EQUIPMENT, NET

2013	Land JD	Buildings JD	Equipment, furniture & fixtures JD	Vehicles JD	Computers JD	Total JD
Cost:						
At 1 January 2013	2,432,937	1,224,996	6,396,038	207,635	1,326,456	11,588,062
Additions	-	-	809,402	-	260,833	1,070,235
Disposals	-	-	87,589	3,600	32,497	123,686
At 31 December 2013	2,432,937	1,224,996	7,117,851	204,035	1,554,792	12,534,611
Accumulated depreciation:						
At 1 January 2013	-	423,557	1,843,747	118,511	574,380	2,960,195
Depreciation	-	24,500	979,533	28,782	259,139	1,291,954
Disposals	-	-	82,464	3,601	32,854	118,919
At 31 December 2013	-	448,057	2,740,816	143,692	800,665	4,133,230
Net book value						
At 31 December 2013	2,432,937	776,939	4,377,035	60,343	754,127	8,401,381
Payments on purchasing of property and equipment	-	-	-	-	284,380	284,380
Projects under construction	-	7,409,338	-	-	835	7,410,173
Net property and equipment	2,432,937	8,186,277	4,377,035	60,343	1,039,342	16,095,934
2012						
Cost:						
At 1 January 2012	2,432,937	1,224,996	5,723,569	196,635	1,194,599	10,772,736
Additions	-	-	903,526	11,000	214,641	1,129,167
Disposals	-	-	231,057	-	82,784	313,841
At 31 December 2012	2,432,937	1,224,996	6,396,038	207,635	1,326,456	11,588,062
Accumulated depreciation:						
At 1 January 2012	-	399,057	1,179,688	90,490	455,493	2,124,728
Depreciation	-	24,500	880,796	28,021	200,553	1,133,870
Disposals	-	-	216,737	-	81,666	298,403
At 31 December 2012	-	423,557	1,843,747	118,511	574,380	2,960,195
Net book value						
At 31 December 2012	2,432,937	801,439	4,552,291	89,124	752,076	8,627,867
Payments on purchasing of property and equipment	-	-	3,478	-	262,452	265,930
Projects under construction	-	3,640,773	111,842	-	9,235	3,761,850
Net property and equipment	2,432,937	4,442,212	4,667,611	89,124	1,023,763	12,655,647

Fully depreciated property and equipment amounted to JD 833,255 as of 31 December 2013 (2012: JD 678,883).

The estimated total cost to complete projects under construction amounts to JD 6,985,235 as at 31 December 2013.

Represent the decoration and furnitures cost for the new head office located in Al-Abdali.



(15) INTANGIBLE ASSETS

The details of this item are as follows:

	Computers & Software	
	2013 JD	2012 JD
Balance At 1 January	1,698,222	1,198,078
Additions	378,237	874,638
Amortization	534,409	374,494
Balance At 31 December	1,542,050	1,698,222

(16) INVESTMENT IN PROPERITIER

The details of this item are as follows:

Held for the purpose of increase in its fair value and within for use category.

	31 December 2013			31 December 2012		
	Joint JD	Self financed JD	Total JD	Joint JD	Self financed JD	Total JD
Begining Balance	-	-	-	-	-	-
Additions	7,438,445	-	7,438,445	-	-	-
Balance Ending	7,438,445	-	7,438,445	-	-	-

The balance of investments in real estate is a real estate that has been possessed by the Bank under the custody agreement between the bank and its subsidiary (AlFaid for Real State Investment). Investments in real estate are carried at cost. Also there are no significant differences between the cost and the fair value as at 31 December 2013. There were no revenues resulted from the conversion. The conversion was mad using the book value that was close to the fair value on the conversion date.

(17) OTHER ASSETS

The details of this item are as follows:

	2013 JD	2012 JD
*Al-Motrabetah Investment Company receivables	1,224,575	1,760,291
Checks under collection	7,548	7,548
Repossessed assets by Bank against debts	1,347,099	8,451,697
Prepaid expenses	627,296	581,030
Accrued revenues	88,600	326,427
Stationary and printing materials	52,347	39,418
Income tax deposit	185,531	184,333
Transactions in transit	30,909	-
Others	358,962	278,217
Total	3,922,867	11,628,961

* This item represents the amounts due from Motrabetah Investment Company as a result of the transferring venture capital fund loans, handicraft loans fund and other loans converted to Al-Motrabetah Investment Company.

The movement on the repossessed assets by Bank against debts during the year is as follows:

	2013			2012
	Repossessed real estates JD	Repossessed equipments JD	Total JD	Total JD
Beginning balance	8,451,697	-	8,451,697	1,609,341
Additions	379,970	311,347	691,317	7,058,476
Disposal	357,470	-	357,470	216,120
Transfer between assets (Note 16)*	7,438,445	-	7,438,445	-
Ending Balance	1,035,752	311,347	1,347,099	8,451,697

Central Bank of Jordan regulations state that repossessed assets should be disposed off during a maximum period of two years from the date of possession.

* The transfer between assets represents real estate owned under the name of the Bank's subsidiary "AlFaid for Real State Investment", and was transferred from assets obtained by the bank by calling on collateral (self) to investments in Real Estate (common) the conversion occurred at cost plus expenses of the acquisition where no revenue resulted from the valuation of this property as at 31 December 2013.

(18) BANKS AND FINANCIAL INSTITUTIONS ACCOUNTS

The details of this item are as follows:

	2013			2012
	Inside the Kingdom JD	Outside the Kingdom JD	Total JD	Total JD
Current accounts	-	1,001,598	1,001,598	10,208,332
Total	-	1,001,598	1,001,598	10,208,332



(19) CUSTOMERS' CURRENT ACCOUNT

The details of this item are as follows:

	31 December 2013				
	Retail JD	Corporate JD	Small and medium companies JD	Public and governmental sectors JD	Total JD
Current accounts	43,164,715	8,265,433	17,076,912	4,726,597	73,233,657
Total	43,164,715	8,265,433	17,076,912	4,726,597	73,233,657
	31 December 2012				
	Retail JD	Corporate JD	Small and medium companies JD	Public and governmental sectors JD	Total JD
Current accounts	36,740,628	9,735,973	8,247,433	3,725,924	58,449,958
Total	36,740,628	9,735,973	8,247,433	3,725,924	58,449,958

- Public sector accounts inside the Kingdom as at 31 December 2013 amounted to JD 4,726,597 representing 6.45% of the total customers' current accounts (31 December 2012: JD 3,725,924 representing 6.37%).

- The restricted accounts as at 31 December 2013 amounted to JD 3,698,524 representing 5.05% of the total customers' current accounts (31 December 2012: JD 1,602,160 representing 2.74%).

- The dormant accounts as at 31 December 2013 amounted to JD 2,291,089 (31 December 2012: JD 1,735,916).

(20) CASH MARGIN ACCOUNTS

The details of this item are as follows:

	2013 JD	2012 JD
Margins against deferred sales receivables and finances	12,963,071	14,234,414
Margins against indirect facilities	1,847,214	2,872,171
Other margins	248,498	210,015
Total	15,058,783	17,316,600

(21) BORROWED FUNDS

	2013 JD	2012 JD	Total instalments	Remaining instalments	Last instalments date
European Investment Bank loan – fifth loan – part two	-	416,236	One instalment	One instalment	Paid in full
European Investment Bank loan – fifth loan – part two	1,305,278	1,735,990	One instalment	One instalment	2017
Less: Investments financed by the European Investment Bank	50,001	360,109			
	1,255,277	1,792,117			

The amount borrowed from the European Investment Bank bears no interest and is recorded against the receivables from Al-Motrabetah Investment Company in Note (17).

(22) OTHER PROVISIONS

The details of this item are as follows:

	Beginning balance JD	Provided during the year JD	Used during the period JD	Reversed to revenues JD	Ending balance JD
2013-					
End of service indemnity	23,818	-	-	-	23,818
Lawsuits provision	112,817	-	2,032	50,000	60,785
Total	136,635	-	2,032	50,000	84,603
2012-					
End of service indemnity	23,818	-	-	-	23,818
Lawsuits provision	227,900	-	15,083	100,000	112,817
Total	251,718	-	15,083	100,000	136,635

(23) INCOME TAX PROVISION

A- Income tax provision

The Bank obtained a final settlement from Income Tax and Sales Tax department until 2012 except for the year 2008.

Regarding taxes for the year 2008, the Bank made an objection on the decision of the Income Tax department for the year 2008 and the case is still pending in the court of tax. The amount will be transferred to Almotarabeta Company when the case with the Income Tax Department will be resolved (Note No. 24) .



B- The income tax provision balance shown in the consolidated statement of income consists of the following:

	2013 JD	2012 JD
Income tax expense (surplus)	(699,721)	1,372,993
Total	(699,721)	1,372,993

C- Deferred tax assets/liabilities

The details of this item are as follows:

	2013					2012
	Balance Beginning JD	Released during the year JD	Additions during the year JD	Ending balance JD	Deferred tax JD	Deferred tax JD
A- Deferred tax assets - self financed						
End of services indemnity provision	23,818	-	-	23,818	7,145	7,145
Lawsuits provision	112,815	52,030	-	60,785	18,236	33,845
Impairment for repossessed assets	360,084	16,643	-	343,441	103,032	108,025
Impairment for credit facilities	1,100,000	-	-	1,100,000	330,000	330,000
Accumulated losses	5,041,727	2,945,346	-	2,096,381	628,914	1,512,518
Total	6,638,444	3,014,019	-	3,624,425	1,087,327	1,991,533
Deferred tax assets - Joint						
Impairment for repossessed assets	-	-	16,643	16,643	4,993	-
Profit equalizer reserve unrestricted investment accounts	-	-	664,973	664,973	199,492	-
Total	-	-	681,616	681,616	204,485	-
B- Deferred tax liabilities - joint						
Fair value reserve – Joint	94,050	94,050	-	-	-	28,215
Total	94,050	94,050	-	-	-	28,215

The movement on self financed deferred tax assets / liabilities accounts is as follows:

	2013		2012	
	Assets JD	Liabilities JD	Assets JD	Liabilities JD
Beginning balance	1,991,533	-	618,540	-
Additions during the year	-	-	1,512,518	-
Amortized during the year	(904,206)	-	(139,525)	-
Ending balance	1,087,327	-	1,991,533	-

The movement on Joint Assets / Deferred tax assets as follows:

	2013		2012	
	Assets JD	Liabilities JD	Assets JD	Liabilities JD
Beginning balance	-	28,215	-	59,197
Additions during the year	204,485	-	-	21,473
Amortized during the year	-	(28,215)	-	(52,455)
Ending balance	204,485	-	-	28,215

D- A reconciliation between tax expense and the accounting profit is as follows:

	2013 JD	2012 JD
Accounting profit (loss)	2,170,312	761,906
Non-taxable profit	847,695	6,460,410
Non-deductible expenses	1,608,971	588,975
Accumulated losses/ previous year	5,041,727	-
Tax losses	(2,110,139)	(5,109,529)
Statutory tax rate	30%	30%
Income tax provision, net	-	-

(24) OTHER LIABILITIES

The details of this item are as follows:

	2013 JD	2012 JD
Accrued expenses	3,177,163	1,750,852
Issued cheques	1,371,022	1,512,008
Al – Mutarabetah Company - deposits	2,332,100	2,332,100
Shareholders and customers deposits	569,541	331,656
Customers' share of profit from unrestricted investments	4,097,116	2,795,571
Brokerage payables	11,941	43,354
Income tax deposit	-	334,500
Temporary deposits	38,092	185,644
Transactions in transit	-	83,490
Others	634,443	507,321
Total	12,231,418	9,876,496



(25) UNRESTRICTED INVESTMENT ACCOUNTS

The details of this item are as follows:

	Retail JD	Corporate JD	Small and medium companies JD	Public and governmental sectors JD	Total JD
2013-					
Saving accounts	20,311,375	340,187	747,644	-	21,399,206
Term accounts	175,474,773	59,257,123	7,928,141	18,363,197	261,023,234
Total	195,786,148	59,597,310	8,675,785	18,363,197	282,422,440
Depositors' share from investments' revenues	7,651,408	2,509,133	338,992	776,294	11,275,827
Total unrestricted investment accounts	203,437,556	62,106,443	9,014,777	19,139,491	293,698,267
2012-					
Saving accounts	18,178,393	888,881	322,423	-	19,389,697
Term accounts	126,219,923	78,086,502	2,452,088	14,532,062	221,290,575
Total	144,398,316	78,975,383	2,774,511	14,532,062	240,680,272
Depositors' share from investments' revenues	4,509,949	2,689,723	83,970	498,960	7,782,602
Total unrestricted investment accounts	148,908,265	81,665,106	2,858,481	15,031,022	248,462,874

Unrestricted investment accounts share of profit is calculated as follows:

- 50% of the minimum balance of saving accounts in JD.
- 25% of the minimum balance of saving accounts in foreign currencies.
- 57% to 90% of the average term accounts in JD.
- 20% to 42% of the average term accounts in foreign currencies.
- The percentage of the profit on the Jordanian Dinar for the the year 2013 is 4.40% (3.95% for the last year).
- The percentage of the profit on USD for the year 2013 is (1.19%) (1.45% for the last year).
- The unrestricted investment accounts for the public sector amounted to JD 19,139,491 as at 31 December 2013, which represents 6.52% of the total unrestricted investment accounts (31 December 2012: JD 15,031,022 which represents 6.05% of the total unrestricted investment accounts).
- The restricted accounts amounted to JD 173,628 as at 31 December 2013 (31 December 2012: JD Nil).

(26) INVESTMENT RISK FUND

The movement on investment risk fund is as follows:

	31 December 2013 JD	31 December 2012 JD
Beginning balance	4,247,854	2,746,377
Additions: transferred from unrestricted investment accounts revenues during the year	2,772,668	3,321,986
Less: Bad debts	4,006	-
Deductions: provision for income tax	831,800	1,820,509
Ending balance	6,184,716	4,247,854

- The investment risk fund balance will be transferred to the Zakat fund in case of liquidation.
- The Central Bank of Jordan approved the increase the percentage to 10% starting from 1 January 2013 (2012: 15%).

Investment risk fund balance is distributed as follows:

	31 December 2013 JD	31 December 2012 JD
Year end balance	6,184,716	4,247,854
Against Ijara Muntahia Beltamleek receivable	1,580,117	100,235
Against deferred sales receivables	4,604,599	4,147,619
Remaining balance	-	-

* The remaining balance (the undistributed part) relates to the unrestricted investment accounts.

- The income tax on Investment risk fund consist of the following:

	31 December 2013 JD	31 December 2012 JD
Beginning balance	1,820,509	-
Income tax on transferred revenues from investment accounts	831,800	1,820,509
Less: Income tax paid	495,552	-
Ending balance	2,156,757	1,820,509

- The Bank obtained a final stettelme from Income tax and sales tax department until the year 2012.



(27) FAIR VALUE RESERVE – NET – JOINT

The details of this item are as follows:

	Financial assets available for sale			
	2013			2012
	Shares JD	Sukuk JD	Total JD	Total JD
Beginning balance	31,925	33,910	65,835	138,126
Unrealized gains (losses)	(300,052)	-	(300,052)	(207,113)
Gains on sale of financial assets (losses)	16,103	(48,443)	(32,340)	103,840
Deferred tax liabilities	13,682	14,533	28,215	30,982
Ending balance	(238,342)	-	(238,342)	65,835

(28) PROFIT EQUALIZATION RESERVE

The Bank reserves as Mudarib the right to deduct a certain percentage of each of the depositors and shareholders share of the the common pool investment profits before deducting Mudarib share for the purpose of having a fixed rate of profits for the benefit of depositors and shareholders in the future. This reserve is deducted, appropriated and disbursed based on the prior approval of the Sharia Supervisory Board.

The balance of the profit equalization reserve is distributed as follow:

	31 December 2013 JD	31 December 2012 JD
Year end balance	1,450,000	-
Allocated to:		
Unrestricted investments accounts*	664,973	-
Shareholders *	785,027	-

* Presented net of tax.

(29) PAID IN CAPITAL AND SHARE PREMIUM

The authorized and paid in capital amounted to JD 100,000,000 consisting of 100,000,000 shares, at a par value of JD 1 per share as at 31 December 2013 & 31 December 2012.

The additional shares were issued at a discount which amounted to 1,100,000 as of 31 December 2013 & 31 December 2012.

(30) RESERVES

Statutory Reserve

The accumulated amounts in this account represent the transferred 10% of annual profits before taxes during the years, according to Banks and Companies Laws. This reserve is not available for distribution to shareholders.

Voluntary Reserve

The accumulated amounts in this account represent the transferred 20% of annual profits before taxes during the years. This reserve is used for purposes determined by the Board of Directors, and the General Assembly is entitled to distribute it or part of it to shareholders.

General banking risk reserve

This item represents the general banking risks reserve for deferred sales receivables and the Bank's self financed according to the Central Bank of Jordan's regulations.

The following reserves are restricted:

Reserve name	2013	2012	Note
	Amount/ JD	Amount/ JD	
Statutory reserve	20,367,839	20,150,808	Law
General banking risk reserve	300,000	300,000	Central Bank regulations

(31) RETAINED EARNINGS

	2013 JD	2012 JD
Beginning balance	5,765,320	3,739,612
Profit for the year	1,470,591	2,134,899
Transferred to statutory reserve	(217,031)	(76,191)
Capital increase fees	-	(33,000)
Ending balance	7,018,880	5,765,320

As of 31 December 2013, the returned earnings include an amount of JD 1,087,237 representing deferred tax assets self financed and according to the Central Bank of Jordan, this amount is not available for distribution (31 December 2012: JD 1,991,553).

(32) DEFERRED SALES REVENUES

The details of this item are as follows:

	31 December 2013		31 December 2012	
	Joint JD	Self financed JD	Joint JD	Self financed JD
Retail				
International Murabaha	3,565,158	56,441	1,814,094	69,894
Real estate fund	313,121	-	359,176	-
Corporate	-	-	-	-
International Murabaha	1,180,660	-	1,774,985	-
Murabaha Purchase orderer	11,873,316	-	10,125,980	-
Total	16,932,255	56,441	14,074,235	69,894



(33) IJARA MUNTAHIA BELTAMLEEK REVENUES

The details of this item are as follows:

	31 December 2013		31 December 2012	
	Joint JD	Self financed JD	Joint JD	financed Self JD
Ijara Muntahia Beltamleek – real state	33,307,535	649,842	29,276,439	264,466
Ijara Muntahia Beltamleek – equipments	3,977,572	-	3,540,109	-
Depreciation for Ijara Muntahia Beltamleek assets	(25,708,766)	(546,797)	(26,111,086)	(197,374)
Total	11,576,341	103,045	6,705,462	67,092

(34) LOCAL WAKALEH INVESTMENT PROFITS

The details of this item are as follows:

	Joint	
	2013 JD	2012 JD
Local Wakala investment profits	7,054	122,576
Total	7,054	122,576

(35) INTERNATIONAL WAKALEH INVESTMENT PROFITS

The details of this item are as follows:

	Joint	
	2013 JD	2012 JD
International Wakala investment profits	7,416	202,578
Total	7,416	202,578

(36) GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH UNRESTRICTED INVESTMENT ACCOUNTS

The details of this item are as follows:

	Joint	
	2013 JD	2012 JD
Stock dividends	36,699	57,374
Gain on sale of financial assets	605,968	50,540
Islamic Sukuk profit	191,602	589,586
Total	834,269	697,500

(37) PROFIT FROM FINANCIAL ASSETS AT AMORTISED COSTS

The details of this item are as follows:

	Joint	
	2013 JD	2012 JD
Islamic Sukuk	-	47,637
Total	-	47,637

(38) (LOSSES) GAINS FROM FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS

The details of this item are as follows:

	Joint						
	31 December 2013				31 December 2012		
	Realized gains JD	Unrealized losses JD	Dividends JD	Total JD	Realized gains JD	Unrealized losses JD	Total JD
Shares	4,120	(175,998)	41,790	(130,088)	79,656	(47,600)	32,056
Sukuk	-	-	-	-	9,057	-	9,057
Total	4,120	(175,998)	41,790	(130,088)	88,713	(47,600)	41,113
Less							
Contract commissions	20,608	-	-	20,608	-	-	-
Total	(16,488)	(175,998)	41,790	(150,696)	88,713	(47,600)	41,113

(39) FOREIGN CURRENCIES REVALUATION PROFITS

The details of this item are as follows:

	Joint	
	2013 JD	2012 JD
Foreign currencies revaluation profits (losses)	(5,748)	213,360
Total	(5,748)	213,360

(40) SHARE OF UNRESTRICTED INVESTMENT ACCOUNTS HOLDERS'

The details of this item are as follows:

	2013 JD	2012 JD
Customers		
Saving accounts	259,945	187,347
Term accounts	11,015,882	7,765,236
Total	11,275,827	7,952,583



(41) BANK'S SHARE OF REVENUES FROM UNRESTRICTED INVESTMENT ACCOUNTS AS MUDARIB AND RAB MAL

The details of this item are as follows:

	2013 JD	2012 JD
Bank's share as Mudarib	5,996,016	4,442,186
Bank's share as Rab Mal	6,232,162	6,429,817
Total	12,228,178	10,872,003

(42) BANK SELF FINANCED REVENUES

The details of this item are as follows:

	Note	2013 JD	2012 JD
Unconverted loans profits*		19,611	6,326
Ijara Muntahia Beltamleek revenues	33	649,842	264,466
Deferred sales revenues	32	56,441	69,894
Total		725,894	340,686

* This item represents interest on unconverted loans that was not included in the investment pool for the shareholders until they recover the paid in capital. The Shareholders were advised to donate any excess amount to charity. The amount represents JD 0.415 for every share.

(43) GAIN FROM FOREIGN CURRENCIES

The details of this item are as follows:

	2013 JD	2012 JD
Trading in foreign currency	527,745	313,498
Total	527,745	313,498

(44) BANKING SERVICES REVENUES

The details of this item are as follows:

	2013 JD	2012 JD
Indirect facilities commissions	965,739	821,630
Direct facilities commissions	1,223,812	1,097,012
Other commissions	1,131,213	844,944
Total	3,320,764	2,763,586

(45) OTHER REVENUES

The details of this item are as follows:

	2013 JD	2012 JD
Gain from sales of fixed assets (losses)	(5)	(4,205)
Gain from sales of repossessed assets	165,691	194,965
Other revenues	337,678	5,927
Total	503,364	196,687

(46) EMPLOYEES' EXPENSES

The details of this item are as follows:

	2013 JD	2012 JD
Salaries, benefits, allowances and bonuses	6,299,294	6,011,450
Bank's contribution for social security	599,716	562,458
Medical expenses	344,774	312,851
Training	79,278	141,673
Insurance expenses	42,881	13,386
Other employees' expenses	253,051	160,668
Total	7,618,994	7,202,486

(47) OTHER EXPENSES

The details of this item are as follows:

	2013 JD	2012 JD
Rent and key money	658,562	588,403
Stationary and printing materials	171,900	174,815
Telecommunications	266,945	313,506
Utilities	339,299	290,967
Travel and transportation	217,424	226,433
Marketing and advertising	415,309	386,087
Subscription and fees	185,200	220,234
Cleaning expenses	249,541	142,622
Licences and governmental fees	102,037	57,191
Board of directors meetings expenses	45,952	51,798
Information technology expenses	386,625	362,540
Security and insurance expenses	174,975	139,635
Donations	53,911	55,348
Management and consulting fees	1,218,465	1,223,538
Professional fees	46,013	109,834
Board of directors remuneration	42,205	55,000
Hospitality Expenses	50,479	77,684
Money transportation expenses	108,263	36,302
Others	346,435	362,643
Total	5,079,540	4,874,580



(48) EARNINGS PER SHARE

The details of this item are as follows:

	2013 JD	2012 JD
Profit (loss) for the year	1,470,591	2,134,899
Weighted average number of shares	100,000,000	93,791,781
	JD/ Fils	JD/ Fils
Basic and diluted earnings per share	015/0	023/0

(49) CASH AND CASH EQUIVALENTS

The details of this item are as follows:

	2013 JD	2012 JD
Cash balances with CBJ maturing within three months	112,003,406	43,279,033
Add: cash at banks and financial institutions maturing within three months	3,862,588	11,540,775
Less: banks and financial institutions accounts maturing within three months	(1,001,598)	(10,208,332)
Less: restricted balance (note 5)	(492,317)	-
Total	114,372,079	44,611,476

(50) RELATED PARTY TRANSACTIONS

The Bank entered into transactions with shareholders, board members and subsidiary companies using normal rates of Murabaha and trade commissions, Below is a summary of related party transactions.

	Misc Investment Company (parent company) JD	Senior management JD	Board of directors JD	Dubai Islamic Bank* JD	Shari'a Supervisory Board members JD	31 December 2013 JD	31 December 2012 JD
Statement of financial position items							
Balances at banks and financial institutions	-	-	-	707,498	-	707,498	244,789
Unrestricted investments accounts and current accounts	33,515	288,302	19,569	-	1,742	343,128	659,007
Deferred sales receivables	-	1,589,035	-	-	12,750	1,601,785	384,784
Banks and financial institutions accounts	-	-	-	120,649	-	120,649	58,560
Financial assets at amortized cost - net	-	-	-	-	-	-	-
Financial assets at fair value through unrestricted investment accounts	-	-	-	-	-	-	2,127,000
Off financial position items	-	-	-	-	-	-	-
Letters of guarantees	266,500	-	-	-	-	-	266,500
Statement of Income items							
Dividends	8,977	1,431	720	-	40	11,168	25,657
Salaries and bonuses	-	1,664,263	42,205	-	28,360	1,734,828	1,649,965
Transportation	-	-	145,900	-	20,241	166,141	168,300
Management and consulting fees	-	-	-	989,859	-	989,859	989,859

* Dubai Islamic Bank is a shareholder in the parent company of the Banks.

The lowest and highest received Murabaha percentage was 3.48% and 4.23% respectively and the lowest and highest Murabaha in JD percentage was 3.02% and 4.28%, respectively.

Executive management salaries and benefits for the year amounted to JD 1,664,263 as at 31 December 2013 (31 December 2012: JD 1,542,183).



(51) FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES NOT RECORDED AT FAIR VALUE IN THE FINANCIAL STATEMENTS

There are no significant differences between book value and fair value of the financial assets and liabilities in the financial statements.

(52) RISK MANAGEMENT

The Board of Directors has the ultimate responsibility for managing the risks faced by the Bank through its Risk Committee. The executive management of the Bank through the risk management division designs policies concerned with managing, analyzing and measuring all sorts of risks; and developing advanced techniques to hedge against all risks affecting the Bank's profitability and capital adequacy. It also reports on a regular manner to the Board of Directors on the latest developments regarding the Risk Management Division in the Bank for their assessments and recommendations.

The Internal Audit Department reports on a regular manner to the Audit Committee about the compliance of all departments with risk policies and procedures. In addition, the Internal Audit Department reports on the work of the Risk Management Division.

The Bank applies the Central Bank of Jordan regulation whereby the Risk Management Division prepares periodically a plan for Internal Capital Adequacy Assessment Process (ICAAP), in addition, to applying banking stress tests and other Basel II requirements.

The Bank is currently developing its technologies at all levels to promote the Bank's services, close control risks and develop necessary programs to measure the risks in accordance with the nature and size of the Bank's activities. The Bank also pays attention to human resources by enhancing employees' skills and enrolling them in training programs on the application of Basel II and III.

The Risk Management and Regulatory Compliance Department includes the following divisions:

1. Credit Risk

Credit risks are generally defined as the risks arising from the borrower or any third party's failure or unwillingness to fulfil its liabilities, according to the agreed conditions, which in turn causes financial losses to the Bank.

Credit Risk Department is developing the Bank's credit policy and meeting the requirements of the regulations issued by the Central Bank of Jordan and Basel II Committee.

Credit risks in the Bank arise from financing and investment operations, include:

- Credit and financing operations risks.
- The borrower and his activities risks.
- Concentration risks.
- Islamic financing instruments risks.

The Bank is concerned with controlling and monitoring credit risks throughout:

- Managing and regulating credit portfolio risks through a number of committees, namely the Risk Management Committee of the Board of Directors.
- Monitoring credit, defining authorities and adopting clear and specific conditions in financing operations.
- Monitoring permitted credit and facilities limits, issuing reports necessary to ensure non-occurrence of exceeding these limits and controlling quality.
- Diversification of financing and investment activities to avoid credit concentration risks for retail, groups and customers in certain geographical areas, or economic activities, or in financing instruments or products.
- Managing problematic debts, to achieve less credit losses by the Bank.
- Segregating marketing divisions from credit and risk management divisions.
- Separation of tasks related to the implementation and oversight of credit.

Credit Risk Measurement:

The Bank applies the standard method to measure credit risks by measuring capital adequacy and compare it with the assets, commitments, liabilities included in the statement of financial position according to the risk degree. The Bank is preparing to apply the Foundation Internal Rating Based (FIRB) where a system to classify the corporate credit risk to determine the quality of credit and monitoring this quality over the term of the credit which will determine the credit granting and pricing.

Credit Risk Mitigation:

The Bank uses different techniques to hedge and reduce the credit risks through defining the volume and value of required collaterals and the value of mortgage receipts based on credit standards followed by the Bank and the credit study of facilities and the risk degree expected along with completion of all aspects of control on credit and sources of payment.

2. Market Risks:

Market risks can be defined as those risks faced by the Bank as a result of changes in exchange rates, financial securities and commodities prices. The Bank adopts a conservative policy to reduce the risk or set at minimal limits. This is done by maintaining the assets liabilities gaps and maintaining minimum positions in currencies and stocks.

3. Operational Risks

Operational risks are the risks of loss arising from inadequacy or failure in internal operations, personnel or systems, or from external events.

The Operational Risks Unit works according to a general framework approved by the Board of Directors. This framework includes policies and procedures explaining the mechanism through which risks are defined, assessed, processed and prioritized, and then reduced or brought under control through available reduction mechanisms and control activities, which can in turn work on reducing the possibility of occurrence of risks and control the negative effects arising from any event classified as an operational risk.

This Unit started, in cooperation with all other divisions in the Bank, to establish workshops



for risk and control self assessment in order to define and measure all risk factors surrounding the Bank's operations, activities, products and services, along with assessment of control effectiveness; preparation of practical plans to deal with problems and deviations potentially appearing in this process; development of risk profile at the Bank's level; designation and identification of key risk indicators to ensure continuity of control on risk factors, and report and recommend accordingly.

The Unit reviews all policies and procedures related to the Bank's new products and evaluates the controls over these products. In addition, the Unit, in cooperation with certain departments, develops a program, collect and report operational losses potentially faced, and train those in charge in all work units on using this program.

Operational risks are measured, using the Basic Indicate Approach in accordance with the Central Bank of Jordan's regulations.

4. Reputation Risks

Reputation risks is being viewed by the Bank a negative effects on the Bank's reputation arising from its incompliance with the Islamic rules and regulations and/or failure to fulfill its duties toward all cash providers, and/or manage its affairs in an efficient and effective manner, and/or manage all other risks faced by the Bank. This will lead to several negative impacts; including loss of confidence and accordingly decrease in the customers' base, increase in expenses and decrease in profits.

5. Compliance Control

The Bank's compliance with the regulatory bodies' requirements is deemed as one of the most important factors of success and development of the Bank's operations and quality of services offered to customers. The Bank established the Compliance Control Department that is concerned with reviewing the requirements of regulatory bodies and ensuring their application on internal procedures and policies. This protects the Bank from risks arising from non-compliance with these requirements.

This Department also plays an effective role in protecting the regulatory of the Bank's products and services from money laundering and terrorism financing, in addition to know you customers' procedures. The department follow up on the polices and procedure for the products to ensure the compliance with anti-money laundry regulations.

6. Legal Risk Related to Operations

Legal risks are those risks that may arise directly or indirectly from one or more of events stated in the Operations Risks Definition (human resources, internal operations, systems and external events), or from the Bank's non-compliance with the laws and regulations which may incur fines or financial liabilities. Legal risks may arise also from judicial procedures raised by third parties against the Bank. Insufficient documents, absence of legal capacity, and invalidity or unenforceability of contracts resulting from improper documentation are deemed as causes of legal risks.

The Legal Division assumes the responsibility for these risks through verifying all contracts and documents related to the Bank's transactions in addition to the legal follow-up on the debtors of the Bank in coordination with the Risk Management Division, and the follow-up on the lawsuits to which the Bank is a party.

(52/ A) Credit Risk

1) Credit risk exposure (After Impairment Provision and before collateral and Other Risk Reducers):

	2013 Joint JD	Self financed JD	Total JD
Balances with Central Banks	-	106,519,082	106,519,082
Balances at banks and financial institutions	-	3,862,588	3,862,588
International Wakala investments	-	-	-
Deferred sales receivables and other receivables			
Retail	139,189,611	4,256,591	143,446,202
Real estate financing	37,902,119	-	37,902,119
Corporate	177,484,691	14,664	177,499,355
Public and governmental sectors	21,336,480	-	21,336,480
Unconverted loans			
Retail	-	98,425	98,425
Corporate	-	85,358	85,358
Local Wakala investment			
Corporate	-	-	-
Public and governmental sector	8,142	-	8,142
Sukuk	-	-	-
Financial assets at fair value through unrestricted investments accounts	-	-	-
Other assets	-	1,410,106	1,410,106
Total	375,921,043	116,246,814	492,167,857
Off statement of financial position items:			
Letters of guarantees	-	4,630,439	4,630,439
Letters of credits	-	11,387,133	11,387,133
Acceptances	-	5,202,647	5,202,647
Unutilized limits	47,503,800	-	47,503,800
Total	423,424,843	137,467,033	560,891,876



	2012 Joint JD	Self financed JD	Total JD
Balances with Central Banks	-	36,956,176	36,956,176
Balances at banks and financial institutions	-	11,540,775	11,540,775
International Wakala investments	9,217,000	-	9,217,000
Deferred sales receivables and other receivables			
Retail	84,835,956	3,087,376	87,923,332
Real estate financing	26,900,145	-	26,900,145
Corporate	216,275,154	738,656	217,013,810
Public and governmental sectors	28,121,638	-	28,121,638
Unconverted loans			
Retail	-	98,425	98,425
Corporate	-	146,857	146,857
Local Wakala investment			
Corporate	396,202	-	396,202
Public and governmental sector	56,761	-	56,761
Sukuk	-	-	-
Financial assets at fair value through unrestricted investments accounts	19,355,470	-	19,355,470
Other assets	-	1,944,624	1,944,624
Total	385,158,326	54,512,889	439,671,215
Off statement of financial position items:			
Letters of guarantees	-	5,261,724	5,261,724
Letters of credits	-	22,069,754	22,069,754
Acceptances	-	6,896,206	6,896,206
Unutilized limits	44,187,500	-	44,187,500
Total	429,345,826	88,740,573	518,086,399

2) Classifications of the deferred sales receivables and other receivables, based on the level of risks according to Central Bank of Jordan regulations:

Credit exposures are classified by the level of risks according to the following table:

2013	Joint					Self financed					
	Retail JD	Real-estate financing JD	Corporate JD	Public and government sectors JD	Total JD	Retail JD	Real-estate financing JD	Corporate JD	Banks and financial institutions JD	Total JD	Grand total JD
Low risk	1,415,444	2,834,508	5,163,988	25,549,458	34,963,398	28,112	-	1,110,133	-	1,138,245	36,101,643
Acceptable risk	148,064,154	35,411,380	168,434,198	8,142	351,917,874	4,409,992	-	71,710	3,862,588	8,344,290	360,262,164
Past due:	-	-	-	-	-	-	-	-	-	-	-
Up to 30 days	265,538	27,716	59,844	-	353,098	-	-	-	-	-	353,098
From 31 to 60 days	24,406	3,226	8,104	-	35,736	199,090	-	-	-	199,090	234,826
Watch list	23,907	-	2,770,808	-	2,794,715	-	-	57	-	57	2,794,772
Non performing:	-	-	-	-	-	-	-	-	-	-	-
Substandard	5,210	-	3,759,050	-	3,764,260	191	-	213	-	404	3,764,664
Doubtful	26,043	-	-	-	26,043	92	-	-	-	92	26,135
Loss	102,392	-	12,628,933	-	12,731,325	797	-	66,103	-	66,900	12,798,225
Total	149,637,150	38,245,888	192,756,977	25,557,600	406,197,615	4,439,184	-	1,248,216	3,862,588	9,549,988	415,747,603
Less: Suspended revenue	10,437,031	343,769	8,703,563	4,212,978	23,697,341	83,027	-	-	-	83,027	23,780,368
Less: Allowance for impairment losses	10,508	-	384,007	-	394,515	-	-	7,112	-	7,112	401,627
Less :Impairment provision	-	-	6,184,716	-	6,184,716	1,141	-	1,141,082	-	1,142,223	7,326,939
Net	139,189,611	37,902,119	177,484,691	21,344,622	375,921,043	4,355,016	-	100,022	3,862,588	8,317,626	384,238,669

• The whole balance is considered due if there is a default in one installment.



	Joint					Self financed					
	Retail JD	Real-estate financing JD	Corporate JD	Public and government sectors JD	Total JD	Retail JD	Real-estate financing JD	Corporate JD	Banks and financial institutions JD	Total JD	Grand total JD
2012											
Low risk	676,830	4,055,156	5,522,984	33,946,381	44,201,351	19,738	-	1,110,133	-	1,129,871	45,331,222
Acceptable risk	89,755,688	23,133,172	206,541,055	56,761	319,486,676	3,278,208	-	844,650	11,540,775	15,663,633	335,150,309
Past due:	-	-	-	-	-	-	-	-	-	-	-
Up to 30 days	158,023	68,721	2,628,048	-	2,854,792	24,970	-	-	-	24,970	2,879,762
From 31 to 60 days	4,713	52,924	363,449	-	421,086	1,545	-	-	-	1,545	422,631
Watch list	12,724	-	4,895,326	-	4,908,050	-	-	-	-	-	4,908,050
Non performing:	-	-	-	-	-	-	-	-	-	-	-
Substandard	16,774	-	-	-	16,774	-	-	-	-	-	16,774
Doubtful	21,360	-	-	-	21,360	1,227	-	-	-	1,227	22,587
Loss	17,669	-	8,664,389	-	8,682,058	23,503	-	107,467	-	130,970	8,813,028
Total	90,501,045	27,188,328	225,623,754	34,003,142	377,316,269	3,322,676	-	2,062,250	11,540,775	16,925,701	394,241,970
Less: Suspended revenue	5,662,240	288,183	4,428,491	5,824,743	16,203,657	113,372	-	-	-	113,372	16,317,029
Less: Allowance for impairment losses	2,849	-	276,053	-	278,902	-	-	35,655	-	35,655	314,557
Less :Impairment provision	-	-	4,247,854	-	4,247,854	23,503	-	1,141,082	-	1,164,585	5,412,439
Net	84,835,956	26,900,145	216,671,356	28,178,399	356,585,856	3,185,801	-	885,513	11,540,775	15,612,089	372,197,945

• The whole balance is considered due if there is a default in one installment.



The distribution of the fair value of collaterals on deferred sales and other receivables

2012	Joint					Self financed			
	Retail JD	Real-estate financing JD	Corporate JD	government JD	Total JD	Retail JD	Real-estate financing JD	Corporate JD	Total JD
Low risk	676,830	4,055,156	5,522,984	33,946,381	44,201,351	19,738	-	1,110,133	1,129,871
Acceptable risk	71,478,652	18,876,463	23,541,640	-	113,896,755	3,218,446	-	-	3,218,446
Watch list	-	-	2,758,202	-	2,758,202	-	-	-	-
Non performing:	-	-	-	-	-	-	-	-	-
Substandard	16,774	-	-	-	16,774	-	-	-	-
Doubtful	21,360	-	-	-	21,360	-	-	-	-
Loss	9,412	-	4,906,436	-	4,915,848	-	-	102,447	102,447
Total	72,203,028	22,931,619	36,729,262	33,946,381	165,810,290	3,238,184	-	1,212,580	4,450,764
Comprising of:	-	-	-	-	-	-	-	-	-
Cash margin	676,830	4,055,156	5,522,984	-	10,254,970	19,738	-	1,110,133	1,129,871
Real-estate	55,933,862	18,876,463	24,636,265	-	99,446,590	2,146,447	-	102,447	2,248,894
Vehicles and machinery	15,592,336	-	6,570,013	-	22,162,349	1,071,999	-	-	1,071,999
									23,234,348

3) Credit concentration based on geographic distribution is as follows:

	Inside Jordan JD	Other middle eastern countries JD	Europe JD	Asia* JD	Americas JD	Other countries JD	Total JD
Balances with Central Banks	106,519,082	-	-	-	-	-	106,519,082
Balances at banks and financial institutions	1,222,417	950,600	824,319	358,343	502,306	4,603	3,862,588
International Wakala investments	-	-	-	-	-	-	-
Deferred sales receivable and other receivable	-	-	-	-	-	-	-
Retail	143,446,202	-	-	-	-	-	143,446,202
Real-estate financing	37,902,119	-	-	-	-	-	37,902,119
Corporate	177,499,355	-	-	-	-	-	177,499,355
Public and governmental sectors	21,336,480	-	-	-	-	-	21,336,480
Unconverted loans	-	-	-	-	-	-	-
Retail	98,425	-	-	-	-	-	98,425
Corporate	85,358	-	-	-	-	-	85,358
Local Wakala investment	-	-	-	-	-	-	-
Corporate	-	-	-	-	-	-	-
Public and governmental sectors	8,142	-	-	-	-	-	8,142
Within financial assets at fair value through unrestricted investment accounts	-	-	-	-	-	-	-
Other assets	1,410,106	-	-	-	-	-	1,410,106
Total / 2013	489,527,686	950,600	824,319	358,343	502,306	4,603	492,167,857
Total / 2012	366,498,833	63,234,508	1,695,115	74,491	8,168,268	-	439,671,215

* Except for the Middle East.



Scheduled deferred sales receivables, other receivables, and financings:

These are the receivables that are classified as “non-performing” facilities, and subsequently removed and included under «Watch List» based on proper rescheduling. The sum of these receivables amounted to JD 3,830,057 as of 31 December 2013 (2012: JD Nil).

Rescheduled deferred sales receivables, other receivables, and financing:

Rescheduling includes terms of instalments, extending the term, deferral of instalments, or extending the grace period and accordingly are classified as «Watch List». The sum of these receivables amounted to JD 26,794,503 as of 31 December 2013 (2012: JD 31,959,961).

4) Concentration in credit exposures based on economic sectors is as follows:

2013	Financial JD	Industrial JD	Trade JD	Real-estate JD	Retail JD	Public and governmental sectors JD	Total JD
Balances with Central Banks	106,519,082	-	-	-	-	-	106,519,082
Balances at banks and financial institutions	3,862,588	-	-	-	-	-	3,862,588
International Wakala investments	-	-	-	-	-	-	-
Deferred sales receivable and other receivables	15,654,737	62,635,423	99,209,195	37,902,119	143,446,202	21,336,480	380,184,156
Unconverted loans	-	36,084	49,274	-	98,425	-	183,783
Local Wakala investments	-	-	-	-	-	8,142	8,142
Within financial assets at fair value through unrestricted investment accounts	-	-	-	-	-	-	-
Other assets	1,410,106	-	-	-	-	-	1,410,106
Total	127,446,513	62,671,507	99,258,469	37,902,119	143,544,627	21,344,622	492,167,857
Total / 2012	79,014,045	64,325,418	153,231,451	26,900,145	88,021,757	28,178,399	439,671,215

(52/B) Market Risks

The Bank follows certain financial policies to manage different risks within a specific strategy. There is also a committee concerned with managing assets and liabilities in the Bank and is charged with monitoring and controlling risks, and conducting the best strategic distribution of assets and liabilities whether on or off balance sheet. Its responsibilities include:

- Updating the investment policy followed by the Bank, submitting it to the Board of Directors to be approved on a regular basis, and reviewing the investment policy implemented and assessing its results against the banking market and competitive indicators.
- Composing investment decision-making committees and its authorities, according to the Bank's investment policy.
- Preparing the annual investment plan, in line with the Assets and Liabilities Committee expectations of revenues and changes in market rates, including low risk investment instruments available in the market.
- Preparing reports for the Assets and Liabilities Committee to monitor the unexpected changes in the rates of financial investments to mitigate the risks of change in market rates.

1- Rate of Return Risks

Risks of rate of return arise from the unexpected changes in the market rates. Necessary procedures must be taken to ensure the existence of administrative procedures related to reviewing, measuring and monitoring of rate of return risks.

The Bank is exposed to rate of return risks as a result of the gap between assets and liabilities according to their terms and re-pricing the rate on subsequent transactions. The Bank manages these risks by determining the rates of future profits according to the expectations of market conditions and developing new instruments that comply with the Islamic rules and regulations through the Bank's risk management strategy.

1. Attaining the best returns available in the market based on market indicators as a standard and Benchmarks for both the, portfolios and the investments managed by the Bank.
2. Tacking into account the risks resulting from these investments, depending on the diversification option based on countries and institutions to ensure the reduction of risks' impact.
3. The Bank is committed to manage investments based on matching between the Bank's liabilities, represented by term accounts and assets in foreign currencies represented in turn by investments in foreign currencies.

2- Foreign Currency Risks

Foreign currency risks are managed on spot basis transactions, where foreign currency positions are monitored daily in addition to the position limits of each currency, as the general policy adopted by the Bank in managing foreign currency is based on the immediate liquidation of positions and covering the required positions according to customers' needs.



The maximum positions in foreign currencies shall not exceed 5% of shareholders' equity for each currency except for the US Dollar at a maximum of exceeds 15% of the total shareholders' equity. The total foreign currencies position shall not exceed 15% of the total equity.

Below is the effect of foreign currency exchange against JOD with the other variable being constant:

2013 currency	Change in the indicator (%5)	Impact on profit and losses JD	Impact on equity JD
Dollar	-	-	-
Euro	745	745	745
Sterling pound	477	477	477
Japanese Yen	8,437	8,437	8,437
Other currencies	38,310	38,310	38,310
2012 Currency	Change in the indicator (%5)	Impact on profit and losses JD	Impact on equity JD
Dollar	-	-	-
Euro	2,590	2,590	2,590
Sterling pound	2,093	2,093	2,093
Japanese Yen	3,725	3,725	3,725
Other currencies	14,145	14,145	14,145

Concentration in foreign currencies risks:

	31 December 2013					
	US Dollar	Euro	Sterling Pound	Japanese Yen	Others	Total
Assets						
Cash and balances with Central Bank	17,333,072	3,085,000	1,060,625	-	124,820	21,603,517
Balances at Banks and financial institutions	2,146,300	137,307	7,660	299,830	1,170,925	3,762,022
Deferred sale receivables	30,782,309	-	-	-	-	30,782,309
International Wakala Investment	-	-	-	-	-	-
Financial assets at fair value						
through unrestricted investment accounts	48,196	-	-	-	-	48,196
Other assets	-	-	-	-	-	-
Total assets	50,309,877	3,222,307	1,068,285	299,830	1,295,745	56,196,044
Total liabilities	-	-	-	-	-	-
Banks and financial institutions' accounts	499,581	332,868	-	-	-	832,449
Customers' accounts (current, saving, term)	48,270,222	2,690,045	1,054,745	131,081	529,553	52,675,646
Cash margins accounts	935,881	176,028	325	-	-	1,112,234
Other liabilities	170,533	8,461	3,669	-	-	182,663
Total liabilities	49,876,217	3,207,402	1,058,739	131,081	529,553	54,802,992
Net concentration in current year's financial position	433,660	14,905	9,546	168,749	766,192	1,393,052
Contingent liabilities outside current year's financial position	13,698,060	3,237,094	-	-	88,625	17,023,779
	31 December 2012					
	US Dollar	Euro	Sterling Pound	Japanese Yen	Others	Total
Total Assets	76,070,766	4,818,820	1,102,235	74,491	686,180	82,752,492
Total Liabilities	72,556,014	4,766,023	1,061,180	-	403,286	78,786,503
Net concentration in current year's financial position	3,514,752	52,797	41,055	74,491	282,894	3,965,989
Contingent liabilities outside current year's financial position	41,175,263	-	48,117	-	1,805,042	43,028,422



3- Financial assets price risk:

Financial assets price risk is related to the supply and demand in the financial markets which causes a change in the fair value of the investments portfolio. The Treasury Department uses scientific and advanced financial bases to mitigate the risk of price change and to ensure that the Bank and the Bank's customers get better rate of return on their investments. The Department uses segmental and geographical distribution methodology, credit rating is done by the best credit rating agencies (Moody's, Standard & Poor, ect...) and analyzing the financial markets indexes related to investments portfolio to mitigate the risk of financial assets price change.

Below is the effect of market index movement by 5% with the other variable being constant:

2013 Indicator	Change in the indicator (%5)	Impact on profit and losses JD	Impact on equity JD
Amman stock market	72,969	21,243	51,726
Foreign markets	-	-	-
2012 Indicator	Change in the indicator (%5)	Impact on profit and losses JD	Impact on equity JD
Amman stock market	309,006	82,672	226,334
Foreign markets	50,865	-	50,865

4- Commodities Risks

Commodities risks are caused by any fluctuations in prices of tradable or leasable assets, and related to the current and future fluctuations in market values of specific assets. The Bank is exposed to fluctuations in prices of fully-paid commodities after concluding the sale contracts and during the year of possession, in addition to being exposed to the fluctuation in the residual value of leased asset at the end of lease term.

(52/C) Liquidity Risks

The Liquidity Division ensures the Bank's ability to meet short- and long-term cash obligations. The Bank's cash liquidity is reviewed and managed regularly. The cash obligations and available funds are assessed daily by the financial control and treasury departments. Moreover, review and analysis of cash liquidity of Bank's assets and liabilities are done on a monthly basis, in addition to analyzing maturity of assets and liabilities, in addition to analyzing maturity of assets and liabilities. This also includes the analysis of sources of funds according to the nature of sources and uses.

First: Distributing the assets and liabilities on grounds of residual periods as of the date of financial statements is detailed as follows in JD:

2013	Due in less than a month	Due in 1-3 months	Due in 3-6 months	Due in 6 months 1 year	Due in 1-3 year	Due in more than 3 years	Without maturity	Total
Bank and financial institutions' accounts	1,001,598	-	-	-	-	-	-	1,001,598
Customers' current accounts	73,233,657	-	-	-	-	-	-	73,233,657
Cash margins accounts	7,419,526	145,238	-	7,676,553	47,217	-	-	15,288,534
Borrowed funds	-	-	-	-	1,255,277	-	-	1,255,277
Other provisions	84,603	-	-	-	-	-	-	84,603
Other liabilities	5,192,774	1,250,634	3,817,625	1,970,385	-	-	-	12,231,418
Unrestricted investment accounts	88,799,456	79,272,002	60,161,292	69,683,506	-	-	-	297,916,256
Total	175,731,614	80,667,874	63,978,917	79,330,444	1,302,494	-	-	401,011,343
Total assets maturities as expected	167,849,576	60,747,878	66,665,435	30,540,352	59,904,295	125,116,553	17,637,984	528,462,073
2012								
Bank and financial institutions' accounts	10,208,332	-	-	-	-	-	-	10,208,332
Customers' current accounts	58,449,958	-	-	-	-	-	-	58,449,958
Cash margins accounts	12,372,643	-	-	4,979,121	44,383	-	-	17,396,147
Borrowed funds	-	416,236	-	-	-	1,375,881	-	1,792,117
Other provisions	-	-	-	-	-	-	136,635	136,635
Other liabilities	6,246,085	-	-	3,630,411	-	-	-	9,876,496
Unrestricted investment accounts	82,807,004	66,866,513	56,399,101	44,598,352	-	-	-	250,670,970
Total	170,084,022	67,282,749	56,399,101	53,207,884	44,383	1,375,881	136,635	348,530,655
Total assets maturities as expected	146,609,554	64,848,572	65,888,461	57,099,123	52,014,000	74,403,456	14,353,869	475,217,035



Second: Off-financial position items

	Until year 2013 JD	2012 JD
letters of credit and acceptances	16,589,780	28,965,960
Guarantees	4,630,439	5,261,724
Unutilized limits	47,503,800	44,187,500
Total	68,724,019	78,415,184

(53) SEGMENT INFORMATION

a. Information on the Bank's Activities

The Bank is structured for administrative purposes, through four major business sectors.

Retail Accounts:

This sector handles retail, unrestricted investment accounts, deferred sales receivables, financings, and other services.

Corporate Accounts:

This sector handles unrestricted investment accounts, deferred sales receivables, financings, and other banking services related to corporate customers.

Investment in Assets:

This sector handles investments in renting and real-estate.

Treasury:

This sector handles the services of brokerage, treasury and management of the Bank's funds.

Information on the Bank's segments according to activities is shown as follows:

	Retail	Corporate	Treasury	Others	2013	2012
Total revenues (joint and self financed)	1,957,441	18,143,948	2,301,403	(874,179)	21,528,613	17,808,446
Investment risks fund share of joint Investment accounts revenues	-	-	-	(2,772,668)	(2,772,668)	(3,321,986)
Profit equalization reserve	-	-	-	(1,450,000)	(1,450,000)	-
Results of segment's operations	1,957,441	18,143,948	2,301,403	(5,096,847)	17,305,945	14,486,460
Undistributed expenses	(1,893,194)	(636,915)	(651,688)	(11,953,836)	(15,135,633)	(13,724,554)
Profit for the year before tax	64,247	17,507,033	1,649,715	(17,050,683)	2,170,312	761,906
Tax credit	-	-	-	(699,721)	(699,721)	1,372,993
Profit for the year	64,247	17,507,033	1,649,715	(17,750,404)	1,470,591	2,134,899
					2013	2012
Segments' assets	140,203,355	218,879,476	18,124,537	-	377,207,368	385,248,621
Undistributed assets	-	-	-	151,254,705	151,254,705	89,968,414
Total assets	140,203,355	218,879,476	18,124,537	151,254,705	528,462,073	475,217,035
Segments' liabilities	347,875,758	31,511,463	2,291,924	-	381,679,145	325,140,176
Undistributed assets	-	-	-	17,467,846	17,467,846	23,017,395
Total liabilities	347,875,758	31,511,463	2,291,924	17,467,846	399,146,991	348,157,571
					2013	2012
Capital expenditure	-	-	-	-	5,110,483	3,853,609
Depreciation and amortization	-	-	-	-	1,826,363	1,508,364



Information on Geographical Distribution

The following disclosure represents the geographical distribution. The Bank performs its operations mainly in Jordan,

Distribution of the Bank's revenues, assets and capital expenditure according to geographical area is detailed as follows:

	31 December 2013			31 December 2012		
	Inside Jordan JD	Outside Jordan JD	Total JD	Inside Jordan JD	Outside Jordan JD	Total JD
Total assets	525,821,902	2,640,171	528,462,073	375,304,472	99,912,563	475,217,035
Total revenues	20,272,816	1,255,797	21,528,613	15,399,014	2,409,432	17,808,446
Capital expenditure	5,110,483	-	5,110,483	3,853,609	-	3,853,609

(54) CAPITAL MANAGEMENT

The Bank's management takes into consideration the Central Bank of Jordan requirements which require the Bank to have sufficient self financed recourses to cover certain percentage of its risk weighted assets based on the nature of the finance given and the direct investment made. Accordingly, the capital considered for the purpose of Central Bank of Jordan requirements is the regulatory capital (both basic and additional capital).

Capital management aims to invest the Bank's fund in various risk weighted investments (low and high risk) to insure that the Bank gets a better rate of return and to maintain a capital adequacy of 12% as required by the Central Bank of Jordan.

Capital adequacy ratio is calculated based on the Islamic Banks Regulation No. (50/2010) issued by Central Bank of Jordan in accordance to article (99/B) of the Banks Law. Following is the capital adequacy details:

	31 December 2013 JD"000	31 December 2012 JD"000
Basic capital items	121,631	120,715
Paid in capital	100,000	100,000
Share premium	(1,100)	(1,100)
Statutory reserve	20,368	20,151
Voluntary reserve	1,943	1,943
Retained earning	5,727	3,774
Reposessed assets by Bank	(1,052)	-
Intangible assets	(1,543)	(1,698)
The Bank's share in the banks and financial institutions capital (50%)	(47)	(12)
The bank's share in the capital of insurance companies (50%)	-	-
Bank's share in the investment risk fund	(2,665)	(2,227)
Additional capital	1,852	1,752
Fair value reserve	(122)	19
General banking risk reserve	2,021	1,861
The Bank's share in the banks and financial institutions capital (50%)	(47)	(12)
The Bank's share in the capitals of insurance companies (50%)	-	-
Total regulatory capital	123,483	122,467
Total risk weighted assets	275,753	282,685
Capital adequacy ratio (%)	44,78%	%32.43
Basic capital ratio (%)	44.11%	%70.42



(55) ASSETS AND LIABILITIES MATURITY ANALYSIS:

Analysis of both assets and liabilities, expected to be retrieved or settled, is detailed per period as follows:

31 December 2013	Within one year JD	More than year JD	Total JD
Assets			
Cash and balances with Central Bank	112,003,406	-	112,003,406
Balances at Banks and financial institutions	3,862,588	-	3,862,588
International Wakala investments	-	-	-
Financial assets at fair through profit and loss	424,854	-	424,854
Deferred sale receivables and other receivables, net	169,510,312	67,486,211	236,996,523
Unconverted loans-net	183,783	-	183,783
Financial assets at fair value through unrestricted investment accounts	1,141,307	-	1,141,307
Within financial assets carried at amortized cost - net	-	-	-
Investment in associate	362,729	-	362,729
Local Wakala investments	8,142	-	8,142
Ijara Muntahia Beltamleek assets, net	25,652,996	117,534,637	143,187,633
Investment in properities	7,438,445	-	7,438,445
Property and equipment	-	16,095,934	16,095,934
Intangible assets	-	1,542,050	1,542,050
Deferred tax assets	1,291,812	-	1,291,812
Other assets	3,922,867	-	3,922,867
Total assets	325,803,241	202,658,832	528,462,073
Liabilities and unrestricted investment account's equity			
Banks and financial institutions' accounts	1,001,598	-	1,001,598
Customers' current accounts	73,233,657	-	73,233,657
Cash margins accounts	15,014,400	44,383	15,058,783
Borrowed funds	-	1,255,277	1,255,277
Other provisions	84,603	-	84,603
Fair value reserve – net	(238,342)	-	(238,342)
Profit equalization reserve unrestricted investment accounts	465,481	-	465,481
Income tax provision / profit equalizer reserve	199,492	-	199,492
Deferred tax liabilities	-	-	-
Other liability	12,231,418	-	12,231,418
Unrestricted investment accounts	293,698,267	-	293,698,267
Investment risk fund	-	-	-
Provision of investment risk fund tax	2,156,757	-	2,156,757
Total liabilities , unrestricted investment accounts' and shareholders' equity	397,847,331	1,299,660	399,146,991
Net	(72,044,090)	201,359,172	129,315,082

31 December 2012	Within one year JD	More than year JD	Total JD
Assets			
Cash and balances with Central Bank	43,279,033	-	43,279,033
Balances at Banks and financial institutions	11,540,775	-	11,540,775
International Wakala investments	9,217,000	-	9,217,000
Financial assets at fair through profit and loss	1,679,417	-	1,679,417
Deferred sale receivables and other receivables, net	218,780,457	44,943,801	263,724,258
Unconverted loans-net	245,282	-	245,282
Financial assets at fair value through unrestricted investment accounts	20,532,330	-	20,532,330
Within financial assets carried at amortized cost - net	-	-	-
Investment in associate	336,947	-	336,947
Local Wakala investments	452,963	-	452,963
Ijara Muntahia Beltamleek assets, net	14,761,012	81,473,655	96,234,667
Property and equipment	-	12,655,647	12,655,647
Intangible assets	-	1,698,222	1,698,222
Deferred tax assets	1,991,533	-	1,991,533
Other assets	11,628,961	-	11,628,961
Total assets	334,445,710	140,771,325	475,217,035
Liabilities and unrestricted investment account's equity			
Banks and financial institutions' accounts	10,208,332	-	10,208,332
Customers' current accounts	58,449,958	-	58,449,958
Cash margins accounts	17,272,217	44,383	17,316,600
Borrowed funds	416,236	1,375,881	1,792,117
Other provisions	136,635	-	136,635
Fair value reserve – net	65,835	-	65,835
Deferred tax liabilities	28,215	-	28,215
Other liability	9,876,496	-	9,876,496
Unrestricted investment accounts	248,462,874	-	248,462,874
Investment risk fund	-	-	-
Provision of investment risk fund tax	1,820,509	-	1,820,509
Total liabilities , unrestricted investment accounts' and shareholders' equity	346,737,307	1,420,264	348,157,571
Net	(12,291,597)	139,351,061	127,059,464



(56) CONTINGENT COMMITMENTS (OFF BALANCE SHEET)

A- Contingent credit commitments.

	2013 JD	2012 JD
Letters of credit	11,387,133	22,069,754
Acceptances	5,202,647	6,896,206
Letter of guarantees:		
Payment	3,527,497	2,902,372
Performance	681,353	1,222,444
Others	421,589	1,136,908
Irrevocable commitments to extend credit	47,503,800	44,187,500
Total	68,724,019	78,415,184

B- Contractual commitments.

	2013 JD	2012 JD
Consulting contracts	989,859	989,859
Total	989,859	989,859

Contractual commitments mentioned above mature within one year.

(57) LAWSUITS AGAINST THE BANK

The Bank is defendant in number of lawsuits amounted to JD 162,615 as at 31 December 2013 (31 December 2012: JD 158,345). According to the Legal Advisor, the lawsuits provision which amounts to JD 60,785 is sufficient to face any liabilities that may arise from lawsuits.

In October 2013, the Bank decided to enter into legal proceedings against a legal case in the Federal Courts of New York State related to obligatory enforcement of a court order issued by that court in favor of a US company against group of individuals and companies related to one of the foreign families. The Bank entered into the legal proceedings for the purpose of seeking to protect itself from the court order in which the Bank was considered to be a proxy of that foreign family without the Bank's knowledge. The Federal Court ordered the confidentiality of most of the legal proceedings and prevented the disclosure of the details of the legal case subject to liability under the US laws.

According to the Fatwa of the Sharia Supervisory Board of the Bank, legal expenses for the legal case in the USA were charged to the common pool of investments as these costs are necessary to defend the interests of the common pool rather than the Mudarib (shareholders) interest alone.

(58) COMPARATIVE FIGURES

Some of 2012 balances were reclassified to correspond with 2013 presentation. The reclassifications did not have any effect on profit and equity.

Quality

قال تعالى:

« وَأَحْسِنْ كَمَا أَحْسَنَ اللَّهُ إِلَيْكَ »

سورة القصص الآية ٧٧

General meaning of the Holy Verse is:

Do good as ALLAH has been good to you.



**Corporate Governance
Manual for
Jordan Dubai Islamic Bank**





Corporate Governance Guide for Jordan Dubai Islamic Bank

The Bank, represented by the Board of Directors, confirms its commitment to all the requirements of the Corporate Governance Guide and further confirms the ongoing follow-up for all the items.

The Bank's Top Management, under the supervision of the committees emanating from the Board of Directors carried out the tasks and work assigned to them, in addition to making sure of the continuation in the application of and compliance with all terms of the Corporate Governance Guide adopted with emphasis on strict adherence to the instructions of the Central Bank of Jordan and the Securities Commission relating to corporate governance. These committees are as follows:

- Executive Committee:

Mr. Muhamad Saeed Al-Sharif,	Chairman of the Committee
Dr. Ismail Zaghoul,	member
Dr. Lo'ay Suhwail,	member
The Committee held 4 meetings during 2013	

- Corporate Governance and Compliance Committee:

Mr. Muhamad Saeed Al-Sharif,	Chairman of the Committee
Dr. Ismail Zaghoul,	member
Dr. Lo'ay Suhwail,	member
The Committee held 2 meetings during 2013	

- Audit Committee:

Mr. Raslan Deiranieh,	Chairman of the Committee
Dr. Faisal Hayyari,	member
Mr. Mohamad Al Falasi,	member
The Committee held 4 meetings during 2013	

- Nominations and Compensation Committee:

Mr. Raslan Deiranieh,	Chairman of the Committee
Mr. Mohamad Saeed Al-Sharif,	member
Mr. Shahm Al Wir,	member
The Committee held 2 meetings during 2013	

- Risk Management Committee

Dr. Faisal Hayyari,	Chairman of the Committee
Mr. Shahm Al Wir,	member
Mr. Mohamad Al Falasi,	member
The Committee held 4 meetings during 2013	

***The Board of Directors held 9 meetings during 2013**

First: Observance to Corporate Governance

The Bank prepared the Corporate Governance manual to define the nature of its relation with shareholders and all authorities concerned (stakeholders), and to define the strategy and organization and principles that will secure all rights and duties according to the best practices, depending on the content of the principles of Corporate Governance issued by the Organization of Economical Cooperation and Development (OECD), and the directions issued by Basle Committee regarding enforcement of Corporate Governance in banking foundations, and in conformity to requirements of the Central Bank of Jordan and teachings of the gracious Islamic Sharia and in conformity with its needs and policies.

The Corporate Governance of the Bank provides basis for development and future organizational performance, and supports trust in all of the Bank's activities and dealings; besides, it enables the Bank to participate successfully in developing the banking system in Jordan; and consequently it participates in upgrading the competence of the national economy and creates an environment of reassurance for the shareholders and all authorities concerned.

The manual depends on many principles that effectively participate in applying the best practices of the corporate governance in the Bank, such as:

- Fairness in treating all parties concerned such as: shareholders, depositors, borrowers, the Bank's employees and regulatory authorities.
- Transparency and expression in a manner that enables parties concerned to evaluate the Bank's position and financial performance.
- Accountability in the relationship between the Bank's executive management and the Board of Directors, and between the Board of Directors and the shareholders and between Board of Directors and other parties concerned.
- Defining responsibility, regarding the clear separation between responsibilities and delegating authorities.

The Board of Directors of the Jordan Dubai Islamic Bank approved in a session held on the twenty ninth of April 2010 the manual and adopted it as a reference for Corporate Governance in the Bank; it is available in both the Arabic and English languages on the Bank's website.

Second: Functions of the Board of Directors

General Principles:

A- The Board assumes all responsibilities relating to the Bank's operations and its financial integrity and ensures that it meets requirements of the Central Bank of Jordan and interests of the shareholders, depositors, borrowers, employees and other related parties; and ensuring that the Bank is managed wisely and within the framework of effective laws and regulations and the Bank's internal policies.

B- The board will strengthen the principal of commitment of each member towards the Bank and all its shareholders and not towards a particular shareholder.

C- The Board will set the Bank's strategic goals in addition to monitoring its executive management, which assumes the responsibilities of the daily operations.

D- The Board will approve systems of internal control and supervision and will ensure their



effectiveness and the extent of the Bank's observance to the strategic plan, policies and procedures adopted by the Bank or requested by virtue of the effective rules and regulations. In addition to ensuring that all Bank's risks have been managed in a sound manner.

1- Chairman of the Board and General Manager:

A- The positions of the Chairman of the Board and the General Manager are separated, provided that the Chairman and General Manager do not have family relations closer than third degree. Separation in responsibilities will be by virtue of written instructions approved by the Board; and they will be revised when the need arises.

B- Should the Chairman hold an executive position, the Bank will appoint an independent member as a Deputy- Chairman to ensure the availability of an independent spokesperson for the shareholders; although according to the best international practices, the chairman will not be an executive (not full-time and not occupying a position in the Bank); therefore, the Bank will keep this matter under revision.

C- Status of the Chairman will be disclosed whether he was executive or non-executive.

2- Role of the Chairman of Board (The Chairman):

A- The Chairman will establish constructive relationship between the Board and its members and the executive management.

B- Create a culture-during the Board meetings – that encourages constructive criticism concerning issues of contradiction in the points of view among the members, and also encourages discussions and voting on these issues.

C- Ensure that adequate information has been received by the Board's members, shareholders and regulatory authorities in a timely manner.

D- Ensure that there are high standards of corporate governance at the Bank through reviewing the periodical reports and events at the executive management levels at the Bank.

E- Activating the role of the Board and those committees emerging from it.

3- The Board of Directors composition:

A- The Board of Directors consists of eleven members elected by the General Assembly for a period of four years; and also the Chairman of the Board of Directors is elected by the members of the Board of Directors.

B- In forming the Board, variety of practical experience and professionalism and specialized skills are taken into account; it is possible for the Board to include executive members; and it is preferred that the majority of members are of those non-executive members.

C- It should be taken into account that the Board of Directors will have at least three independent members.

D- An independent member is defined as the member (whether in his personal capacity or a representative of a legal entity) who is related to the Bank only through his being a member of the Board of Directors, which makes his judgment of matters not affected by any considerations or external matters. The minimum limit of requirements the independent member should possess, include:

1. He / she should have not worked in the Bank as an employee during the three years prior to the date of nomination for the Board's membership.
2. He/she should not have any relation to any executive or director below second degree family relationship.
3. He/she should not receive any salary or sum of money from the Bank except those received

as remuneration for his membership in the Board.

4. He/she should not be a member of a Board of Directors or an owner of a company that the Bank deals with except those dealings resulting from a normal services and/or business provided by the Bank to its clients, provided that, they submit to the same conditions of similar dealings with any other party and without any preferential conditions.

5. He /she should not be a partner to the external auditor or an employee at his/her firm during the three years prior to the date of nomination to the Board's membership.

6. His/her participation should not form an effective interest in the Bank's capital; nor be an affiliate of another shareholder.

4- Organizing the Board's Agenda:

A- To secure the comprehensiveness of subjects discussed in the Board's meetings, the executive management will take the initiative to propose the subjects it deems important in the agenda of each meeting, after consultation with the Chairman of the Board.

B- The Board's meetings should not be less than (6) meetings a year, provided that the period between one meeting and the other should not be more than two months.

C- The Bank's policy should include existence of independent members in the Board to assure objectivity of resolutions and to guarantee Board's having a level of observance that secures the balance of all parties' influence including the executive management and main shareholders; and to make sure that the resolutions taken are at the interest of the Bank.

D- The Bank will provide the Board's members through the secretary with sufficient and adequate information and before enough time prior to the Board's meetings to enable them to take resolutions appropriately.

E- It is the duty of the Board's secretary to write down the Board's discussions and proposals and the member's voting taken during the Board's meetings.

F- All of the responsibilities of the Board of Director's members are defined and clear and conforming to the relevant legislations. The Bank has to provide each one of the Board's members upon election with a letter that clarifies the member's rights and responsibilities and duties.

G- Limits of banking operations requiring the approval of the Board of Directors are clarified in writing such as:

1- The authority of the Board concerning granting loans that exceed a defined amount

2- The Board's authority regarding related –party transactions.

H- The Board's members should be always be acquainted with developments inside the Bank and the local and international banking sectors.

Moreover, the Bank has to provide the members with an appropriate summary of the Bank's activities and upon appointment, during the period of membership or upon demand.

I- The Board's members and committees will have, if necessary, the authority to ask for help from external resources to help them in performing the tasks they are entrusted with.

J- Communication between the members of the Board of Directors and the executive management is always available through the General Manager.

K- An organizational structure defines the administrative hierarchy (including the Board's committees and the executive management). The public is provided with that part of the organizational structure that shows the higher managerial levels in the Bank.

L- The Board's secretary will ensure that the Board's members follow the approval procedures and to circulate information among the Board's members, committees, and the executive management; in addition to setting the dates of the Board's meetings and writing the minutes of meeting.

M- The Board will define the job and duties of the Board's secretary, officially and in writing,



and in conformity with the level of responsibilities referred to above. Besides, any decision of appointment or dismissal of the secretary is taken by the Board unanimously.

5- Board's Activities:

A. Appointments and Succession:

- The Board's policy should include the appointing of a General Manager who enjoys integrity and technical competence and banking experience.
- The Board's approval is to be taken upon the appointment of the executive managers and making sure that they have the required experience.
- The Board will approve the succession plans for the Bank's executive managers in a manner that takes into consideration their qualifications and the needed requirements for the position.

B. Self-Assessment and Evaluation of the General Manager's:

1- The Board through the committee of nominations and remunerations shall evaluate the Board performance at least once a year, through following defined and approved standards in evaluation. The standard of performance evaluation should be:

- Objective and reasonable.
 - Capable of being measured quantitatively or qualitatively.
 - Capable of being compared with other banks and similar well reputed financial institutions.
 - The extent to which the Bank complies with regulatory requirements.
- 2- The General Manager is evaluated by the Board annually.

C. Planning, Control and Audit Systems, Code of Ethics, and Conflict of Interest:

1- The Board will define the Bank's goals and set up the general policies, as well as directing the executive management to plan a strategy to achieve these goals. The executive management, in participation with all of the Bank's departments, will put forth a work plan to obtain the planned goals.

The Board will approve the strategy and the work plans and ensure the executive management had reviewed the performance achievements in conformity with the work plans and had taken corrective procedures where necessary. Preparing budgets is a part of the short-range planning operation and performance measurement process.

2- All of the Board's members will sign the code of Ethics where this will include (at least) an undertaking by the member to:-

- Not to carry out direct operations or through the others aiming to manipulate the Bank's shares prices or securities markets.
- Transfer information to any other person aiming to create influence on this Bank's share prices.
- Non-disclosure of special or secret information through their practice of their jobs.
- To carry out all of the Board's activities honestly and faithfully and in conformity with the higher interest of all shareholders.

3- The Board will always ensure the Bank enjoys integrity and higher professionalism in conducting its works. This should be achieved through:-

- Setting up policies and procedures and approval of them by the Board to make sure that the Bank practices its operations at a high level of professionalism.

- All the Bank's employees will sign annually the Code of Ethics and ensure it is being updated annually in conformity with best practices.
 - Entrusting the risk management committee to direct the executive management to set up procedures and systems that ensures the exposure of cases of conflict of interest or transactions carried out by the Bank's employees for their own personal interest, or based on inside information; and to obtain periodical reports to make sure that the committee applies such standards.
 - Entrusting the executive management to set up the rules and procedures to organize operations with parties concerned whether between the Bank and its employees or the members of the Board of Directors or their companies or parties related to them including financing, investment operations and trading transactions with the Bank. Such rules will include an assurance that granting credit to the Board's members and their companies are carried out by virtue of prevailing prices in the market and not according to preferential conditions and the member will not participate in any meeting that discuss dealings or contracting or voting on . In addition such transactions will be disclosed in the Bank's annual report. Moreover, the Bank's departments concerned with the control and internal observations systems should ensure that the parties' operations concerned have been carried out according to that policy.
- 4- The Bank should have written policies covering all of the banking activities and to be circulated to all administrative levels and reviewed regularly to make sure that they include any modifications or changes that occurred on laws and instructions and economic conditions or any other matters related to the Bank.
- 5- The Bank will, as a part of the approval of granting financing, evaluate the quality of its clients' Corporate Governance (the companies), in particular the incorporated general companies; where the clients' risk evaluation is included with the points of weakness and strength of their practices in the field of governance. The Bank may think to reward its clients whose foundations include good governance.

Third: The Board's Committees

General Provisions:

A- The Board will, to increase its efficiency, form committees with specified goals and entrusted with powers and responsibilities for a specific period of time according to the charter to clarify all the afore-mentioned and in a way so that those committees will submit periodical reports to the Board as a whole. The establishment of such committees will not relieve the Board from direct responsibility for all matters related to the Bank.

B- Principle of transparency to be confirmed when appointing the members of the Board's committees.

The names of the members of these committees and a resume of their duties and responsibilities will be disclosed in the Bank's annual report.

C- The Board may merge the tasks of a number of its committees, if appropriate or more appropriate from the administrative aspect.

1-Executive Committee:

A- The Board will form an executive committee composed of least three experienced members of the Board of Directors; and the committee practices its powers according to the



powers it has been granted by the Board of Directors.

B- The Executive Committee has, through its Chairman, the power to acquire any information from the executive management, in addition to its right of calling on any executive employee or a member of the Board of Directors to attend its meetings; and provided that is stated in writing in the charter that includes the committee's tasks and responsibilities.

C- The committee's duties are focused on the following:-

- General supervision and performance review in comparison with strategy and budget.
- Follow-up on the works of all committees affiliated to the executive management and decisions made.
- Evaluation of the General Manager and the executive management and submission of recommendations.
- Monitoring the Bank's performance and the executive administration's activities, in addition to a periodical review of the performance in comparison with strategy and budget approved by the Board.
- Taking lending and investment decisions that are beyond the powers of the executive management's committees and submitting recommendations/reports to the Board in this regard .
- Review and approval of lending and investment proposals according to the powers granted by the Board of Directors.
- Review and approval of policies, procedures and products.
- On going review of the Bank's management performance.

2- Corporate Governance and Compliance Committee:

A- The Board will form a Corporate Governance and Compliance committee composed of at least four experienced Non-Executive members of the Board. Moreover, the committee practices its powers according to powers granted by the Board of Directors.

B- The Corporate Governance and Compliance Committee has, through its Chairman, the power to acquire any information from the executive management, in addition to its right of calling on any executive employee or a member of the Board of Directors to attend its meetings; and provided that is stated in writing in the charter that includes the committee's tasks and responsibilities.

C- The main focus of this committee's work are the following:-

- Organizing the relationship between the Bank and its shareholders and ensuring the issuance of the required disclosure reports.
- Issuance of periodical reports, for the Board of Directors about the extent of the Bank's observance of the practices of the corporate governance.
- Working and coordinating with other committees of the Board to raise the corporate governance's coordination and to secure transparency of committee's work before the Board.
- Enforcement of transparency and disclosure.
- Supervising the practices of the corporate governance in the Bank and securing the existence of all of its basic supports needed.
- The committee is responsible for ensuring of compliance according to policies and procedures and requirements of the Central Bank of Jordan and the other legislative authorities including requirements of anti-money laundering and terrorist financing.
- Supervising of preparing and updating the compliance policy , annual plan and increasing awareness of the compliance inside the Bank.
- Evaluation of efficiency degree by which the Bank manages the "Compliance Risks", and issuance of periodical reports for the Board of Directors about the extent of the Bank's compliance before the supervising authorities.

- Making sure of and securing the existence of an internal effective supervising system, to apply the compliance policies and ensuring its good performance.

3- Audit Committee:

A- The Board will form an Audit Committee composed of at least three experienced non-executive members of the Board of Directors. The committee practices its power according to powers granted by the Board.

B- Responsibility of the Audit Committee shall not relieve the Board of directors or the executive management of their responsibilities regarding oversight of the adequacy of internal controls and inspection systems.

C- The audit committee will practice the responsibilities and powers it is entrusted with by virtue of the law of Banks and any other related legislation. This includes the revision of the following:

- Scope and adequacy of internal and external audit of the Bank.
- The accountancy issues of substantial effect on the financial statements.
- internal controls and inspection systems in the Bank.

D- The audit committee will provide the recommendations to the Board concerning appointing, termination, enumeration of the external auditor and any other contractual conditions related thereto. In addition to evaluation of the external auditor's objectivity taking into consideration any other works conducted outside the range of auditing performed to ensure objectivity.

E- The audit committee has, through its Chairman, the power to acquire any information from the executive management, in addition to its right of calling on any executive employee or a member of the Board of Directors to attend its meetings; and provided that is stated in writing in the charter that includes the committee's tasks and responsibilities.

F- The audit committee will meet with the external auditor , internal auditors and the compliance officials at least once a year in the absence of the executive management.

G- The audit committee's responsibility does not suffice the responsibilities of the Board or the Bank's executive management in regard to control over the adequacy of control systems and internal audit.

H- The audit committee approves the annual audit plan and controls its application, in addition to reviewing the audit notes; and the audit committee is considered responsible directly for supervision of the activities of the internal audit management.

I. The ratification of the policy manual and the annual work plan and audit-related activities, including resource planning and training of the audit department and to ensure that there are no undue restrictions, as it is reviewed on an annual basis, the performance of the Bank's audit department versus those planned.

J. Reviewing the accounting policies suitability, all the business policies related, and ensuring the proper and suitable implementation of the new policies and all policies as well.

K. Reviewing the banks' financial statements prior to their submission to the board of directors and its commitment with the CBJ regulations concerning the provisions of the doubtful debts collection, and the securities portfolio, and sharing points of view about the non-performing financing, and those suggested for bad debts.

L. Reviewing all the important financial and disclosing cases including the changes in accounting policies, and the important adjustments, and the key cases that have been resulted from accounting auditing, and the viable independent reasoning for transactions, and the latest professional and regulatory disclosures and understanding its impact on the financial reports.

M. Studying and ensuring the controlling and accounting proceedings accuracy , and the



degree of being compliant with it.

N. Reviewing the comments of the CBJ reports and the external auditors and any other reports from any regulatory authority and following the actions taken on them.

4- Nominations and Remuneration Committee:

A- The Board will form the nominations and remuneration committee composed of at least three experienced non-executive members from the Board of Directors provided that the majority (including the chairman of the committee) are independent members. The committee practices its power according to powers granted by the Board.

B- The Nominations and Remuneration Committee has, through its Chairman, the power to acquire any information from the executive management, in addition to its right of calling on any executive employee or a member of the Board of Directors to attend its meetings; and provided that is stated in writing in the charter that includes the committee's tasks and responsibilities.

C- The nomination and remuneration committee will name the members of the Board based on their abilities and qualifications. It also takes the procedures relating to re-nomination for new periods and any material remuneration or benefits for the Board's Members. The committee will also decide whether the member has or not the capacity as an independent member, and to define independent members among them, taking into account the least level of requirements that the independent members should meet.

D- The nomination and remuneration committee assumes the responsibility of providing information and summaries about the background of certain important topics about the Bank to the Members of the Board on demand; it also ensures to continuously updated them on the latest bank business related topics. To achieve this, the Bank encourages the members of its Board of Directors to attend seminars and events that offer them the chance to meet with the local and international enterprises and companies.

E- The nomination and remuneration committee adopts defined and certified foundations in evaluating the Board's efficiency, where the criterion of performance evaluation is objective and includes comparison with the other Banks and similar financial institutions, in addition to criteria of the soundness and correctness of the Bank's financial data and extent of observance of regulatory requirements.

F- The nomination and remuneration committee revises and recommends remuneration including the monthly salary and other benefits for the General Manager, and the Executive management depending on the periodical performance evaluation.

G- The nomination and remuneration committee assumes the responsibility of ensuring the existence of a remuneration policy at the Bank which includes sufficient rewards / salaries to attract qualified people to work for the Bank and retain them in a way that conforms to the rewards/salaries granted by similar Banks in the market.

5- Risk Management Committee:

A- The board will form the risk management committee composed of at least three experienced Non-Executive members of the Board of Directors. The committee practices its power according to powers granted by the Board

B- The Risk Management Committee has, through its Chairman, the power to acquire any information from the executive management, in addition to its right of calling on any executive employee or a member of the Board of Directors to attend its meetings; and provided that is stated in writing in the charter that includes the committee's tasks and responsibilities.

C- The risk management committee revises the strategy and policy of the Risk Management Department and risk appetite of the Bank before it is endorsed by the Board. The Bank's executive management assumes the responsibility of carrying out these strategies, in addition to developing policies and procedures of managing the different types of risks.

D- The risk management committee follows up on the size and type of risks (strategy, credit, market, operations and liquidity) that the Bank is exposed to and any changes that may happen.

E- This committee revises and evaluates Capital Adequacy of the Bank and its appropriations for the Bank's businesses.

Fourth: The Sharia Supervisory Board:

1- The General Assembly of shareholders will appoint upon the recommendations of the Board of Directors, appointed a Sharia Supervisory Board that consists of at least three members of the Islamic Sharia scholars; and its opinion is obligatory to the Bank.

2- The Board of Directors will issue, based upon the recommendation of the Sharia Supervisory Board, the Board's bylaw, in addition to the financial system and the remunerations for its members.

3- The Board's tasks include the following:-

- Studying all subjects, inquiries and various financing formulas, which the Bank deals with, to ensure that they conform to Islamic Sharia laws.

- The committee will verify the presence of a jurisprudential authority that will support the Bank's assumption of any losses resulting from joint investment transactions.

- Verifying and persuasion of conformity with the Sharia controls for all contracts and instructions and other transactions and its procedural requirements, and non-existence of any Sharia impediment or taboo to approve it or modify it to conform to the Islamic Sharia laws.

- The Bank's annual report includes a disclosure from the Sharia Supervisory Board about the Sharia opinion of the Bank's businesses and activities, the Bank's balance sheet, profits and losses account and any other explanations; in addition to the disclosure of any breach to the Sharia laws.

Fifth: Control and Internal Inspection

1-Internal Control and Inspection systems:

A- Internal and external auditors will review the structure of the internal control and inspection systems at least once a year.

B- The Board will include in the Bank's annual report; a report concerning the adequacy of the internal control and inspection systems on the financial reporting .The report will include the following:-

- A paragraph showing the executive management's responsibility for the status of the internal control and inspection systems regarding financial reporting in the Bank and maintaining such systems.

- A paragraph concerning the framework used by the executive management to evaluate the efficiency of the internal control and inspection systems.

- The executive management evaluation of the efficiency of the internal control and inspection systems as at the date of the financial statements included in the Bank's annual report.

- Disclosure on any points of weakness of intrinsic value in the internal control and inspection



systems (any point of substantial weakness is a point or a number of points of obvious weakness that will result in possibility of failing prevent or expose to an incorrect statement of substantial effect).

- External auditor report stating its opinion regarding the executive management's evaluation of the efficiency of the internal control and inspection systems.

C- The Bank will set procedures that enable the employees to notify secretly in due time about the existence of fears concerning the possibility of violations to happen, in a way that allows carrying out inspections independently about such fears and follow-up on them. The audit committee will monitor the implementation of such procedures.

2- Internal Audit:

A- The Bank should provide the internal audit management with a sufficient number of qualified human cadres who will be trained and remunerated in a suitable manner. The Internal audit management will have the right to obtain any piece of information and contact any employee inside the Bank. In addition, it will be given all authorities that enable it to perform the tasks it is entrusted with as required. The Bank should document the tasks, powers, and responsibilities of the Internal audit management within the Internal Audit Charter approved by the Board and to circulate it inside the Bank.

B- The internal audit management will submit its reports to the Chairman of the audit committee.

C- Internal audit employees should not be entrusted with any executive responsibilities; and the internal audit management will be responsible for suggesting the structure and scope of the internal audit and it will be also responsible for informing the audit committee of any possibility of the existence of conflict of interest.

D- The internal audit management will practice its duties and prepare its report without any external interference; and it will have the right to discuss its reports with audited.

E- The main responsibility of the internal audit management -that is based on risk based audit- is to review the following as a minimum:-

- Operations of financial reporting in the Bank(to ensure that the basic information about the financial and administrative matters and transactions is accurate, reliable and timely).
- Compliance with the Bank's internal policies, international standards ,procedures and relevant rules and regulations.

3- External Audit:

A- The Bank is required to provide regular rotation of the external audit between audit firms, where-when-ever possible – a new external auditor is elected every two successive fiscal years; and when it is difficult to apply , the Bank will request regular rotation of the principal partner responsible for the Bank's external audit.

B- The external auditor will provide the audit committee with a copy of his report. The external auditor should meet with the audit committee in the absence of the executive management at least once a year.

4- Risk Management:

A- The Bank's risk management department will submit its reports to the risk management committee. As for the daily operations, it will be reported to the General Manager.

B- The Bank's risk management department's responsibilities include the following:-

- Analysis of all risks including credit risks, market risks, liquidity risks and operation risks.

- Developing measurement methodologies and control for each type of risk.
 - Recommending for the Risk Management Committee with risk limits, approvals, reporting as well as documenting exceptions to the risk management policy.
 - Providing the Board and the executive management with information about risk measurement and risk profile. (The Board will review the qualitative and quantitative risk statistics in the Bank at every meeting).
 - Providing information about risks of the Bank for use in disclosure and publications to the public.
- C- The Bank's internal committees such as the credit committees, Assets and Liability Management , will perform their tasks, with the assistance of the Risk Management , in accordance with authorities defined thereto.
- D- The Bank's annual report should include information about the risk management regarding its structure and nature of its operations and developments occurred.

5- Compliance:

- A- An independent department shall be to be established in the Bank to observe compliance; and it will be supported with trained cadres, and sufficiently remunerated, in conformity with the instructions of the Central Bank of Jordan issued in this regard.
- B- The Bank will support the compliance administration with any resources necessary to perform its work.
- C- The compliance Department will prepare an effective methodology to guarantee the Bank's compliance with all effective laws and legislations and any relevant directives and guidelines. The Bank has to document the tasks, powers and responsibilities of the compliance Department and to be circulated in the Bank. The executive management will cooperate fully with the compliance Department and provide means of communication with all different parties.
- D- The board will approve and monitor the compliance policy .The Compliance department will be responsible for preparation and development of this policy and application at the bank.
- E- The compliance Department will report on the outcomes and monitoring to the Board or the Committee emanating there from. A copy of the report will be sent to Executive Management ,in accordance with the instructions of the Central Bank of Jordan issued in this regard.
- F- The compliance Department will have the right of access to any documents or instruments or to call for any employee for matters related to its task ,and the executive management shall cooperate in this regard.

Sixth: Relationship with the Shareholders

- A- The Bank will take steps to encourage the shareholders, especially minority shareholders, to attend the General Assembly Annual Meeting and vote either in person , or in their absence, by proxy.
- B- The chairperson of the audit committee, the nomination and remuneration committee and any other committees emanating from the Board shall attend the General Assembly Annual Meeting.
- C- A representative of the external auditors shall attend the General Assembly Annual Meeting to respond to any questions that may arise about audit and the auditor's report.
- D- Individual voting shall be taken into consideration on issue raised during the General



Assembly Annual Meeting .

E- The Board's members shall be elected or re-elected during the General Assembly Annual Meeting in accordance with the provisions of the Law of Companies and the external auditor is elected during the same meeting.

F- After the end of the General Assembly Annual Meeting, a report is to be prepared to acquaint shareholders with the notes taken during and the results, including results of voting and the questions raised by the shareholders and responses of the executive management thereon.

Seventh: Transparency and Disclosure

A- The Bank will disclose according to the Islamic accounting standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI). Where there are no Islamic Accountancy Standards, the International Financial Reports Standards (IFRS) will be applied, provided that they will not contradict the provisions of the Sharia and the instructions of the Central Bank of Jordan in effect and issued by virtue of the law of Banks in effect and legislations related. Moreover, the Bank will be acquainted with the changes occur to for the international financial disclosure practices and the extent of transparency required from financial institutions. The Bank's management will be responsible for ensuring the observance to full application of all modifications occurring to international standards of the financial reporting. The executive management will submit reports about the development to the Board, in addition to presenting recommendations about the means of enforcement of the Bank's practices in the field of disclosure, in a way that exceeds the requirements of the Central Bank of Jordan in this regard.

B- The Bank is committed to provide meaningful information about its activities to the Central Bank of Jordan, shareholders, depositors, the regulatory authorities, other Bank's and the public in general, focusing on issues that maybe of a concern to shareholders. The Bank will disclose all of this information periodically and making it available for everyone.

C- The Bank will confirm in its annual reports the responsibility towards the accuracy and sufficiency of the Bank's financial statement and the information stated in its annual report.

D- The Bank is committed to maintain channels of communication with the regulatory authorities, shareholders, depositors, other Banks and public in general .These channels will be through the following:-

- Function of investor's relations, to be occupied by a qualified cadre to provide comprehensive, objective, and updated information about the Bank and its financial status, performance and activities
- The annual report issued after the end of the fiscal year.
- The quarterly reports containing quarterly financial information, in addition to the Board's report about the circulation of the Bank's shares and its financial status during the year.
- Periodical meetings between the Bank's executive management, investors and shareholders.
- Providing a periodical summary to the shareholders and analysts in the financial market and media reporters in the financial sector, by the executive management, and in particular the General Manager and the financial director (CFO).
- Providing the information contained in the Bank's annual report or its quarterly reports, or in lectures presented by the executive management, through the function of investor relations and on the Bank's website in an updated manner in both Arabic and English languages.

E- The Bank's annual and quarterly reports will include a " Management Discussion and Analysis" (MD&A) which will enable the investors to comprehend the results of present and

future operations and the Bank's financial position including the potential influence of the well-known tendencies, events, and cases of uncertainty. The Bank will undertake to commit that all explanations mentioned in this disclosure are reliable, complete, fair, balanced, and understood, depending on the Bank's published financial statement.

F- The annual report should include, as a part of commitment to transparency and complete disclosure, and in particular the following:-

- The Bank's Corporate Governance Manual and the annual details of its commitment to its clauses with a report on non-compliance issues if any.
- Information about each member of the Board of Directors: qualifications, experiences, share in the Bank's capital, and whether same is independent, executive or non-executive, membership in the Board's committee, date of appointment in the Board, any memberships of other boards of directors, remuneration/ salaries received from the Bank, loans granted by the Bank during the year.
- A summary of the Bank's organizational structure.
- A summary of the Board's committees' tasks and responsibilities, and any powers delegated by the Board to those committees.
- A resume of policy of remuneration, total salaries of the executive management.
- The boards' written statement of the adequacy of the Internal Control and Inspection systems.
- The Bank's main shareholders (such as shareholder or related parties that own or have control over more than (10%) of the Bank's Capital) and definition of the Ultimate Beneficial Owners (who are the main shareholders in the companies considered as main shareholder in the Bank) if that was necessary.



Branches

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Plaza Al Khalidi in front of Al Khalidi Hospital,

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Khilda:

Amer Bin Malek Street

Building 49

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Fax: 065512526

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Al Wehdat:

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Number 313

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Al Hashmi Street

Number 6

Al Rawsan Building

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Irbid:

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